SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

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

For the year ended December 31, 2011 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)	**16-0417150** (IRS Employer Identification No.)
343 STATE STREET, ROCHESTER, NEW YORK (Address of principal executive offices)	**14650** (Zip Code)
Registrant's telephone number, including area code:	**585-724-4000**

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

Title of each Class	**Name of each exchange on which registered**
Common Stock, $2.50 par value	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 [X] 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 [X]

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer [X] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [ ]

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

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, 2011 was approximately $963 million. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's common stock as of February 17, 2012 was 271,415,654 shares of common stock.

PART III OF FORM 10-K

Information required by Items 11, 13, 14, and portions of Items 10 and 12 will be provided in an amendment to this Form 10-K in accordance with General Instruction G(3) to Form 10-K.

Item 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Item 11 - EXECUTIVE COMPENSATION

Item 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Item 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Item 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES

Eastman Kodak Company
Form 10-K
December 31, 2011

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PART I

ITEM 1. BUSINESS

Eastman Kodak Company (the "Company" or "Kodak") helps consumers, businesses, and creative professionals unleash the power of pictures and printing to enrich their lives. When used in this report, unless otherwise indicated, "we," "our," "us," the "Company" and "Kodak" refer to Eastman Kodak Company.

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

CHAPTER 11 FILING

On January 19, 2012 (the "Petition Date"), Eastman Kodak Company and its U.S. subsidiaries (together with the Company, the "Debtors") filed voluntary petitions for relief (the "Bankruptcy Filing") under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") case number 12-10202. The Company's foreign subsidiaries (collectively, the "Non-Filing Entities") were not part of the Bankruptcy Filing. The Debtors will continue to operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Non-Filing Entities will continue to operate in the ordinary course of business.

The Bankruptcy Filing is intended to permit the Company to reorganize and improve liquidity in the U.S. and abroad, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and focus on the most valuable business lines to enable sustainable profitability. The Company's goal is to develop and implement a reorganization plan that meets the standards for confirmation under the Bankruptcy Code. Confirmation of a reorganization plan could materially alter the classifications and amounts reported in the Company's consolidated financial statements, which do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that might be necessary as a consequence of confirmation of a reorganization plan or other arrangement or the effect of any operational changes that may be implemented.

Operation and Implication of the Bankruptcy Filing

Under Section 362 of the Bankruptcy Code, the filing of voluntary bankruptcy petitions by the Debtors automatically stayed most actions against the Debtors, including most actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Company's property. Accordingly, although the Bankruptcy Filing triggered defaults for certain of the Debtor's debt obligations, creditors are stayed from taking any actions as a result of such defaults. Absent an order of the Bankruptcy Court, substantially all of the Company's pre-petition liabilities are subject to settlement under a reorganization plan. As a result of the Bankruptcy Filing the realization of assets and the satisfaction of liabilities are subject to uncertainty. The Debtors, operating as debtors-in-possession under the Bankruptcy Code, may, subject to approval of the Bankruptcy Court, sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the consolidated financial statements. Further, a confirmed reorganization plan or other arrangement may materially change the amounts and classifications in the Company's consolidated financial statements.

Subsequent to the Petition Date, the Company received approval from the Bankruptcy Court to pay or otherwise honor certain pre-petition obligations generally designed to stabilize the Company's operations. These obligations related to certain employee wages, salaries and benefits, and the payment of vendors and other providers in the ordinary course for goods and services received after the Petition Date. The Company has retained, pursuant to Bankruptcy Court approval, legal and financial professionals to advise the Company in connection with the Bankruptcy Filing and certain other professionals to provide services and advice in the ordinary course of business. From time to time, the Company may seek Bankruptcy Court approval to retain additional professionals.

The U.S. Trustee for the Southern District of New York (the "U.S. Trustee") has appointed an official committee of unsecured creditors (the "UCC"). The UCC and its legal representatives have a right to be heard on all matters that come before the Bankruptcy Court on all matters affecting the Debtors. There can be no assurance that the UCC will support the Company's positions on matters to be presented to the Bankruptcy Court in the future or on any reorganization plan, once proposed.

Reorganization Plan

In order for the Company to emerge successfully from chapter 11, the Company must obtain the Bankruptcy Court's approval of a reorganization plan, which will enable the Company to transition from chapter 11 into ordinary course operations outside of bankruptcy. In connection with a reorganization plan, the Company also may require a new credit facility, or "exit financing." The Company's ability to obtain such approval and financing will depend on, among other things, the timing and outcome of various ongoing matters related to the

Bankruptcy Filing. A reorganization plan determines the rights and satisfaction of claims of various creditors and security holders, and is subject to the ultimate outcome of negotiations and Bankruptcy Court decisions ongoing through the date on which the reorganization plan is confirmed.

Although the Company's goal is to file a plan of reorganization, the Company may determine that it is in the best interests of the Debtors' estates to seek Bankruptcy Court approval of a sale of all or a portion of the Company's assets pursuant to Section 363 of the Bankruptcy Code or seek confirmation of a reorganization plan providing for such a sale or other arrangement.

The Company intends to propose a reorganization plan on or prior to the applicable date required under the Bankruptcy Code, as the same may be extended with approval of the Bankruptcy Court. The Company presently expects that any proposed reorganization plan will provide, among other things, mechanisms for settlement of claims against the Debtors' estates, treatment of the Company's existing equity and debt holders, and certain corporate governance and administrative matters pertaining to the reorganized Company. Any proposed reorganization plan will be subject to revision prior to submission to the Bankruptcy Court based upon discussions with the Company's creditors and other interested parties, and thereafter in response to creditor claims and objections and the requirements of the Bankruptcy Code or the Bankruptcy Court. There can be no assurance that the Company will be able to secure approval for the Company's proposed reorganization plan from the Bankruptcy Court or that the Company's proposed plan will be accepted by the lenders under the DIP Credit Agreement, as discussed below. In the event the Company does not secure approval of the reorganization plan, the outstanding principal and interest could become immediately due and payable.

Debtor-in-Possession Credit Agreement

In connection with the Bankruptcy Filing, on January 20, 2012, the Company and Kodak Canada Inc. (the "Canadian Borrower" and, together with the Company, the "Borrowers") entered into a Debtor-in-Possession Credit Agreement as amended on January 25, 2012 (the "DIP Credit Agreement"). The DIP Credit Agreement, provides for an aggregate principal amount of up to $950 million, consisting of up to $250 million super-priority senior secured asset-based revolving credit facilities and $700 million super-priority senior secured term loan facility. Up to $25 million of the revolving credit facility will be available to the Canadian Borrower and may be borrowed in Canadian Dollars. Refer to "Liquidity and Capital Resources" in Item 7, "Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations" for further discussion of the terms of the DIP Credit Agreement.

Chief Restructuring Officer

In connection with the Bankruptcy Filing, the Company hired James A. Mesterharm of AlixPartners as Chief Restructuring Officer to assist in the implementation and execution of the Company's reorganization plan.

REPORTABLE SEGMENTS

The Company reports financial information for three reportable segments: Consumer Digital Imaging Group ("CDG"), Graphic Communications Group ("GCG"), and Film, Photofinishing and Entertainment Group ("FPEG"). The balance of the Company's operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other.

The Company's sales, earnings and assets by reportable segment for these three reportable segments and All Other for each of the past three years are shown in Note 25, "Segment Information," in the Notes to Financial Statements.

2012 Reportable Segments

For 2012, the Company will report financial information for two reportable segments; Commercial Group and Consumer Group.

The Commercial Group will be comprised of the following: Graphics, Entertainment & Commercial Film Business, Digital and Functional Printing, and Enterprise Services and Solutions.

The Consumer Group will be comprised of the following: Intellectual Property and the Consumer Business: Retail Systems Solutions, Consumer Inkjet Systems, Traditional Photofinishing, and Digital Capture and Devices.

CONSUMER DIGITAL IMAGING GROUP ("CDG") SEGMENT

CDG's mission is to enhance people's lives and social interactions through the capabilities of digital imaging and printing technology. CDG's strategy is to drive profitable revenue growth by leveraging a powerful brand, a deep knowledge of the consumer, and extensive digital imaging and materials science intellectual property.

Digital Capture and Devices: Digital Capture and Devices includes digital still and pocket video cameras, digital picture frames, accessories, and branded licensed products. These products are sold directly to retailers or distributors, and are also available to customers through the Internet at the KODAK Store (www.kodak.com) and other online providers. Digital Capture and Devices also includes licensing activities related to the Company's intellectual property in digital imaging products. As announced on February 9, 2012, the Company plans to phase out its dedicated capture devices business, including digital cameras, pocket video cameras, and digital picture frames in the first half of 2012.

Net sales of Digital Capture and Devices accounted for 15%, 28%, and 23% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Net revenues from licensing and royalties within *Digital Capture and Devices* in the CDG segment accounted for 1%, 12%, and 6% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Retail Systems Solutions: Retail Systems Solutions' product and service offerings to retailers include kiosks and consumables, Adaptive Picture Exchange ("APEX") drylab systems and consumables, and after sale service and support. Consumers can create a wide variety of photo gifts including photo books, personal greeting cards, prints, posters, and collages. Kodak has the largest installed base of retail photo kiosks in the world.

Consumer Inkjet Systems: Consumer Inkjet Systems encompasses Kodak All-in-One desktop inkjet printers, ink cartridges, and media. These products are sold directly to retailers or distributors, and are also available to customers through the Internet at the KODAK Store (www.kodak.com) and other online providers. Consumer Inkjet Systems is one of Kodak's four digital growth initiative businesses, and in 2011, printer unit shipments grew 35% year-on-year.

Consumer Imaging Services: Kodak Gallery is a leading online merchandise and photo sharing service. The www.kodakgallery.com website provides consumers with a secure and easy way to view, store and share their images with friends and family, and to receive Kodak prints and other creative products from their pictures, such as photo books, frames, calendars, and other personalized merchandise.

Kodak also distributes KODAK EasyShare desktop software at no charge to consumers, which provides easy organization and editing tools, and unifies the experience between digital cameras, printers, and the KodakGallery services.

Marketing and Competition: CDG faces competition from consumer electronics and printer companies, and other online service companies in the markets in which it competes, generally competing on price, features, and technological advances.

The key elements of CDG's marketing strategy emphasize ease of use, quality, total cost of ownership value proposition, and the complete solution offered by Kodak products and services. This is communicated through a combination of in-store presentation, an aggressive social media strategy, online marketing, advertising, customer relationship marketing and public relations. The Company's advertising programs actively promote the segment's products and services in its various markets, and its principal trademarks, trade dress, and corporate symbol are widely used and recognized. Kodak is frequently noted by trade and business publications as one of the most recognized and respected brands in the world.

GRAPHIC COMMUNICATIONS GROUP ("GCG") SEGMENT

GCG is committed to helping its customers grow their businesses by offering innovative, powerful solutions that enhance production efficiency, open new revenue opportunities, and improve return on marketing investment. To this end, the Company has developed a wide-ranging portfolio of digital products - workflow, equipment, media, and services - that combine to create a value-added complete solution to customers. GCG's strategy is to transform large graphics markets with revolutionary technologies and customized services that grow our customers' businesses and Kodak's business with them.

Prepress Solutions: Prepress Solutions is comprised of digital and traditional consumables, including plates, chemistry, and media, prepress output device equipment and related services, and proofing solutions. Prepress solutions also includes flexographic packaging solutions, which is one of Kodak's four digital growth initiative businesses.

Innovative products within Prepress Solutions include high productivity TRILLIAN SP plates and FLEXCEL NX packaging systems.

Net sales of Prepress Solutions accounted for 26%, 22% and 22% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Digital Printing Solutions: Digital Printing Solutions includes high-speed, high-volume commercial inkjet printing equipment, consumables, and related services, as well as color and black-and-white electrophotographic printing equipment, consumables, and related services. Commercial inkjet is one of Kodak's four digital growth initiative businesses.

Innovative product offerings include PROSPER color and black-and-white presses, components and systems. These products utilize Kodak's revolutionary Stream technology to deliver high-speed, high-quality variable data inkjet printing on a broad range of media at a low running cost.

Business Services and Solutions: The Business Services and Solutions group's product and service offerings are composed of high-speed production and workgroup document scanners, related services, and digital controllers for driving digital output devices, and workflow software and solutions. Workflow software and solutions, which includes consulting and professional business process services, can enable new opportunities for our customers to transform from a print service provider to a marketing service provider, and is one of Kodak's four digital growth initiatives.

Net sales of Business Services and Solutions accounted for 10%, 8%, and 8% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Marketing and Competition: Around the world, GCG products and services are sold through a variety of direct and indirect channels. The end users of these products include businesses in the creative, in-plant, data center, commercial printing, packaging, newspaper, and digital prepress market segments.

GCG faces competition from other companies who offer a range of commercial offset and digital printing equipment, consumables and service. The Company also faces competition from document scanning equipment manufacturers, software companies, and other service providers. Competitiveness is generally focused on technology, solutions and price.

FILM, PHOTOFINISHING AND ENTERTAINMENT GROUP ("FPEG") SEGMENT

FPEG provides consumers, professionals, and the entertainment industry with film and paper for imaging and photography. Although the market for consumer and professional films, traditional photofinishing and certain industrial and aerial films are in decline and expected to continue to decline due to digital substitution, FPEG maintains leading market positions for these products. The strategy of FPEG is to provide sustainable cash generation by extending our materials science assets in traditional and new markets.

Entertainment Imaging: Entertaining Imaging includes origination, intermediate, and color print motion picture films, special effects services, and other digital products and services for the entertainment industry.

Net sales of Entertainment Imaging accounted for 9%, 10%, and 12% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Traditional Photofinishing: Traditional Photofinishing includes color negative photographic paper, photochemicals, professional output systems, and event imaging services.

Net sales of Traditional Photofinishing accounted for 12%, 10%, and 11% of total consolidated revenue for the years ended December 31, 2011, 2010, and 2009, respectively.

Industrial Materials: Industrial Materials encompasses aerial and industrial film products, film for the production of printed circuit boards, and specialty chemicals, and represents a key component of FPEG's strategy of extending and repurposing our materials science assets.

Film Capture: Film Capture includes consumer and professional photographic film and one-time-use cameras.

Marketing and Competition: Film products and services for the consumer and professional markets and traditional photofinishing are sold throughout the world, both directly to retailers, and increasingly through distributors. Price competition continues to exist in all marketplaces. To be more cost competitive with its traditional photofinishing and film offerings, and to shift towards a variable cost model, the Company has rationalized capacity and restructured its go-to-market models in many of its traditional market segments.

Throughout the world, most Entertainment Imaging products are sold directly to studios, laboratories, independent filmmakers or production companies. Quality and availability are important factors for these products, which are sold in a price-competitive environment. The distribution of motion pictures to theaters is another important element of the Entertainment Imaging business, one in which the Company continues to be widely recognized as a market leader. Price competition is a bigger factor in this segment of the motion picture market, but the Company continues to maintain leading share position. As the industry continues to move to digital cinema formats, the Company anticipates that it will face new competitors, including some of its current customers and other electronics manufacturers.

FINANCIAL INFORMATION BY GEOGRAPHIC AREA

Financial information by geographic area for the past three years is shown in Note 25, "Segment Information," in the Notes to Financial Statements.

RAW MATERIALS

The raw materials used by the Company are many and varied, and are generally readily available. Lithographic aluminum is the primary material used in the manufacture of offset printing plates. The Company procures lithographic aluminum coils from several suppliers on a spot basis or under contracts generally in place over the next one to two years. Silver is one of the essential materials used in the manufacture of films and photographic papers. The Company purchases silver from numerous suppliers under annual agreements or on a spot basis. Paper base is an essential material in the manufacture of photographic papers. The Company has a contract to acquire paper base from a certified photographic paper supplier through the end of 2012. Electronic components are used in the manufacture of digital cameras and devices, consumer and commercial printers, and other electronic devices. Although most electronic components are generally available from multiple sources, certain key electronic components included in the finished goods manufactured by and purchased from the Company's third party suppliers are obtained from single or limited sources, which may subject the Company to supply risks.

SEASONALITY OF BUSINESS

Sales and earnings of the CDG segment are linked to the timing of holidays, vacations and other leisure or gifting seasons. Digital capture and consumer inkjet printing products have experienced peak sales during the last four months of the year as a result of the December holidays. Sales are normally lowest in the first quarter due to the absence of holidays and fewer picture-taking and gift-giving opportunities during that time.

Sales and earnings of the GCG segment generally exhibit modestly higher levels in the fourth quarter, due to seasonal customer demand linked to commercial year-end advertising processes.

Sales and earnings of the FPEG segment are linked to the timing of holidays, vacations and other leisure activities. Sales and earnings of traditional film and photofinishing products are normally strongest in the second and third quarters as demand is high due to heavy vacation activity and events such as weddings and graduations. Sales of entertainment imaging film are typically strongest in the second quarter reflecting demand due to the summer motion picture season.

RESEARCH AND DEVELOPMENT

Through the years, the Company has engaged in extensive and productive efforts in research and development.

Research and development expenditures for the Company's three reportable segments and All Other were as follows:

(in millions)	For the Year Ended December 31,		
	2011	2010	2009
Consumer Digital Imaging Group	$ 134	$ 176	$ 166
Graphic Communications Group	147	159	173
Film, Photofinishing and Entertainment Group	11	20	33
All Other	-	2	6
Impact of exclusion of certain components of pension and OPEB expenses	(18)	(39)	(27)
Total	$ 274	$ 318	$ 351

Research and development is headquartered in Rochester, New York. Other U.S. groups are located in New Haven, Connecticut; Dayton, Ohio; Oakdale, Minnesota; and Emeryville and San Diego, California. Outside the U.S., groups are located in Canada, England, Israel, Germany, Japan, China, and Singapore. These groups work in close cooperation with manufacturing units and marketing organizations to develop new products and applications to serve both existing and new markets.

It has been the Company's general practice 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 the Company's ability to provide leadership products and to generate revenue from licensing. The Company holds portfolios of patents in several areas, including digital cameras; network photo sharing and fulfillment; flexographic and lithographic printing plates and systems; digital printing workflow and color management proofing systems; color and black-and-white electrophotographic printing systems; commercial, and consumer inkjet printers; inkjet inks and media; thermal dye transfer and dye sublimation printing systems; digital cinema; and color negative films, processing and papers.

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

ENVIRONMENTAL PROTECTION

The Company 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 the Company 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 the Company’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. The Company 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 the Company's capital expenditures, results of operations or competitive position, with the possible exception of matters related to the Passaic River, which are described in Note 11, "Commitments and Contingencies," in the Notes to Financial Statements, although costs could be material to a particular quarter or year.

EMPLOYMENT

At the end of 2011, the Company employed the full time equivalent of approximately 17,100 people, of whom approximately 8,350 were employed in the U.S. The actual number of employees may be greater because some individuals work part time.

AVAILABLE INFORMATION

The Company 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 the Company's website at www.Kodak.com. To reach the SEC filings, follow the links to Investor Center, and then SEC Filings. The Company also makes available its annual report to shareholders and proxy statement free of charge through its website. Additionally, the Company provides information related to the chapter 11 filing and reorganization plan through the Company's www.kodaktransforms.com website.

We have included the CEO and CFO certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to this report. We have also included these certifications with the Form 10-K for the year ended December 31, 2010 filed on February 25, 2011.

ITEM 1A. RISK FACTORS

The Company's filing of voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code and the Company's ability to successfully emerge as a stronger, leaner company may be affected by a number of risks and uncertainties.
The Company is subject to a number of risks and uncertainties associated with the filing of voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code, which may lead to potential adverse effects on the Company's liquidity, results of operations, brand or business prospects. We cannot assure you of the outcome of the Company's chapter 11 proceeding. Risks associated with the chapter 11 filing may impact all entities, including the Non-Filing Entities, and include the following:

- the ability of the Company to continue as a going concern;
- the Company's ability to obtain Bankruptcy Court approval with respect to motions in the chapter 11 cases and the outcomes of Bankruptcy Court rulings of the case in general;
- the length of time the Company will operate under the chapter 11 cases and its ability to successfully emerge;
- the ability of the Company and its subsidiaries to develop and consummate one or more plans of reorganization with respect to the chapter 11 cases;
- the Company's ability to obtain Bankruptcy Court and creditor approval of its reorganization plan and the impact of alternative proposals, views and objections of creditor committees and representatives, which may make it difficult to develop and consummate a reorganization plan in a timely manner;
- risks associated with third party motions in the chapter 11 cases, which may interfere with the Company's plans of reorganization;
- the ability to maintain sufficient liquidity throughout the chapter 11 proceedings;
- increased costs related to the bankruptcy filing and other litigation;
- the Company's ability to manage contracts that are critical to its operation, to obtain and maintain appropriate terms with customers, suppliers and service providers;
- whether the Company's non-U.S. subsidiaries continue to operate their businesses in the normal course;
- the Company's ability to fairly resolve legacy liabilities in alignment with the Company's plan of reorganization;
- the outcome of all pre-petition claims against the Company; and the Company's ability to maintain existing customers, vendor relationships and expand sales to new customers.

Continued investment, capital needs, restructuring payments and servicing the Company's debt require a significant amount of cash and the Company's ability to generate cash may be affected by factors beyond the Company's control.
The Company's business may not generate cash flow in an amount sufficient to enable us to pay the principal of, or interest on, the Company's indebtedness, or to fund the Company's other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements.

The Company's ability to generate cash is subject to general economic, financial, competitive, litigation, regulatory and other factors that are beyond the Company's control. We cannot assure you that:

- the Company's businesses will generate sufficient cash flow from operations;
- the Company's plans to generate cash proceeds through the sale of non-core assets will be successful;
- the Company's ability to generate cash proceeds through the execution of the Company's intellectual property licensing strategies, or the potential sale of the Company's digital imaging patent portfolios will generate sufficient cash proceeds;
- we will be able to repatriate or move cash to locations where and when it is needed;

- we will realize cost savings, earnings growth and operating improvements resulting from the execution of the Company's chapter 11 business and restructuring plan; or
- future sources of funding will be available to us in amounts sufficient to enable us to fund the Company's liquidity needs.

If we cannot fund the Company's liquidity needs, we 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. These actions may be restricted as a result of the Company's chapter 11 filing and the DIP Credit Agreement. Such actions could increase the Company's debt, negatively impact customer confidence in the Company's ability to provide products and services, reduce the Company's ability to raise additional capital, and delay sustained profitability. We cannot assure you that any of these remedies could, if necessary, be affected on commercially reasonable terms, or at all, or that they would permit us to meet the Company's scheduled debt service obligations. The Company's DIP financing agreement requires that we use certain proceeds from asset sales to make payments to secured lenders. In addition, if we incur additional debt, the risks associated with the Company's substantial leverage, including the risk that we will be unable to service the Company's debt or generate enough cash flow to fund the Company's liquidity needs, could intensify.

The Company's plans to raise cash proceeds from the sale of non-core assets and the potential sale of the Company's digital imaging patent portfolio may not be successful in raising sufficient cash, may be negatively impacted by factors beyond the Company's control and may harm the perception of us among customers, suppliers and service providers.
A number of factors could influence the Company's ability to successfully raise cash through asset sales and the sale of the Company's digital imaging patent portfolio, including the approval of the Court and the Unsecured Creditors Committee under chapter 11, the process utilized to sell these assets, the number of potential buyers for these assets, the purchase price such buyers are willing to offer for these assets and their capacity to fund the purchase, the potential impact of an adverse judicial ruling in one of the Company's litigation matters related to one or more of the patents in the digital imaging portfolio, or the ability of potential buyers to conclude transactions and potential issues in the closing of transactions due to regulatory or governmental review processes. One or more of these factors could negatively affect the timing of planned asset sales and the level of cash proceeds derived from the sales which could adversely impact the Company's cash generation and liquidity. Further, there is no assurance that these plans will be successful in raising sufficient cash proceeds or that the sale of certain of the Company's assets, including the digital imaging patent portfolio, will not harm the Company's customers', suppliers' and service providers' perception of us.

If we are unsuccessful with the Company's strategic investment decisions, the Company's financial performance could be adversely affected.
The Company has focused its investments on businesses in large growth markets that are positioned for technology and business model transformation, specifically, consumer inkjet, commercial inkjet (including the Company's Prosper line of products based upon the Company's Stream technology), packaging solutions, and workflow software and services. While we believe each of these businesses has significant growth potential, consumer inkjet, commercial inkjet, and workflow software and services also require additional investment. The introduction of successful innovative products and the achievement of scale are necessary for us to grow these businesses, improve margins and achieve the Company's financial objectives. If we are unsuccessful in growing the Company's investment businesses as planned, the Company's financial performance could be adversely affected.

The Company's failure to implement plans to reduce the Company's cost structure in anticipation of declining demand for certain products or delays in implementing such plans could negatively affect the Company's consolidated results of operations, financial position and liquidity.
We recognize the need to continually rationalize the Company's workforce and streamline the Company's operations to remain competitive in the face of an ever-changing business and economic climate. If we fail to implement cost rationalization plans such as restructuring of manufacturing, supply chain, marketing sales and administrative resources ahead of declining demand for certain of the Company's products and services, the Company's operations results, financial position and liquidity could be negatively impacted. Additionally, if restructuring plans are not effectively managed, we may experience lost customer sales, product delays and other unanticipated effects, causing harm to the Company's business and customer relationships. The business plan associated with the Company's chapter 11 reorganization is subject to a number of assumptions, projections, and analysis. If these assumptions prove to be incorrect, we may be unsuccessful in executing the Company's plan, which could adversely impact our financial results and liquidity. Additionally, the Company's ability to execute restructuring within the entities filing for chapter 11 is subject to the approval by the Unsecured Creditors Committee and Bankruptcy Court. 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 the Company's business.

There can be no assurance that the Company will be able to meet the requirements under our Debtor-in-Possession Credit Agreement.
In addition to standard financing covenants and events of default, the Debtor-in-Possession Credit Agreement (the "DIP Credit Agreement") also provides for (i) a periodic delivery by the Company of various financial statements set forth in the DIP Credit Agreement and (ii) specific milestones that the Company must achieve by specific target dates. In addition, the Company and its subsidiaries are required not to

permit consolidated adjusted EBITDA to be less than a specified level for certain periods, and to maintain minimum U.S. Liquidity (as defined in the DIP Credit Agreement).

A breach of any of the covenants contained in the DIP Credit Agreement, or our inability to comply with the required financial covenants in the DIP Credit Agreement, when applicable, could result in an event of default under the DIP Credit agreement, subject, in certain cases, to applicable grace and cure periods. If any event of default occurs and we are not able either to cure it or obtain a waiver from the requisite lenders under the DIP Credit Agreement, the administrative agent of the DIP Credit Agreement may, and at the request of the requisite lenders shall, declare all of our outstanding obligations under the DIP Credit Agreement, together with accrued interest and fees, to be immediately due and payable, and the agent under the DIP Credit Agreement may, and at the request of the requisite lenders shall, terminate the lenders' commitments under the DIP Credit Agreement and cease making further loans, and if applicable, the agent could institute foreclosure proceedings against our pledged assets. This could adversely affect our operations and our ability to satisfy our obligations as they come due.

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

We have significant defined benefit pension and other postretirement benefit obligations. The funded status of the Company's U.S. and non U.S. defined benefit pension plans and other postretirement benefit plans, and the related cost reflected in the Company's financial statements, are affected by various factors that are subject to an inherent degree of uncertainty, particularly in the current economic environment. 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, and other economic and demographic factors. Significant differences in actual experience, or significant changes in future assumptions or obligations imposed by legislation, pension authorities, or the Bankruptcy Court could lead to a potential future need to contribute cash or assets to the Company's plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on the Company's consolidated results of operations, financial position or liquidity.

If we cannot continue to license or enforce the intellectual property rights on which the Company's business depends, or if third parties assert that we violate their intellectual property rights, the Company's revenue, earnings, expenses and liquidity may be adversely impacted.

We rely upon 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 the Company's employees, customers, suppliers and other parties, to establish, maintain and enforce the Company's intellectual property rights. Despite these measures, any of the Company's direct or indirect intellectual property rights could, however, be challenged, invalidated, circumvented, infringed or misappropriated, or such intellectual property rights may not be sufficient to permit us 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 extent as the laws of the United States. Therefore, in certain jurisdictions, we may be unable to protect the Company's proprietary technology adequately against unauthorized third party copying, infringement or use, which could adversely affect the Company's competitive position. Also, because of the rapid pace of technological change in the information technology industry, much of the Company's business and many of the Company's products rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

The execution and enforcement of licensing agreements protects the Company's intellectual property rights and provides a revenue stream in the form of up-front payments and royalties that enables us to further innovate and provide the marketplace with new products and services. The Company's ability to execute the Company's intellectual property licensing strategies, including litigation strategies, such as the Company's legal actions against Apple Inc. and Research in Motion Limited, could affect the Company's revenue, earnings and liquidity. Additionally, the uncertainty around the timing, outcome and magnitude of the Company's intellectual property-related litigation (including the Company's legal action against Apple Inc. and Research in Motion Limited before the International Trade Commission), judgments and settlements could have an adverse effect on the Company's revenues, earnings, and liquidity. A potential sale of the Company's digital imaging patent portfolios could also result in a reduction or the cessation of license revenue related to these patents. The Company's failure to develop and properly manage new intellectual property could adversely affect the Company's market positions and business opportunities.

We have made substantial investments in new, proprietary technologies and have filed patent applications and obtained patents to protect the Company's intellectual property rights in these technologies as well as the interests of the Company's licensees. There can be no assurance that the Company's patent applications will be approved, that any patents issued will adequately protect the Company's intellectual property or that such patents will not be challenged by third parties.

In addition, third parties may claim that the Company's customers, licensees or other parties indemnified by us are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit the Company's access to digital markets. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from large companies like ours. Even if we believe that the claims are without merit, the claims can be time consuming and costly to defend and distract management's attention and resources. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of the Company's products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source the Company's revenue and earnings could be adversely impacted. Finally, we use open source software in connection with the Company's products and services. Companies that 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, we could be subject to suits by parties claiming ownership of what we believe 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 the Company's source code or pay damages for breach of contract could be harmful to the Company's business results of operations and financial condition.

The competitive pressures we face could harm the Company's revenue, gross margins and market share.
The markets in which we do business are highly competitive with large, entrenched, and well financed industry participants. In certain markets where Kodak is a relatively new entrant, we have not achieved the scale of distribution of the Company's competitors. In addition, we encounter aggressive price competition for all the Company's products and services from numerous companies globally. Over the past several years, price competition in the market for digital products, film products and services has been particularly intense as competitors have aggressively cut prices and lowered their profit margins for these products. The Company's results of operations and financial condition may be adversely affected by these and other Industry-wide pricing pressures. If the Company's products, services and pricing are not sufficiently competitive with current and future competitors, we could also lose market share, adversely affecting the Company's revenue and gross margins.

If the Company's commercialization and manufacturing processes fail to prevent product reliability and quality issues, the Company's product launch plans may be delayed, the Company's financial results may be adversely impacted, and the Company's reputation may be harmed.
In developing, commercializing and manufacturing the Company's products and services, we must adequately address reliability and other quality issues, including defects in the Company's engineering, design and manufacturing processes, as well as defects in third-party components included in the Company's products. Because the Company's products are becoming increasingly 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 we have established internal procedures to minimize risks that may arise from product quality issues, there can be no assurance that we will be able to eliminate or mitigate occurrences of these issues and associated liabilities. Product reliability and quality issues can impair the Company's relationships with new or existing customers and adversely affect the Company's brand image, and the Company's reputation as a producer of high quality products could suffer, which could adversely affect the Company's business as well as the Company's financial results. Product quality issues can also result in recalls, warranty, or other service obligations and litigation.

If we cannot effectively anticipate technology trends and develop and market new products to respond to changing customer preferences, the Company's revenue, earnings and cash flow, could be adversely affected.
We must develop and introduce new products and services in a timely manner to keep pace with technological developments and achieve customer acceptance. If we are unable to anticipate new technology trends, for example in consumer electronics, print advertising, and commercial and consumer printing, and develop improvements to the Company's current technology to address changing customer preferences, this could adversely affect the Company's revenue, earnings and cash flow. Due to changes in technology and customer preferences, the market for traditional film and paper products and services is in decline. The Company's success depends in part on the Company's ability to manage the decline of the market for these traditional products by continuing to reduce the Company's cost structure to maintain profitability.

Even if a chapter 11 plan of reorganization is consummated, continued weakness or worsening of economic conditions could continue to adversely affect the Company's financial performance and the Company's liquidity.
The global economic recession and declines in consumption in the Company's end markets have adversely affected sales of both commercial and consumer products and profitability for such products and was a factor leading to the Company filing for voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code. Further, global financial markets have been experiencing volatility. Consumer discretionary spending may not return to pre-recession levels in certain geographies. Continued slower sales of consumer digital products due to the uncertain economic environment could lead to reduced sales and earnings while inventory increases. Economic conditions could also accelerate the continuing decline in demand for traditional products, which could also place pressure on the Company's results of operations and liquidity. While the Company is seeking to increase sales in markets that have already experienced an economic recovery such as Asia, there is no guarantee that anticipated economic growth levels in those markets will continue in the future, or that the Company will succeed in expanding sales in these markets. In addition, accounts receivable and past due accounts could increase due to a decline in the Company's customers' ability to pay as a result of the economic downturn, and the Company's liquidity, including the Company's ability to use credit lines, could be negatively impacted by failures of financial instrument counterparties, including banks and other financial institutions. If the global economic weakness and tightness in the credit markets continue for a greater period of time than anticipated or worsen, the Company's profitability and related cash generation capability could be adversely affected and, therefore, affect the Company's ability to meet the Company's anticipated cash needs, impair the Company's liquidity or increase the Company's costs of borrowing.

If we cannot attract, retain and motivate key employees, the Company's revenue and earnings could be harmed.
In order for us to be successful, we 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 the Company's targeted growth markets, is critical to the Company's future. If we cannot attract qualified individuals, retain key executives and employees or motivate the Company's employees, the Company's business could be harmed. The Company's filing for chapter 11 may create additional distractions and uncertainty for employees, and impact the Company's ability to retain key employees and effectively recruit new employees. The Company's ability to take measures to motivate and retain key employees may be restricted while operating under chapter 11. We may experience increased levels of employee attrition.

Due to the nature of the products we sell and the Company's worldwide distribution, we are subject to changes in currency exchange rates, interest rates and commodity costs that may adversely impact the Company's results of operations and financial position.
As a result of the Company's global operating and financing activities, we are exposed to changes in currency exchange rates and interest rates, which may adversely affect the Company's results of operations and financial position. Exchange rates and interest rates in markets in which we do business tend to be volatile and at times, the Company's sales can be negatively impacted across all of the Company's segments depending upon the value of the U.S. dollar, the Euro and other major currencies. In addition, the Company's products contain silver, aluminum, petroleum based or other commodity-based raw materials, the prices of which have been and may continue to be volatile. 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 the Company's revenue and earnings.

If we are unable to provide competitive financing arrangements to the Company's customers or if we extend credit to customers whose creditworthiness deteriorates, this could adversely impact the Company's revenues, profitability and financial position.
The competitive environment in which we operate may require us to provide financing to the Company's customers in order to win a contract. Customer financing arrangements may include all or a portion of the purchase price for the Company's products and services. We may also assist customers in obtaining financing from banks and other sources and may provide financial guarantees on behalf of the Company's customers. The Company's success may be dependent, in part, upon the Company's ability to provide customer financing on competitive terms and on the Company's customers' creditworthiness. The tightening of credit in the global financial markets has adversely affected the ability of the Company's customers to obtain financing for significant purchases, which resulted in a decrease in, or cancellation of, orders for the Company's products and services, and we can provide no assurance that this trend will not continue. If we are unable

to provide competitive financing arrangements to the Company's customers or if we extend credit to customers whose creditworthiness deteriorates, this could adversely impact the Company's revenues, profitability and financial position.

We have outsourced a significant portion of the Company's overall worldwide manufacturing, logistics and back office operations and face the risks associated with reliance on third party suppliers.

We have outsourced a significant portion of the Company's overall worldwide manufacturing, logistics, customer support and administrative operations to third parties. To the extent that we rely on third party service providers, we face the risk that those third parties may not be able to:

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

Further, even if the Company honors its payment and other obligations to the Company's key suppliers of products, components and services, such suppliers may choose to unilaterally withhold products, components or services, or demand changes in payment terms. As a result of such risks, we may be unable to meet the Company's customer commitments, the Company's costs could be higher than planned, and the Company's cash flows and the reliability of the Company's products could be negatively impacted. The Company will vigorously enforce its contractual rights under such circumstances, but there is no guarantee we will be successful in preventing or mitigating the effects of unilateral actions by the Company's suppliers. Other supplier problems that we could face include electronic component shortages, excess supply, risks related to favorable terms, the duration of the Company's contracts with suppliers for components and materials and risks related to dependency on single source suppliers on favorable terms or at all. If any of these risks were to be realized, and assuming alternative third party relationships could not be established, we could experience interruptions in supply or increases in costs that might result in the Company's inability to meet customer demand for the Company's products, damage to the Company's relationships with the Company's customers, and reduced market share, all of which could adversely affect the Company's results of operations and financial condition.

The Company's sales are typically concentrated in the last four months of the fiscal year, therefore, lower than expected demand or increases in costs during that period may have a pronounced negative effect on the Company's results of operations.

The demand for the Company's consumer products is largely discretionary in nature, and sales and earnings of the Company's consumer businesses are linked to the timing of holidays, vacations, and other leisure or gifting seasons. Accordingly, we have typically experienced greater net sales in the fourth fiscal quarter as compared with the other three quarters. Developments, such as lower-than-anticipated demand for the Company's products, an internal systems failure, increases in materials costs, or failure of or performance problems with one of the Company's key logistics, components supply, or manufacturing partners, could have a material adverse impact on the Company's financial condition and operating results, particularly if such developments occur late in the third quarter or during the fourth fiscal quarter. Further, with respect to the Graphic Communications Group segment, equipment and consumable sales in the commercial marketplace peak in the fourth quarter based on increased commercial print demand. Tight credit markets that limit capital investments or a weak economy that decreases print demand could negatively impact equipment or consumable sales. In addition, the Company's inability to achieve intellectual property licensing revenues in the timeframe and amount we anticipate could adversely affect the Company's revenues, earnings and cash flow. These external developments are often unpredictable and may have an adverse impact on the Company's business and results of operations.

If we fail to manage distribution of the Company's products and services properly, the Company's revenue, gross margins and earnings could be adversely impacted.

We use a variety of different distribution methods to sell and deliver the Company's products and services, including third party resellers and distributors and direct and indirect sales to both enterprise accounts and customers. Successfully managing the interaction of direct and indirect channels to various potential customer segments for the Company's products and services is a complex process. Moreover, since each distribution method has distinct risks and costs, the Company's failure to implement the most advantageous balance in the delivery model for the Company's products and services could adversely affect the Company's revenue, gross margins and earnings. Due to changes in the Company's go to market models, we are more reliant on fewer distributors than in past periods. This has concentrated the Company's credit and operational risk and could result in an adverse impact on the Company's financial performance.

We may be required to recognize additional impairments in the value of the Company's goodwill and/or other long-lived assets, which would increase expenses and reduce profitability.
Goodwill represents the excess of the amount we paid to acquire businesses over the fair value of their net assets at the date of the acquisition. We test goodwill 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. Additionally, the Company's other long-lived assets are evaluated for impairments whenever events or changes in circumstances indicate the carrying value may not be recoverable. Either of these situations may occur for various reasons including changes in actual or expected income or cash. We continue to evaluate current conditions to assess whether any impairment exists. Impairments could occur in the future if market or interest rate environments deteriorate, expected future cash flows of the Company's reporting units decline, silver prices increase significantly, or if reporting unit carrying values change materially compared with changes in respective fair values. In the event of a sale of the Company's digital imaging patent portfolios, licensing revenue related to those portfolios could decline significantly and materially impact the fair value of the CDG segment.

The Company's future results could be harmed if we are unsuccessful in the Company's efforts to expand sales in emerging markets.
Because we are seeking to expand the Company's sales and number of customer relationships outside the United States, and specifically in emerging markets in Asia, Latin America and Eastern Europe, the Company's business is subject to risks associated with doing business internationally, such as:

- supporting multiple languages;
- recruiting sales and technical support personnel with the skills to design, manufacture, sell and supply products;
- complying with governmental regulation of imports and exports, including obtaining required import or export approval for the Company's products;
- complexity of managing international operations;
- exposure to foreign currency exchange rate fluctuations;
- commercial laws and business practices that may favor local competition;
- multiple, potentially conflicting, and changing governmental laws, regulations and practices, including differing export, import, tax, anti-corruption, labor, and employment laws;
- difficulties in collecting accounts receivable;
- limitations or restrictions on the repatriation of cash;
- reduced or limited protection of intellectual property rights;
- managing research and development teams in geographically disparate locations, including Canada, Israel, Japan, China, and Singapore;
- complicated logistics and distribution arrangements; and
- political or economic instability.

There can be no assurance that we will be able to market and sell the Company's products in all of the Company's targeted markets. If the Company's efforts are not successful, the Company's business growth and results of operations could be harmed.

We are subject to environmental laws and regulations and 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 the Company's business, results of operations and financial condition.
We are subject to environmental laws and regulations in the jurisdictions in which we conduct the Company's business, including laws regarding the discharge of pollutants, including greenhouse gases, into the air and water, the need for environmental permits for certain operations, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the content of the Company's products and the recycling and treatment and disposal of the Company's products. If we do not comply with applicable laws and regulations in connection with the use and management of hazardous substances, then we could be subject to liability and/or could be prohibited from operating certain facilities, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's inability to effectively complete, integrate and manage acquisitions, divestitures and other significant transactions could adversely impact the Company's business performance including the Company's financial results.
As part of the Company's business strategy, we frequently engage in discussions with third parties regarding possible investments, acquisitions, strategic alliances, joint ventures, divestitures, asset sales, and outsourcing transactions and enter into agreements relating to such transactions in order to further the Company's business objectives. In order to pursue this strategy successfully, we must identify suitable candidates and successfully complete transactions, some of which may be large and complex, and manage post closing issues such as the integration of acquired companies or employees and the assessment of such acquired companies' internal controls. Integration and other risks of transactions can be more pronounced for larger and more complicated transactions, or if multiple transactions are pursued simultaneously. If we fail to identify and complete successfully transactions that further the Company's strategic objectives, we may

be required to expend resources to develop products and technology internally, we may be at a competitive disadvantage or we may be adversely affected by negative market perceptions, any of which may have an adverse effect on the Company's revenue, gross margins and profitability. In addition, unpredictability surrounding the timing of such transactions could adversely affect the Company's financial results.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

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

Operations of the CDG segment are located in Rochester, New York; Atlanta, Georgia; Emeryville, California; San Diego, California; China; and Singapore. Many of CDG's businesses rely on manufacturing assets, company-owned or through relationships with design and manufacturing partners, which are located close to end markets and/or supplier networks.

Products in the GCG segment are manufactured in the United States, primarily in Rochester, New York; Dayton, Ohio; Columbus, Georgia; and Weatherford, Oklahoma. Key manufacturing facilities outside the United States, either company-owned or through relationships with manufacturing partners, are located in the United Kingdom, Germany, Bulgaria, Mexico, China, and Japan.

The FPEG segment of Kodak's business is centered in Rochester, New York, where film and photographic chemicals and related materials are manufactured. A manufacturing facility in the United Kingdom produces photographic paper. Additional manufacturing facilities supporting the business are located in Windsor, Colorado; China; Mexico; India; Brazil; and Russia. Entertainment Imaging has business operations in Hollywood, California and Rochester, New York.

Properties within a country may be shared by all segments operating within that country.

Regional distribution centers are located in various places within and outside of the United States. The Company owns or leases administrative, research and development, manufacturing, marketing, and processing facilities in various parts of the world. The leases are for various periods and are generally renewable.

ITEM 3. LEGAL PROCEEDINGS

On January 19, 2012, Eastman Kodak Company (the "Company") and its U.S. subsidiaries (the "Filing Subsidiaries," and together with the Company, the "Debtors") filed voluntary petitions for relief (the "Bankruptcy Filing") under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") case number 12-10202. The Company's foreign subsidiaries (collectively, the "Non-Filing Entities") were not part of the Bankruptcy Filing. The Debtors will continue to operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Non-Filing Entities will continue to operate in the ordinary course of business. On January 20, 2012, the Company and Kodak Canada Inc. (the "Canadian Borrower" and, together with the Company, the "Borrowers") entered into a Debtor-in-Possession Credit Agreement (the "DIP Credit Agreement"). As a result of the Bankruptcy, much of the pending litigation against the Debtors is stayed. Subject to certain exceptions and approval by the Bankruptcy Court, no party can take further actions to recover pre-petition claims against the Company. Refer to Note 1, "Chapter 11 Filing," in the Notes to the Consolidated Financial Statements for additional information.

Subsequent to the Company's chapter 11 filing, a number of suits were filed in federal court in the Western District of New York, as putative class action suits, against the current and certain former members of the Board of Directors, the Company's Savings and Investment Plan (SIP) Committee and certain former and current executives of the Company. None of these actions are reasonably possible to result in a material loss to the Company. The suits are filed under the Employee Retirement Income Security Act (ERISA). The allegations concern the decline in the Company's stock price and its alleged resulting impact on SIP and on the Company's Employee Stock Ownership Plan. Also following the chapter 11 filing, a suit was filed in federal court in the Southern District of New York against the Chief Executive Officer, the President and Chief Operating Officer and the Chief Financial Officer, as a putative class action suit under the federal securities laws, claiming that certain of the Company statements in early 2011 were too optimistic. Suits of this nature are not uncommon for companies in chapter 11. On behalf of all defendants in these cases, the Company believes that the suits are without merit and will vigorously defend them. Although the nature of litigation is inherently unpredictable, the Company reasonably expects none of these cases, individually or in the aggregate, to have a material impact upon the Company.

The Company has been named by the U.S. Environmental Protection Agency (“EPA”) as a Potentially Responsible Party (“PRP”) with potential liability for the study and remediation of the Lower Passaic River Study Area (“LPRSA”) portion of the Diamond Alkali Superfund Site, based on releases from the former Hilton Davis site in Newark and Lehn & Fink operations in Bloomfield, New Jersey. Based on currently available information, the Company is unable to reasonably estimate a range of loss pertaining to this matter at this time.

The Company has been named as third-party defendant (along with approximately 300 other entities) in an action initially brought by the New Jersey Department of Environmental Protection (“NJDEP”) in the Supreme Court of New Jersey, Essex County against Occidental Chemical Corporation and several other companies that are successors in interest to Diamond Shamrock Corporation. The NJDEP seeks recovery of all costs associated with the investigation, removal, cleanup and damage to natural resources occasioned by Diamond Shamrock's disposal of various forms of chemicals in the Passaic River. The damages are alleged to potentially range "from hundreds of millions to several billions of dollars." Pursuant to New Jersey's Court Rules, the defendants were required to identify all other parties which could be subject to permissive joinder in the litigation based on common questions of law or fact. Third-party complaints seeking contribution from more than 300 entities, which have been identified as potentially contributing to the contamination in the Passaic, were filed on February 5, 2009. Refer to Note 11, “Commitments and Contingencies,” in the Notes to Financial Statements for additional information.

On November 20, 2008, Research in Motion Ltd. and Research in Motion Corp. (collectively “RIM”) filed a declaratory judgment action against the Company in Federal District Court in the Northern District of Texas. The suit, Research in Motion Limited and Research in Motion Corporation v. Eastman Kodak Company, seeks to invalidate certain Company patents related to digital camera technology and software object linking, and seeks a determination that RIM handheld devices do not infringe such patents. On February 17, 2009, the Company filed its answer and counterclaims for infringement of each of these same patents. A pretrial hearing known as a Markman hearing was held on March 23, 2010. The Court has not yet issued its Markman decision. The Court has rescheduled to March 2012 a trial on merits which was originally scheduled for December 2010. On January 19, 2012 the Judge issued an order to stay the case. On February 10, 2012, RIM filed a motion to lift the stay. Kodak and the Unsecured Creditors Committee did not oppose this motion.

On January 14, 2010 the Company filed a complaint with the International Trade Commission (“ITC”) against Apple Inc. and RIM for infringement of a patent related to digital camera technology. In the Matter of Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras and Components Thereof, the Company is seeking a limited exclusion order preventing importation of infringing devices including iPhones and camera-enabled Blackberry devices. On February 16, 2010, the ITC ordered that an investigation be instituted to determine whether importation or sale of the accused Apple and RIM devices constitutes violation of the Tariff Act of 1930. A Markman hearing was held in May 2010. A hearing on the merits occurred in September 2010. In December 2010, as a result of re-examination proceedings initiated by RIM and other parties, the U.S. Patent and Trademark Office affirmed the validity of the same patent claim at issue in the ITC investigation. On January 24, 2011, the Company received notice that the ITC Administrative Law Judge (“ALJ”) had issued an initial determination recommending that the Commission find the patent claim at issue invalid and not infringed. The Company petitioned the Commission to review the initial determination of the ALJ. On March 25, 2011, the ITC issued a notice of its decision to review the ALJ’s initial determination in its entirety. On June 30, 2011, the Commission issued a decision affirming in part, reversing in part and remanding the case to the ALJ for further proceedings. On October 24, 2011 the investigation was permanently reassigned to a newly appointed ALJ, following the retirement of the ALJ to whom the case was previously assigned. On December 15, 2011, the ALJ issued an order setting new dates for the initial determination and target date as May 21, 2012 and September 21, 2012, respectively. On December 27, 2011, the ALJ issued an order setting forth the remand schedule and the scope of discovery on remand.

On January 14, 2010 the Company filed two suits against Apple Inc. in the Federal District Court in the Western District of New York (Eastman Kodak Company v. Apple Inc.) claiming infringement of patents related to digital cameras and certain computer processes. The Company is seeking unspecified damages and other relief. The case related to digital cameras has been stayed pending the ITC action referenced above. On April 15, 2010, Apple Inc. filed a counterclaim against Kodak in the case related to certain computer processes, claiming infringement of patents related to digital cameras and all-in-one printers.

On April 15, 2010, Apple Inc. filed a complaint in the ITC against Kodak asserting infringement of patents related to digital cameras. In the Matter of Certain Digital Imaging Devices and Related Software, Apple is seeking a limited exclusion order preventing importation of infringing devices. A hearing on the merits before an ALJ was concluded on February 2, 2011. The ALJ issued an initial determination on May 18, 2011, finding that Kodak did not infringe Apple’s patents and finding one Apple patent invalid. Apple petitioned to the ITC for a review of the ALJ’s initial determination. On July 18, 2011, the ITC determined not to review the ALJ’s determination. On September 16, 2011, Apple appealed this decision to the Court of Appeals for the Federal Circuit.

On April 15, 2010 Apple also filed in Federal District Court in the Northern District of California (Apple Inc. v. Eastman Kodak Company) a complaint asserting infringement of the same patents asserted in the ITC. This case has been stayed pending the ITC action appealed to the Federal Circuit referenced above.

On August 26, 2010, Apple filed a claim in California State Court (Santa Clara) claiming ownership of the Kodak patent asserted by Kodak against Apple in the ITC action referenced above. This action was removed to Federal District Court in the Northern District of California and subsequently dismissed. Apple has amended its answer in the stayed Western District of New York case pertaining to digital cameras referenced above, to incorporate its ownership claim.

On January 10, 2012 the Company filed a complaint with the ITC against Apple Inc. and HTC Corp., HTC America, Inc. and Exedea, Inc. (collectively "HTC") for infringement of patents related to digital imaging technology. In the Matter of Certain Electronic Devices For Capturing and Transmitting Images, and Components Thereof, the Company is seeking a limited exclusion order preventing importation of infringing devices, including certain of Apple's iPhones, iPads and iPods and certain of HTC's smartphones and tablets. The ITC has not yet instituted the investigation.

On January 10, 2012 the Company filed a lawsuit against Apple Inc. in the Federal District Court in the Western District of New York (Eastman Kodak Company v. Apple Inc.) claiming infringement of patents related to digital imaging technology. The Company is seeking unspecified damages and other relief.

On January 10, 2012 the Company filed a lawsuit against HTC in the Federal District Court in the Western District of New York (Eastman Kodak Company v. HTC Corp., HTC America, Inc. and Exedea, Inc.) claiming infringement of patents related to digital imaging technology. The Company is seeking unspecified damages and other relief.

The Company and its subsidiaries are involved in various lawsuits, claims, investigations and proceedings, including commercial, customs, employment, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. In addition, the Company is subject 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 the Company's products. These matters are in various stages of investigation and litigation, and are being vigorously defended. Much of the pending litigation against the Debtors has been stayed as a result of the chapter 11 filing and will be subject to resolution in accordance with the Bankruptcy Code and the orders of the Bankruptcy Court. Although the Company does not expect that the outcome 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. Therefore, judgments could be rendered or settlements entered, that could adversely affect the Company's operating results or cash flows in a particular period. The Company 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.

EXECUTIVE OFFICERS OF THE REGISTRANT

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	Date First Elected an Executive Officer	Date First Elected to Present Office
Philip J. Faraci	56	President and Chief Operating Officer	2005	2007
Pradeep Jotwani	57	Senior Vice President	2010	2010
Antoinette P. McCorvey	54	Chief Financial Officer and Senior Vice President	2007	2010
Gustavo Oviedo	59	Vice President	2007	2011
Antonio M. Perez	66	Chairman of the Board, Chief Executive Officer	2003	2005
Laura G. Quatela	54	President and Chief Operating Officer	2006	2012
Eric H. Samuels	44	Chief Accounting Officer and Corporate Controller	2009	2009
Patrick M. Sheller	50	Chief Administrative Officer, General Counsel & Secretary, and Senior Vice President	2012	2012
Terry R. Taber	57	Senior Vice President	2008	2010

Executive officers are elected annually in February.

All of the executive officers have been employed by Kodak in various executive and managerial positions for at least five years, except Mr. Jotwani, who joined the Company on September 29, 2010.

The executive officers' biographies follow:

Philip J. Faraci

Philip Faraci was named President and Chief Operating Officer, Eastman Kodak Company, in September 2007. As President and COO, Mr. Faraci's current responsibilities focus on the Commercial Segment and the Company's sales and regional operations.

From September 2007 to December 2011, Mr. Faraci was responsible for the day-to-day management of Kodak’s three major businesses: CDG, GCG, and FPEG. He joined Kodak as Director, Inkjet Systems Program in December 2004. In February 2005, he was elected a Senior Vice President of the Company. In June 2005, he was also named Director, Corporate Strategy & Business Development.

Prior to Kodak, Mr. Faraci served as Chief Operating Officer of Phogenix Imaging and President and General Manager of Gemplus Corporation’s Telecom Business Unit. Prior to these roles, he spent 22 years at Hewlett-Packard, where he served as Vice President and General Manager of the Consumer Business Organization and Senior Vice President and General Manager for the Inkjet Imaging Solutions Group.

Pradeep Jotwani

Pradeep Jotwani joined Kodak in September 2010 as President, Consumer Digital Imaging Group, Chief Marketing Officer, and Senior Vice President.

Mr. Jotwani was named President of the Consumer Segment in January 2012 which expands his responsibilities to include all of Kodak's consumer digital and traditional product lines. He remains Chief Marketing Officer of Eastman Kodak Company.

As President, Consumer Business, Mr. Jotwani is responsible for Retail Systems and Solutions, KODAK Gallery – the Company’s online photo service, Consumer Inkjet Printers, Digital Capture and Devices, Paper & Output Systems, Event Imaging Solutions, and Consumer Film.

As Kodak's CMO, Mr. Jotwani is responsible for overall marketing at Kodak, including social media, customer relationship management, brand management, online commerce, and the Company's website, www.kodak.com.

Mr. Jotwani left Hewlett-Packard Company in 2007 as Senior Vice President, Supplies, Imaging and Printing Group. Under his direction, the business was the industry-leading supplier. Prior to that assignment, he was President of HP's Consumer Business Organization, which he formed. This organization represented HP's first formal sales and marketing organization focused specifically on the consumer market. He also served as HP's executive sponsor for Customer Relationship Management (CRM) and founded hpshopping.com, the company's e-commerce store.

After 25 years at HP, and prior to joining Kodak, Mr. Jotwani served as an operating executive at a private equity firm, participated on several public and private corporate boards, was a Leadership Fellow at Stanford University's Graduate School of Business, and lent his time to a series of civic and non-profit organizations. He recently resigned from the board of RealNetworks, Inc., a pioneer of streaming media and the provider of network-delivered digital media products and services worldwide, after serving for over 3 years in various capacities, including Chair of the Compensation Committee and member of the Audit Committee.

Antoinette P. McCorvey

Antoinette (Ann) McCorvey was elected Chief Financial Officer and Senior Vice President, Eastman Kodak Company, effective November 5, 2010.

Ms. McCorvey is responsible for worldwide financial operations, including Corporate Financial Planning and Analysis, Treasury, Audit, Controllership, Tax, Investor Relations, Aviation, Corporate Business Development, Worldwide Information Systems, and Global Purchasing.

Ms. McCorvey joined Kodak in December 1999 as Director, Finance, Imaging Materials Manufacturing. She has held assignments of increasing responsibility including Director, Finance, Global Manufacturing and Logistics; Director, Finance, Corporate Financial Planning and Analysis; and Director, Finance and Vice President, Consumer Digital Imaging Group. In March 2007, she was appointed Director & Vice President of Investor Relations. The Board of Directors elected her a Corporate Vice President in December 2007.

Prior to Kodak, Ms. McCorvey had a 20-year career with Monsanto/Solutia. Her last assignment at Solutia, Inc. (the former Chemical Company of Monsanto) was Vice President/General Manager of Nylon, Plastics, Polymers and Industrial Fibers.

Gustavo Oviedo

Gustavo Oviedo was named Chief Customer Officer and General Manager, Worldwide Regional Operations effective January 1, 2011.

Previously, Mr. Oviedo was General Manager, Worldwide Sales and Customer Operations, Consumer Digital Imaging and Graphic Communications Groups. In this role, he oversaw worldwide sales and customer support for the Company's Consumer Digital Imaging (CDG) and Graphic Communications (GCG) Groups. He was responsible for the United States and Canada, (US&C) European, African and Middle Eastern (EAMER) and Asia Pacific Regions (APR).

From March 2007 to December 2008, Mr. Oviedo was Asia Pacific Region Managing Director, Eastman Kodak Company. He also served as Managing Director, Asia Pacific Region for Kodak's Graphic Communications Group, a position he assumed in 2006 following Kodak's acquisition of Kodak Polychrome Graphics (KPG). In this role, Oviedo was responsible for the entire Kodak business and strategic product portfolio in the region. The Board of Directors elected him a Corporate Vice President in December 2007.

Mr. Oviedo's international career spans more than 25 years working in the United States, Latin America, Asia and Europe, and includes deep industrial operations management experience. Before joining Kodak (KPG), he spent over 20 years with Schneider Electric, a leader in electromechanical and electronic products, where he held positions of increasing responsibility in regional management and his portfolio included distribution, logistics, sales and marketing, business development, and strategic mergers & acquisitions.

Antonio M. Perez

Since joining the Company in April 2003, Kodak's Chairman and Chief Executive Officer, Antonio M. Perez, has led the worldwide transformation of Kodak from a business based on film to one based primarily on digital technologies. Mr. Perez brings to the task his experience from a 25-year career at Hewlett-Packard Company, where he was a corporate vice president and a member of the company's Executive Council. As President of HP's Consumer Business, Mr. Perez spearheaded the company's efforts to build a business in digital imaging and electronic publishing, generating worldwide revenue of more than $16 billion.

Prior to that assignment, Mr. Perez served as President and CEO of HP's inkjet imaging business for five years. During that time, the installed base of HP's inkjet printers grew from 17 million to 100 million worldwide, with revenue totaling more than $10 billion.

After HP, Mr. Perez was President and CEO of Gemplus International, where he led the effort to take the company public. While at Gemplus, he transformed the company into the leading Smart Card-based solution provider in the fast-growing wireless and financial markets. In the first fiscal year, revenue at Gemplus grew 70 percent, from $700 million to $1.2 billion.

Laura G. Quatela

Laura G. Quatela was elected President and Chief Operating Officer effective January 1, 2012. As President and COO, her current responsibilities focus on the Consumer Segment, including the Intellectual Property business, and certain corporate functions. Ms. Quatela will serve alongside Mr. Faraci, who continues in his role as President of the Company.

In January 2011, she was named General Counsel and elected a Senior Vice President. Ms. Quatela was appointed Chief Intellectual Property Officer in January 2008 and retained this role in tandem with her duties leading the company's Legal organization. As Chief Intellectual Property Officer, she was responsible for IP strategy and policy, the Senior IP Strategy Council, and external IP affairs.

Previously, Ms. Quatela was Managing Director, Intellectual Property Transactions, and was responsible for directing strategic cross-licensing and royalty-bearing licensing activities for the Company, including developing licensing strategy, negotiating and structuring licenses, and managing IP valuations and investments. In August 2006, the Board of Directors elected Ms. Quatela a Vice President of the Company.

She joined Kodak in 1999 and held various positions in the Marketing, Antitrust, Trademark & Litigation staff in the Company's Legal department. She was promoted to Director of Corporate Commercial Affairs, Vice President Legal and Assistant General Counsel in 2004.

From August 2002 to December 2003, Ms. Quatela served as Director, Finance Transformation and Vice President, Finance & Administration. In this position she led a team charged with planning and executing restructuring of Kodak's finance functions.

Prior to joining Kodak, Ms. Quatela worked for Clover Capital Management, Inc., SASIB Railway GRS, and Bausch & Lomb Inc. In private law practice, she was a defense litigator specializing in mass tort cases.

Eric H. Samuels

Eric H. Samuels was appointed Corporate Controller and Chief Accounting Officer in July 2009. Mr. Samuels previously served as Kodak's Assistant Corporate Controller and brings to his position over 20 years of leadership experience in corporate finance and public accounting. He joined Kodak in 2004 as Director, Accounting Research and Policy.

Prior to joining Kodak, Mr. 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.

Patrick M. Sheller

Patrick M. Sheller is General Counsel, Secretary and Chief Administrative Officer. As General Counsel, he is responsible for the Company's world-wide legal function and for providing legal advice to senior management. As Corporate Secretary, Mr. Sheller is responsible for ensuring that the Board of Directors has the proper advice and resources for discharging its fiduciary duty under law, and ensuring that the Company's corporate records reflect the Board's actions. He is the principal advisor to the Board and senior management on the federal securities laws and regulations. As Chief Administrative Officer (CAO), Mr. Sheller oversees the following corporate functions: Human Resources; Communications & Public Affairs; Worldwide Information Systems; and Health, Safety & Environment.

Mr. Sheller joined Kodak in 1993 as Marketing, Antitrust & Litigation counsel to the Company's former Health Group and has held several roles within Kodak's Legal Department. From 1999 to 2004, he served as Kodak's Chief Antitrust Counsel. From 2000 to 2004, Mr. Sheller was on assignment to Kodak's European, African & Middle Eastern Region (EAMER), where he advised Kodak's EAMER businesses on commercial legal issues. He returned to Kodak's Rochester headquarters in 2004 to assume business development and operating roles in Kodak's Health Care Information Systems business. From 2005 to 2011, Mr. Sheller served as Chief Compliance Officer of the Company reporting to the Audit Committee of the Board of Directors. He was also Assistant Secretary from 2006 to 2009. In January 2012, the Board of Directors elected Mr. Sheller a Senior Vice President of the Company.

Before joining Kodak, Mr. Sheller was in private law practice with the Washington, D.C. firm McKenna & Cuneo (now McKenna, Long & Aldridge) where he specialized in antitrust and health care law. From 1986 to 1989, he worked for the Federal Trade Commission in Washington, D.C., where he served as an Attorney Advisor to the Chairman and as a Staff Attorney in the Commission's Bureau of Competition.

Terry R. Taber

Terry R. Taber joined Kodak in 1980. In January 2009, he was named Chief Technical Officer. The Board of Directors elected him a Corporate Vice President in December 2008, and then a Senior Vice President in December 2010.

Mr. Taber was previously 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. Prior to joining ISS in 2007, Mr. Taber held a series of senior positions in Kodak's research and development and product organizations. During his 30 years at Kodak, Mr. Taber has been involved in new materials research, product development and commercialization, manufacturing, and executive positions in R&D and business management.

Mr. Taber's early responsibilities included research on new synthetic materials, an area in which he holds several patents. He then became a program manager for several film products before completing the Sloan Fellows program at the Massachusetts Institute of Technology. He returned from MIT to become the worldwide consumer film business product manager from 1999 to 2002, and then became an Associate Director of R&D from 2002 to 2005, followed by a position as the director of Materials & Media R&D from 2005 to 2007.

PART II

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

Until January 19, 2012, the Company's common stock traded on the New York Stock Exchange (NYSE) under the symbol "EK". Effective January 19, 2012, the NYSE suspended trading of the Company's common stock following the announcement that the Company had commenced the chapter 11 filing. Effective February 14, 2012, the Company's common stock was delisted from the NYSE.

Eastman Kodak Company common stock is currently traded on the Over the Counter market under the symbol "EKDKQ.PK." There were 49,520 shareholders of record of common stock as of January 31, 2012.

MARKET PRICE DATA

The market price data below reflects the trading of the stock on the NYSE prior to December 31, 2011 and are not indicative of trading prices since the stock was delisted. On February 28, 2012, the highest reported bid quotation for the stock was $.36 per share.

	2011		2010	
Price per share:	**High**	**Low**	**High**	**Low**
1st Quarter	$5.85	$2.90	$6.94	$4.12
2nd Quarter	$3.81	$2.75	$9.08	$4.33
3rd Quarter	$3.44	$0.54	$5.11	$3.49
4th Quarter	$1.63	$0.62	$5.95	$3.84

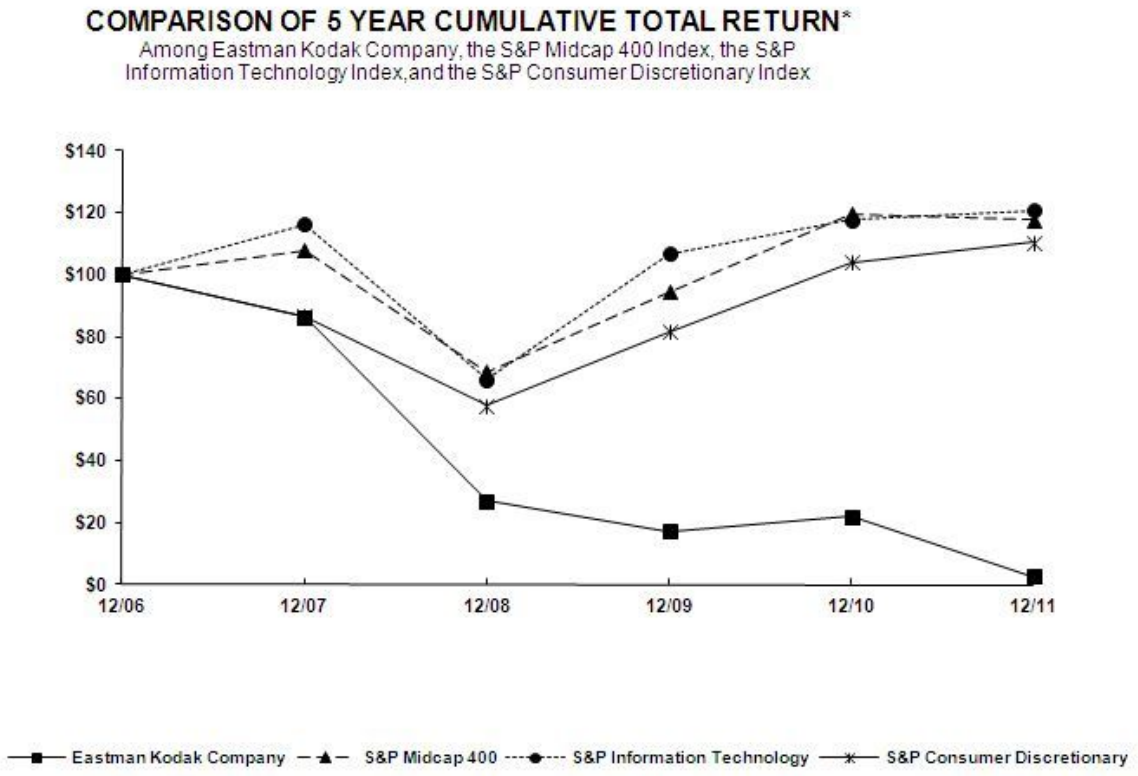
DIVIDEND INFORMATION

On April 30, 2009, the Company announced that its Board of Directors decided to suspend future cash dividends on its common stock effective immediately. Consequently, there were no dividends paid during 2009, 2010, or 2011.

Dividends may be restricted under the Company's debt agreements. Refer to Note 9, "Short-Term Borrowings and Long-Term Debt," in the Notes to Financial Statements.

PERFORMANCE GRAPH - SHAREHOLDER RETURN

The following graph compares the performance of the Company's common stock with the performance of the Standard & Poor's (S&P) Information Technology Index, the Standard & Poor's Midcap 400 Composite Stock Price Index, and the Standard & Poor's Consumer Discretionary Index by measuring the changes in common stock prices from December 31, 2006, plus reinvested dividends.



	12/06	12/07	12/08	12/09	12/10	12/11
Eastman Kodak Company	100.00	86.35	27.05	17.35	22.03	2.67
S&P Midcap 400	100.00	107.98	68.86	94.60	119.80	117.72
S&P Information Technology	100.00	116.31	66.13	106.95	117.85	120.69
S&P Consumer Discretionary	100.00	86.79	57.72	81.56	104.12	110.50

The Company has elected to include the S&P Information Technology index in the comparison, because it believes this index is more reflective of the industries in which the Company operates, and therefore provides a better comparison of returns than the S&P Midcap 400 Composite Stock Price Index or the S&P Consumer Discretionary index.

ITEM 6. SELECTED FINANCIAL DATA

Refer to Summary of Operating Data on page 117.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") 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 three years ended December 31, 2011, 2010 and 2009. All references to Notes relate to Notes to the Financial Statements in Item 8. "Financial Statements and Supplementary Data."

OVERVIEW

In 2011, Kodak had three reportable business segments, which are more fully described later in this discussion in "Kodak Operating Model and Reporting Structure." The three business segments in 2011 were: Consumer Digital Imaging Group, Graphic Communications Group and Film, Photofinishing and Entertainment Group.

The Company's digital growth strategy has centered on exploiting its competitive advantage at the intersection of materials science and digital imaging science. The Company has leading market positions in large markets including digital printing plates, scanners, and kiosks. In addition, the Company has been introducing differentiated value propositions in new growth markets that are in transformation. These digital growth initiatives are: consumer inkjet, within CDG, and commercial inkjet, workflow software and services, and packaging solutions within GCG.

While the digital growth initiatives have largely required investment, the Company's strategy has been to gain scale in these product lines to enable a more significant and profitable contribution from them. Revenue from these growth initiative product lines grew 17% for the year ended December 31, 2011 versus the prior year.

The Company has been using cash received from operations, including intellectual property licensing, and the sale of non-core assets, to fund its investment in the digital growth initiatives and its transformation from a traditional manufacturing company to a digital technology company. In July 2011, the Company announced that it is exploring strategic alternatives related to its digital imaging patent portfolios. As this process proceeds, the Company will continue to pursue its patent licensing program as well as all litigation related to its digital imaging patents. The Company faces short-term uncertainty relating to certain of the Company's intellectual property licensing activities pending the outcome of the infringement litigation against Apple Inc. and Research in Motion Ltd. before the International Trade Commission.

Revenue and profitability for the year ended December 31, 2011 declined from the prior year primarily due to a decrease in non-recurring intellectual property licensing arrangements from the prior year. Revenue and profitability were also negatively impacted by industry-related volume declines and increased commodity costs, particularly silver, in FPEG. The Company has been utilizing price increases and silver-indexed pricing models, as well as its silver hedging program to mitigate the impact of historically high silver prices on FPEG. Revenue declines also resulted from competitive pricing pressures and participation choices made by the Company in digital cameras within CDG. In February 2012 the Company announced plans to phase out its dedicated capture devices business, including digital cameras, pocket video cameras, and digital picture frames in the first half of 2012.

While some of the revenue decline was offset by revenue growth in consumer inkjet and GCG, profitability was also negatively impacted by the ongoing investment in the consumer and commercial inkjet businesses.

The Company's Bankruptcy Filing is intended to permit the Company to reorganize and improve liquidity in the U.S. and abroad, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and focus on the most valuable business lines to enable sustainable profitability. The Company's goal is to develop and implement a reorganization plan that meets the standards for confirmation under the Bankruptcy Code. Confirmation of a reorganization plan could materially alter the classifications and amounts reported in the Company's consolidated financial statements, which do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that might be necessary as a consequence of confirmation of a reorganization plan or other arrangement or the effect of any operational changes that may be implemented.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accompanying consolidated financial statements and notes to consolidated financial statements contain information that is pertinent to management's discussion and analysis of the financial condition and results of operations. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities.

The Company believes that the critical accounting policies and estimates discussed below involve the most complex management judgments due to the sensitivity of the methods and assumptions necessary in determining the related asset, liability, revenue and expense amounts. Specific risks associated with these critical accounting policies are discussed throughout this MD&A, where such policies affect our reported and expected financial results. For a detailed discussion of the application of these and other accounting policies, refer to the Notes to Financial Statements in Item 8.

The consolidated financial statements and related notes have been prepared assuming that the Company will continue as a going concern, although its Bankruptcy Filing raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded assets

or to the amounts and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern.

Revenue Recognition

The Company's revenue transactions include sales of the following: products, equipment, software, services, integrated solutions, and intellectual property licensing. The Company recognizes revenue when it is realized or realizable and earned. The timing and the amount of revenue recognized from the licensing of intellectual property depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. For the sale of multiple-element arrangements, including whereby equipment or intellectual property is combined in a revenue generating transaction with other elements, the Company allocates to, and recognizes revenue from, the various elements based on their relative selling price. As of January 1, 2011, the Company allocates to, and recognizes revenue from, the various elements of multiple-element arrangements based on relative selling price of a deliverable, using: vendor-specific objective evidence, third-party evidence, and best estimated selling price in accordance with the selling price hierarchy.

At the time revenue is recognized, the Company also records reductions to revenue for customer incentive programs. Such incentive programs include cash and volume discounts, price protection, promotional, cooperative and other advertising allowances. For those incentives that require the estimation of sales volumes or redemption rates, such as for volume rebates, the Company 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 would be recorded.

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

The Company tests goodwill for impairment annually on September 30, and whenever events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The Company tests goodwill for impairment at a level of reporting referred to as a reporting unit. A reporting unit is an operating segment or one level below an operating segment (referred to as a component). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. When two or more components of an operating segment have similar economic characteristics, the components are aggregated and deemed a single reporting unit. An operating segment is deemed to be a reporting unit if all of its components are similar, if none of its components is a reporting unit, or if the segment comprises only a single component.

For goodwill testing purposes, the components of the FPEG operating segment are similar and, therefore, the segment meets the requirement of a reporting unit. Likewise, the components of the CDG are similar and, therefore, the segment meets the definition of a reporting unit. The GCG operating segment has two reporting units: the Business Services and Solutions Group (“BSSG”) reporting unit and the Commercial Printing reporting unit (consisting of the Prepress Solutions and Digital Printing Solutions strategic product groups). The Commercial Printing reporting unit consists of components that have similar economic characteristics and, therefore, have been aggregated into a single reporting unit.

Goodwill is tested by initially comparing the fair value of each of the Company’s reporting units to their related carrying values. If the fair value of the reporting unit is less than its carrying value, the Company must determine the implied fair value of the goodwill associated with that reporting unit. The implied fair value of goodwill is determined by first allocating the fair value of the reporting unit to all of its assets and liabilities and then computing the excess of the reporting unit’s fair value over the amounts assigned to the assets and liabilities. If the carrying value of goodwill exceeds the implied fair value of goodwill, such excess represents the amount of goodwill impairment charge that must be recognized.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The Company estimates the fair value of its reporting units utilizing an income approach. To estimate fair value utilizing the income approach, the Company establishes an estimate of future cash flows for each reporting unit and discounts those estimated future cash flows to present value. Key assumptions used in the income approach for the September 30, 2011 goodwill impairment tests were: (a) expected cash flows for the period from October 1, 2011 to December 31, 2018; and (b) discount rates of 19% to 25%, which were based on the Company’s best estimates of the after-tax weighted-average cost of capital of each reporting unit.

Based upon the results of the Company’s September 30, 2011 goodwill impairment tests, the Company concluded that the carrying value of goodwill for its Commercial Printing reporting unit exceeded the implied fair value of goodwill. The Company recorded a pre-tax

impairment charge of $8 million during the three month period ended September 30, 2011. For the Company's other reporting units with remaining goodwill balances (CDG and BSSG), no impairment of goodwill was indicated.

A 20 percent change in estimated future cash flows or a 10 percentage point change in discount rate would not have caused additional goodwill impairment charges to be recognized by the Company as of September 30, 2011. Additional impairment of goodwill could occur in the future if market or interest rate environments deteriorate, expected future cash flows decrease or if reporting unit carrying values change materially compared with changes in respective fair values. In the case of a sale of the Company's digital imaging patent portfolios, licensing revenue related to those portfolios, which are included within the CDG reporting unit, could decline significantly and materially impact the fair value of this reporting unit.

The Company's long-lived assets other than goodwill 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 Company compares the carrying value of an asset group 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.

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of operating losses, credit carryforwards and temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. 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. The Company has considered forecasted earnings, future taxable income, the geographical mix of earnings in the jurisdictions in which the Company operates and prudent and feasible tax planning strategies in determining the need for these valuation allowances. As of December 31, 2011, the Company has net deferred tax assets before valuation allowances of approximately $3.1 billion and a valuation allowance related to those net deferred tax assets of approximately $2.6 billion, resulting in net deferred tax assets of approximately $0.5 billion. If the Company were to determine that it would not be able to realize a portion of its net deferred tax assets in the future, for which there is currently no valuation allowance, an adjustment to the net deferred tax assets would be charged to earnings in the period such determination was made. Conversely, if the Company were to make a determination that it is more likely than not that deferred tax assets, for which there is currently a valuation allowance, would be realized, the related valuation allowance would be reduced and a benefit to earnings would be recorded. During 2011, the Company determined that it is more likely than not that a portion of the deferred tax assets outside the U.S. would not be realized and accordingly, recorded a provision of $53 million associated with the establishment of a valuation allowance on those deferred tax assets.

During 2011, the Company concluded that the undistributed earnings of its foreign subsidiaries would no longer be considered permanently reinvested. After assessing the assets of the subsidiaries relative to specific opportunities for reinvestment, as well as the forecasted uses of cash for both its domestic and foreign operations, the Company concluded that it was prudent to change its indefinite reinvestment assertion to allow greater flexibility in its cash management.

The Company 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 more-likely-than-not 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 the Company. 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

The Company'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 the Company, include the discount rate, long-term expected rate of return on plan assets ("EROA"), salary growth, healthcare cost trend rate and other economic and demographic factors. Actual results that differ from the Company'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 almost all of a plan's participants are 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 the Company's pension and other postretirement benefit costs and obligations.

The EROA assumption is based on a combination of formal asset and liability studies that include forward-looking return expectations, given the current asset allocation. The EROA, once set, is applied to the calculated value of plan assets in the determination of the expected return component of the Company's pension income or expense. The Company uses a calculated value of plan assets, which recognizes changes in the fair value of assets over a four-year period, to calculate expected return on assets. At December 31, 2011, the calculated value of the assets of the Company's major U.S. and Non-U.S. defined benefit pension plans was approximately $7.3 billion and the fair value was approximately $7.2 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.

The Company reviews its EROA assumption annually. To facilitate this review, every three years, or when market conditions change materially, the Company's larger plans will undertake asset allocation or asset and liability modeling studies. The weighted average EROA for major U.S. and non-U.S. defined benefit pension plans used to determine net pension expense was 8.09% and 7.79%, respectively, for the year ended December 31, 2011.

Generally, the Company 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. and Canadian plans, the Company 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 the Company's U.S. plans, the Citigroup Above Median Pension Discount Curve is used. For the Company's other non-U.S. plans, the 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.

The salary growth assumptions are determined based on the Company'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, 2012 and the projected benefit obligation ("PBO") at December 31, 2011 for the Company's major U.S. and non-U.S. defined benefit pension plans:

(in millions)	**Impact on 2012 Pre-Tax Pension Expense Increase (Decrease)**		**Impact on PBO December 31, 2011 Increase (Decrease)**	
	U.S.	**Non-U.S.**	**U.S.**	**Non-U.S.**
Change in assumption:				
25 basis point decrease in discount rate	$ 6	$ 3	$ 128	$ 125
25 basis point increase in discount rate	(6)	(3)	(122)	(119)
25 basis point decrease in EROA	11	6	N/A	N/A
25 basis point increase in EROA	(11)	6	N/A	N/A

Total pension cost from continuing operations before special termination benefits, curtailments, and settlements for the major funded and unfunded defined benefit pension plans in the U.S. is expected to change from income of $61 million in 2011 to expense of approximately $45 million in 2012, due primarily to an expected increase in amortization of actuarial losses. Pension expense from continuing operations

before special termination benefits, curtailments and settlements for the major funded and unfunded non-U.S. defined benefit pension plans is projected to increase from $43 million in 2011 to approximately $67 million in 2012.

Additionally, the Company expects the expense, before curtailment and settlement gains and losses of its major other postretirement benefit plans, to be approximately $5 million in 2012 as compared with expense of $20 million for 2011. The decrease is due primarily to an expected decrease in interest expense.

Benefit plans in the U.S. are subject to the bankruptcy proceedings.

Environmental Commitments

Environmental liabilities are accrued based on undiscounted estimates of known environmental remediation responsibilities. The liabilities include accruals for sites owned or leased by the Company, sites formerly owned or leased by the Company, and other third party sites where the Company was designated as a potentially responsible party ("PRP"). The amounts accrued for such sites are based on these estimates, which are determined using the ASTM Standard E 2137-06, "Standard Guide for Estimating Monetary Costs and Liabilities for Environmental Matters." The overall method includes the use of a probabilistic model that forecasts a range of cost estimates for the remediation required at individual sites. The Company's estimate includes equipment and operating costs for investigations, remediation and long-term monitoring of the sites. Such estimates may be affected by changing determinations of what constitutes an environmental liability or an acceptable level of remediation. The Company's estimate of its environmental liabilities may also change if the proposals to regulatory agencies for desired methods and outcomes of remediation are viewed as not acceptable, or additional exposures are identified. The Company has an ongoing monitoring process to assess how activities, with respect to the known exposures, are progressing against the accrued cost estimates.

Additionally, in many of the countries in which the Company operates, environmental regulations exist that require the Company to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. The Company 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.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See Note 2, "Significant Accounting Policies," in the Notes to Financial Statements in Item 8.

KODAK OPERATING MODEL AND REPORTING STRUCTURE

For 2011, the Company had three reportable segments: CDG, GCG, and FPEG. Within each of the Company's reportable segments are various components, or Strategic Product Groups ("SPGs"). Throughout the remainder of the MD&A, references to the segments' SPGs are indicated in italics. The balance of the Company's continuing operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other. A description of the segments is as follows:

Consumer Digital Imaging Group Segment ("CDG"): This segment provides a full range of digital imaging products and service offerings to consumers. CDG encompasses the following SPGs. Products and services included within each SPG are identified below.

Digital Capture and Devices includes digital still and pocket video cameras, digital picture frames, accessories, branded licensed products, and licensing activities related to the Company's intellectual property in digital imaging products. As announced on February 9, 2012, the Company plans to phase out its dedicated capture devices business, including digital cameras, pocket video cameras, and digital picture frames in the first half of 2012.

Consumer Inkjet Systems includes consumer inkjet printers and related ink and media consumables.

Retail Systems Solutions includes kiosks, APEX drylab systems, and related consumables and services.

Consumer Imaging Services includes Kodak Gallery products and photo sharing services.

Graphic Communications Group Segment ("GCG"): GCG serves a variety of customers in the creative, in-plant, data center, commercial printing, packaging, newspaper and digital service bureau market segments with a range of software, media and hardware products that provide customers with a variety of solutions for prepress equipment, workflow software, analog and digital printing, and document scanning. GCG encompasses the following SPGs. Products and services included within each SPG are identified below.

Prepress Solutions includes digital and traditional prepress equipment, consumables, including plates, chemistry and media, related services, and packaging solutions.

Digital Printing Solutions includes high-speed, high-volume commercial inkjet, and color and black-and-white electrophotographic printing equipment and related consumables and services.

Business Services and Solutions includes workflow software and digital controllers, document scanning products and services and related maintenance offerings. Also included in this SPG are the activities related to the Company's business solutions and consulting services.

Film, Photofinishing and Entertainment Group Segment ("FPEG"): This segment provides consumers, professionals, cinematographers, and other entertainment imaging customers with film-related products and services. FPEG encompasses the following SPGs. Products and services included within each SPG are identified below.

Entertainment Imaging includes entertainment imaging products and services.

Traditional Photofinishing includes paper and output systems and photofinishing services.

Industrial Materials includes aerial and industrial film products, film for the production of printed circuit boards, and specialty chemicals.

Film Capture includes consumer and professional film and one-time-use cameras.

All Other: This category included the results of the Company's display business, up to the date of sale of assets of this business in the fourth quarter of 2009.

Change in Segment Measure of Profit and Loss

During the first quarter of 2011, the Company changed its segment measure of profit and loss to exclude certain components of pension and other postretirement obligations (OPEB). As a result of this change, the operating segment results exclude the interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefit, curtailment and settlement components of pension and OPEB expense. The service cost and amortization of prior service cost components continue to be reported as part of operating segment results.

Prior period segment results have been revised to reflect this change.

2012 Reportable Segments

For 2012, the Company will report financial information for two reportable segments; Commercial Group and Consumer Group.

The Commercial Group will be comprised of the following: *Graphics*, *Entertainment & Commercial Film Business*, *Digital and Functional Printing*, and *Enterprise Services and Solutions.*

The Consumer Group will be comprised of the following: *Intellectual Property* and the Consumer Business: *Retail Systems Solutions*, *Consumer Inkjet Systems*, *Traditional Photofinishing*, and *Digital Capture and Devices*.

DETAILED RESULTS OF OPERATIONS
Net Sales from Continuing Operations by Reportable Segment and All Other (1)

(in millions)	For the Year Ended December 31, 2011	Change	Foreign Currency Impact	2010	Change	Foreign Currency Impact	2009
Consumer Digital Imaging Group							
Inside the U.S.	$ 864	-51%	0%	$ 1,778	+9%	0%	$ 1,626
Outside the U.S.	875	-8	+2	953	-5	-2	1,000
Total Consumer Digital Imaging Group	1,739	-36	+1	2,731	+4	-1	2,626
Graphic Communications Group							
Inside the U.S.	738	-9	0	811	-2	0	825
Outside the U.S.	1,998	+7	+5	1,863	-2	0	1,893
Total Graphic Communications Group	2,736	+2	+3	2,674	-2	0	2,718
Film, Photofinishing and Entertainment Group							
Inside the U.S.	456	-16	0	542	+6	0	509
Outside the U.S.	1,091	-11	+3	1,220	-30	0	1,753
Total Film, Photofinishing and Entertainment Group	1,547	-12	+2	1,762	-22	0	2,262
All Other							
Inside the U.S.	-			-			3
Outside the U.S.	-			-			-
Total All Other	-			-			3
Consolidated							
Inside the U.S.	2,058	-34	0	3,131	+6	0	2,963
Outside the U.S.	3,964	-2	+4	4,036	-13	-1	4,646
Consolidated Total	$ 6,022	-16%	+2%	$ 7,167	-6%	0%	$ 7,609

(1) Sales are reported based on the geographic area of destination.

(Loss) Earnings from Continuing Operations Before Interest Expense, Other Income (Charges), Net and Income Taxes by Reportable Segment and All Other

(in millions)	For the Year Ended December 31, 2011	Change	2010	Change	2009
Consumer Digital Imaging Group	$ (349)	-226%	$ 278	+2880%	$ (10)
Graphic Communications Group	(191)	-101	(95)	+11	(107)
Film, Photofinishing and Entertainment Group	34	-63	91	-51	187
All Other	-	+100	(1)	+94	(16)
Total	(506)	-285	273	+406	54
Restructuring costs, rationalization and other	(133)		(78)		(258)
Corporate components of pension and OPEB (expense) income	(28)		96		85
Other operating income (expenses), net	67		(619)		88
Adjustments to contingencies and legal reserves/settlements	-		(8)		3
Interest expense	(156)		(149)		(119)
Loss on early extinguishment of debt	-		(102)		-
Other income (charges), net	(2)		26		30
Loss from continuing operations before income taxes	$ (758)	-35%	$ (561)	-379%	$ (117)

RESULTS OF OPERATIONS - CONTINUING OPERATIONS

CONSOLIDATED

(dollars in millions)

	For the Year Ended December 31,							
	2011	% of Sales	% Change	2010	% of Sales	% Change	2009	% of Sales
Net sales	$ 6,022		-16%	$ 7,167		-6%	$ 7,609	
Cost of sales	5,135		-2%	5,221		-11%	5,850	
Gross profit	887	15%	-54%	1,946	27%	11%	1,759	23%
Selling, general and administrative expenses	1,159	19%	-9%	1,275	18%	-2%	1,298	17%
Research and development costs	274	5%	-14%	318	4%	-9%	351	5%
Restructuring costs, rationalization and other	121		73%	70		-69%	226	
Other operating (income) expenses, net	(67)		111%	619		-803%	(88)	
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(600)	-10%	-79%	(336)	-5%	-1100%	(28)	0%
Interest expense	156		5%	149		25%	119	
Loss on early extinguishment of debt, net	-			102			-	
Other income (charges), net	(2)		-108%	26		-13%	30	
Loss from continuing operations before income taxes	(758)		-35%	(561)		-379%	(117)	
Provision for income taxes	9		-92%	114		-1%	115	
Loss from continuing operations	(767)	-13%	-14%	(675)	-9%	-191%	(232)	-3%
Earnings (loss) from discontinued operations, net of income taxes	3			(12)			17	
Extraordinary item, net of tax	-			-			6	
NET LOSS	(764)			(687)			(209)	
Less: Net earnings attributable to noncontrolling interests	-			-			(1)	
NET LOSS ATTRIBUTABLE TO EASTMAN KODAK COMPANY	$ (764)		-11%	$ (687)		-227%	$ (210)	

	For the Year Ended December 31,		Change vs. 2010			
	2011 Amount	Change vs. 2010	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 6,022	-16%	-5%	-13%	2%	n/a
Gross profit margin	15%	-12pp	n/a	-10pp	1pp	-3pp

	For the Year Ended December 31,		Change vs. 2009			
	2010 Amount	Change vs. 2009	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 7,167	-6%	-6%	0%	0%	n/a
Gross profit margin	27%	4pp	n/a	1pp	0pp	3pp

Revenues

For the year ended December 31, 2011, net sales decreased approximately 16% compared with the same period in 2010 due to a decline in the CDG segment primarily driven by lower revenue from non-recurring intellectual property licensing agreements (-11%), as discussed below. Also contributing to the decrease in net sales were industry-related volume declines within the FPEG segment (-4%), and volume declines in the CDG segment (-2%).

For the year ended December 31, 2010, net sales decreased approximately 6% compared with the same period in 2009 primarily due to volume declines in the FPEG segment (-6%). Favorable price/mix in the CDG segment (+2%) was largely offset by unfavorable price/mix in the GCG segment (-2%).

Included in revenues were non-recurring intellectual property licensing agreements. These licensing agreements contributed $82 million, $838 million, and $435 million to revenues in 2011, 2010, and 2009, respectively. In July 2011, the Company announced that it is exploring strategic alternatives, including a potential sale, related to its digital imaging patent portfolios. As this process proceeds, the Company will continue to pursue its patent licensing program as well as all litigation related to its digital imaging patents.

Gross Profit

The decrease in gross profit margin from 2010 to 2011 was driven by unfavorable price/mix within the CDG segment (-10pp), largely due to the decrease in revenue from the non-recurring intellectual property agreements as discussed below. Also contributing to the decline in gross profit margin were higher commodity-related costs, primarily within the FPEG segment related to silver (-3pp). Higher cost of sales in the GCG segment (-2pp), attributable to continuing start-up costs associated with the stabilization of the PROSPER printing systems, also contributed to the decline. Partially offsetting these declines were cost improvements in the CDG segment (+1pp), due to improved quality and component cost reductions.

The increase in gross profit margin from 2009 to 2010 was primarily driven by manufacturing and other cost reductions within the CDG (+2pp) and GCG (+1pp) segments. Also contributing to the increase in gross profit margin was favorable price/mix in the CDG segment (+2pp), partially offset by unfavorable price/mix in the GCG segment (-1pp).

Included in gross profit were non-recurring intellectual property licensing agreements. These licensing agreements contributed $82 million, $838 million, and $435 million to gross profit for non-recurring agreements in 2011, 2010, and 2009, respectively.

Selling, General and Administrative Expenses

The decreases in consolidated selling, general and administrative (SG&A) expenses from 2010 to 2011 were primarily attributable to reduced advertising expense in the CDG and GCG segments.

The decrease in consolidated SG&A expenses from 2009 to 2010 was attributable to decreases in SG&A in the FPEG segment (-7%) primarily driven by cost reduction actions, partially offset by increases in SG&A in the CDG and GCG segments (5%), primarily due to increased advertising costs.

Research and Development Costs

The decreases in consolidated research and development (R&D) costs were primarily due to the rationalization of investments.

Restructuring Costs, Rationalization and Other

These costs, as well as the restructuring and rationalization-related costs reported in cost of sales, are discussed under the "RESTRUCTURING COSTS, RATIONALIZATION AND OTHER" section.

Other Operating (Income) Expenses, Net

The other operating (income) expenses, net category includes gains and losses on sales of assets and businesses and certain impairment charges. The amount for 2011 primarily reflects a gain of approximately $62 million related to the sale of CMOS image sensor patents and patent applications. The amount for 2010 primarily reflects a $626 million goodwill impairment charge related to the FPEG segment. The amount for 2009 primarily reflects a gain of approximately $100 million on the sale of assets of the Company's organic light emitting diodes (OLED) group, as described further below.

In November 2009, the Company agreed to terminate its patent infringement litigation with LG Electronics, Inc., LG Electronics USA, Inc., and LG Electronics Mobilecomm USA, Inc., entered into a technology cross license agreement with LG Electronics, Inc. and agreed to sell assets of its OLED group to Global OLED Technology LLC, an entity established by LG Electronics, Inc., LG Display Co., Ltd. and LG Chem, Ltd. As the transactions were entered into in contemplation of one another, in order to reflect the asset sale separately from the licensing transaction, the total consideration was allocated between the asset sale and the licensing transaction based on the estimated fair value of the assets sold. Fair value of the assets sold was estimated using other competitive bids received by the Company. Accordingly, $100 million of the proceeds was allocated to the asset sale. The remaining gross proceeds of $414 million were allocated to the licensing transaction and reported in net sales of the CDG segment for the year ended December 31, 2009.

Interest Expense

The increases in interest expense for 2011 as compared with 2010 and 2010 as compared with 2009 were attributable to higher weighted-average effective interest rates on the Company's outstanding debt, resulting from the issuance of new debt in the third quarter of 2009, the first quarter of 2010 and the first quarter of 2011.

Loss on Early Extinguishment of Debt, Net

On March 5, 2010, the Company issued $500 million of aggregate principal amount of 9.75% senior secured notes due March 1, 2018. The net proceeds of this issuance were used to repurchase all of the $300 million of 10.5% senior secured notes due 2017 previously issued to Kohlberg, Kravis, Roberts & Co. L.P. (the "KKR Notes") and $200 million of 7.25% senior notes due 2013 (collectively the "Notes"). The Company recognized a net loss of $102 million on the early extinguishment of the Notes in the first quarter of 2010, representing the difference between the carrying values of the Notes and the costs to repurchase. This difference between the carrying values and costs to repurchase was primarily due to the original allocation of the proceeds received from the issuance of the KKR Notes to Additional paid-in-capital for the value of the detachable warrants issued to the holders of the KKR Notes.

OTHER INCOME (CHARGES), NET

See Note 15, "Other Income (Charges), Net", in the Notes to Financial Statements.

Income Tax Provision

(dollars in millions)	For the Year Ended December 31,		
	2011	**2010**	**2009**
Loss from continuing operations before income taxes	$ (758)	$ (561)	$ (117)
Provision for income taxes	$ 9	$ 114	$ 115
Effective tax rate	(1.2)%	(20.3)%	(98.3)%
Benefit for income taxes @ 35%	$ (265)	$ (196)	$ (41)
Difference between tax at effective vs statutory rate	$ 274	$ 310	$ 156

The change in the Company's effective tax rate from continuing operations for 2011 as compared with 2010 is primarily attributable to: (1) a pre-tax goodwill impairment charge of $626 million that resulted in a tax benefit of only $2 million due to the limited amount of tax deductible goodwill that existed as of December 31, 2010, (2) a benefit associated with the release of deferred tax asset valuation allowances in certain jurisdictions outside of the U.S. as of December 31, 2010, (3) incremental withholding taxes related to non-recurring licensing agreements entered into during 2010 as compared with 2011, (4) the mix of earnings from operations in certain jurisdictions outside the U.S. as of December 31, 2010, (5) a provision associated with the establishment of a deferred tax asset valuation allowance outside the U.S.

as of December 31, 2011, (6) a provision associated with legislative tax rate changes in a jurisdiction outside the U.S., (7) a provision related to withholding taxes in undistributed earnings as of December 31, 2011, (8) a benefit as a result of the Company reaching a settlement with a taxing authority in a location outside the U.S. as of December 31, 2011, (9) a benefit associated with the IRS settlement for 2001 – 2005 as of December 31, 2011, (10) a benefit associated with the release of deferred tax asset valuation allowances in certain jurisdictions outside of the U.S. as of December 31, 2011, and (11) losses generated within the U.S. and certain jurisdictions outside the U.S. for which no benefit was recognized due to management's conclusion that it was more likely than not that the tax benefits would not be realized.

The change in the Company's effective tax rate from continuing operations for 2010 as compared with 2009 is primarily attributable to: (1) a pre-tax goodwill impairment charge of $626 million that resulted in a tax benefit of only $2 million due to the limited amount of tax deductible goodwill that existed as of December 31, 2010, (2) a benefit associated with the release of deferred tax asset valuation allowances in certain jurisdictions outside of the U.S. during 2010, (3) incremental withholding taxes related to non-recurring licensing agreements entered into during 2010 as compared with 2009, (4) changes to the geographical mix of earnings from operations outside the U.S., (5) losses generated in the U.S. and in certain jurisdictions outside the U.S. for which no benefit was recognized due to management's conclusion that it was more likely than not that the tax benefits would not be realized, and (6) changes in audit reserves and settlements.

Results of Operations – Discontinued Operations

The loss from discontinued operations in 2010 was primarily due to legal costs related to a 2008 tax refund.

Earnings from discontinued operations in 2009 were primarily driven by the reversal of certain foreign tax reserves which had been recorded in conjunction with the divestiture of the Health Group in 2007.

Extraordinary Gain

The terms of the purchase agreement of the 2004 acquisition of NexPress Solutions LLC called for additional consideration to be paid by the Company if sales of certain products exceeded a stated minimum number of units sold during a five-year period following the close of the transaction. In May 2009, the earn-out period lapsed with no additional consideration required to be paid by the Company. Negative goodwill, representing the contingent consideration obligation of $17 million, was therefore reduced to zero. The reversal of negative goodwill reduced Property, plant and equipment, net by $2 million and Research and development expense by $7 million and resulted in an extraordinary gain of $6 million, net of tax, during the year ended December 31, 2009.

Restructuring Costs, Rationalization and Other

2011

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

The charges of $133 million recorded in 2011 included $10 million of charges for accelerated depreciation and $2 million for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations for the year ended December 31, 2011. The remaining $121 million, including $105 million of severance costs, $15 million of exit costs, and $1 million of long-lived asset impairments, were reported in Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2011. 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. The Company expects to utilize the majority of the December 31, 2011 accrual balance in 2012.

During the year ended December 31, 2011, the Company made cash payments related to restructuring and rationalization of approximately $71 million.

The charges of $133 million recorded in the year ended December 31, 2011 included $47 million applicable to FPEG, $34 million applicable to GCG, $9 million applicable to CDG, and $43 million that was applicable to manufacturing/service, research and development, and administrative functions, which are shared across all segments.

The restructuring actions implemented in the year 2011 are expected to generate future annual cash savings of $114 million. These savings are expected to reduce future Cost of sales, SG&A and R&D expenses by $51 million, $55 million, and $8 million, respectively. The Company began realizing these savings in the first quarter of 2011, and expects the majority of the savings to be realized by the second half of 2012 as most of the actions and severance payouts are completed.

2010

During the year ended December 31, 2010, the Company engaged in various initiatives to rationalize its workforce and streamline its operations in the face of ongoing business and economic changes. The Company incurred restructuring and rationalization charges related to these initiatives of $78 million. The charges of $78 million recorded in 2010 included $6 million of charges for accelerated depreciation and $2 million for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations for the year ended December 31, 2010. The remaining $70 million, including $49 million of severance costs, $14 million of exit costs, and $7 million of long-lived asset impairments, were reported in Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2010.

2009

For the year ended December 31, 2009, the Company incurred restructuring and rationalization charges, net of reversals, of $258 million. The $258 million of restructuring and rationalization charges, net of reversals, included $22 million of costs related to accelerated depreciation, and $10 million of charges for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations. The remaining costs incurred, net of reversals, of $226 million were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2009.

CONSUMER DIGITAL IMAGING GROUP

(dollars in millions)

	For the Year Ended December 31,							
	2011	% of Sales	% Change	2010	% of Sales	% Change	2009	% of Sales
Total net sales	$ 1,739		-36%	$ 2,731		4%	$ 2,626	
Cost of sales	1,526		-12%	1,732		-12%	1,973	
Gross profit	213	12%	-79%	999	37%	53%	653	25%
Selling, general and administrative expenses	428	25%	-21%	545	20%	10%	497	19%
Research and development costs	134	8%	-24%	176	6%	6%	166	6%
(Loss) earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ (349)	-20%	-226%	$ 278	10%	-2880%	$ (10)	0%

	For the Year Ended December 31,		Change vs. 2010			
	2011 Amount	Change vs. 2010	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 1,739	-36%	-6%	-31%	1%	n/a
Gross profit margin	12%	-25pp	n/a	-29pp	1pp	3pp

	For the Year Ended December 31,		Change vs. 2009			
	2010 Amount	Change vs. 2009	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 2,731	4%	-1%	6%	-1%	n/a
Gross profit margin	37%	12pp	n/a	6pp	0pp	6pp

As announced on February 9, 2012, the Company plans to phase out its dedicated capture devices business, including digital cameras, pocket video cameras, and digital picture frames in the first half of 2012.

Revenues

CDG's 2011 revenue decline , as compared with the same period in 2010, was primarily attributable to unfavorable price/mix, driven by a decrease in non-recurring intellectual property royalty revenues (-28%). Also contributing to the decline were lower volumes in *Digital Capture and Devices* (-10%), largely reflective of the Company's focus on improved profitability versus revenue growth. Partially offsetting these declines were higher volumes within *Consumer Inkjet Systems* (+4%), due to continued positive customer response as noted above. Total revenues for *Consumer Inkjet Systems* grew 39% from the prior year period. The volume increases experienced by the Company outpaced the consumer printing industry, which management believes is reflective of how the Company's value proposition continues to resonate with customers.

CDG's 2010 revenue increase of 4% as compared with the same period in 2009 was primarily due to an increase in revenues from non-recurring intellectual property licensing agreements (+15%), partially offset by unfavorable price/mix in the other components of *Digital Capture and Devices* due to pricing pressures in the industry (-7%). Volume improvements in *Consumer Inkjet Systems* (+3%) also contributed to the revenue increase. Partially offsetting these increases were volume declines in *Retail Systems Solutions* (-4%), primarily due to the expiration of a significant customer contract in 2009. Total revenues for *Consumer Inkjet Systems* grew 29% from the prior year.

Included in revenues were non-recurring intellectual property licensing agreements within *Digital Capture and Devices*. These licensing agreements contributed $64 million, $838 million, and $435 million to revenues in 2011, 2010, and 2009, respectively.

Gross Profit

The decrease in gross profit margin from 2010 to 2011 was primarily attributable to unfavorable price/mix within *Digital Capture and Devices*, driven by lower non-recurring intellectual property royalty revenues (-25pp). Unfavorable price/mix, due to competitive pricing pressures within *Digital Capture and Devices* (-3pp) and *Consumer Inkjet Systems* (-2pp), also contributed to the decline. These declines were partially offset by ongoing cost improvements within *Consumer Inkjet Systems* (+4pp), due to improved quality and component cost reductions.

The increase in gross profit margin from 2009 to 2010 for CDG was primarily attributable to the increase in non-recurring intellectual property licensing revenues (+10pp) included in price/mix within *Digital Capture and Devices.* This was partially offset by unfavorable price/mix in the other components of *Digital Capture and Devices* (-2pp), largely related to competitive pricing pressures, and by price/mix declines within *Retail Systems Solutions* (-1pp), primarily due to the expiration of a significant customer contract in 2009. Cost improvements, primarily within *Digital Capture and Devices* (+4pp) and *Consumer Inkjet Systems* (+2pp), positively impacted gross profit margin as a percent of sales and were largely the result of supplier cost reductions and improved product life cycle management.

Included in gross profit were non-recurring intellectual property licensing agreements within *Digital Capture and Devices*. These licensing agreements contributed $64 million, $838 million, and $435 million to gross profit in 2011, 2010, and 2009, respectively.

Selling, General and Administrative Expenses

The decrease in SG&A expenses from 2010 to 2011 and the increase in SG&A expenses from 2009 to 2010 were primarily attributable to advertising campaigns run in 2010.

Research and Development Costs

The decrease in R&D costs from 2010 to 2011 was primarily due to rationalization of investments.

GRAPHIC COMMUNICATIONS GROUP

(dollars in millions)

	For the Year Ended December 31,							
	2011	% of Sales	% Change	2010	% of Sales	% Change	2009	% of Sales
Total net sales	$ 2,736		2%	$ 2,674		-2%	$ 2,718	
Cost of sales	2,226		9%	2,043		-3%	2,105	
Gross profit	510	19%	-19%	631	24%	3%	613	23%
Selling, general and administrative expenses	554	20%	-2%	567	21%	4%	547	20%
Research and development costs	147	5%	-8%	159	6%	-8%	173	6%
Loss from continuing operations before interest expense, other income (charges), net and income taxes	$ (191)	-7%	-101%	$ (95)	-4%	11%	$ (107)	-4%

	For the Year Ended December 31,		Change vs. 2010			
	2011 Amount	Change vs. 2010	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 2,736	2%	2%	-3%	3%	n/a
Gross profit margin	19%	-5pp	n/a	-1pp	0pp	-4pp

	For the Year Ended December 31,		Change vs. 2009			
	2010 Amount	Change vs. 2009	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 2,674	-2%	3%	-5%	0%	n/a
Gross profit margin	24%	1pp	n/a	-3pp	0pp	4pp

Revenues

The increase in GCG net sales from 2010 to 2011 was driven by volume increases in *Prepress Solutions* (+2%) and the impact of favorable foreign exchange (+3) across the segment. The volume growth in *Prepress Solutions* was largely due to continued increased print demand in emerging markets and continued growth in Flexcel NX packaging solutions. Partially offsetting these increases was unfavorable price/mix in *Prepress Solutions* (-3%), largely due to continued pricing pressures within the industry.

The decrease in GCG net sales from 2009 to 2010 was primarily due to unfavorable price/mix in *Prepress Solutions* (-4%), partially offset by volume improvements across all SPGs (+3%). The unfavorable price/mix primarily reflects competitive pricing and overcapacity within the printing industry. The volume improvements were largely driven by growth in digital plates and computer-to-plate equipment within *Prepress Solutions*; commercial inkjet equipment, including PROSPER S10 imprinting systems within *Digital Printing Solutions*; and document imaging scanners, including the introduction of the Kodak i4000 Series Scanners within *Business Services and Solutions*.

Three of the Company's four digital growth initiatives are reported in GCG: Packaging, within *Prepress Solutions*; Inkjet, within *Digital Printing Solutions*; and Workflow and Services, within *Business Services and Solutions.* Revenue grew a combined 4% for these businesses from 2010 to 2011, contributing approximately 1% to GCG's overall sales growth year over year.

Gross Profit

The decrease in gross profit margin from 2010 to 2011 for GCG was driven by increased manufacturing and other costs, primarily due to increased costs in *Digital Printing Solutions* (-3pp), attributable to continuing start-up costs associated with the stabilization of the PROSPER printing systems. In addition, unfavorable price/mix in *Prepress Solutions* (-2pp), largely due to pricing pressures within the industry, contributed to the decline.

The increase in gross profit margin from 2009 to 2010 for GCG was primarily due to reduced manufacturing costs, including aluminum costs (+4 pp). Partially offsetting this reduction in cost was unfavorable price/mix within *Prepress Solutions* (-3 pp), due to the reasons outlined in the Revenues discussion above.

Selling, General and Administrative Expenses

The decrease in SG&A expenses from 2010 to 2011 and the increase in SG&A expenses from 2009 to 2010 were primarily attributable to advertising campaigns run in 2010.

Research and Development Costs

The decreases in R&D costs were primarily due to the rationalization of investments.

FILM, PHOTOFINISHING AND ENTERTAINMENT GROUP

(dollars in millions)	For the Year Ended December 31,							
	2011	% of Sales	% Change	2010	% of Sales	% Change	2009	% of Sales
Total net sales	$ 1,547		-12%	$ 1,762		-22%	$ 2,262	
Cost of sales	1,330		-8%	1,453		-17%	1,755	
Gross profit	217	14%	-30%	309	18%	-39%	507	22%
Selling, general and administrative expenses	172	11%	-13%	198	11%	-31%	287	13%
Research and development costs	11	1%	-45%	20	1%	-39%	33	1%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ 34	2%	-63%	$ 91	5%	-51%	$ 187	8%

	For the Year Ended December 31,		Change vs. 2010			
	2011 Amount	Change vs. 2010	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 1,547	-12%	-16%	2%	2%	n/a
Gross profit margin	14%	-4pp	n/a	2pp	0pp	-6pp

	For the Year Ended December 31,		Change vs. 2009			
	2010 Amount	Change vs. 2009	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 1,762	-22%	-20%	-2%	0%	n/a
Gross profit margin	18%	-4pp	n/a	-1pp	0pp	-3pp

Revenues

The decrease in net sales from 2010 to 2011 was driven by lower volumes, primarily attributable to industry-related declines. Favorable price/mix partially offset the volume declines, due to pricing actions (+1%) implemented to mitigate rising commodity costs and revenues from a non-recurring intellectual property licensing agreement (+1%).

The decrease in net sales from 2009 to 2010 was primarily driven by volume declines across all SPGs within the segment. These volume declines in *Traditional Photofinishing* (-5%) and *Film Capture* (-3%) were primarily driven by secular declines in the industry. The volume declines for *Entertainment Imaging* (-7%) were also largely attributable to secular declines, including the effects of digital substitution.

Gross Profit

The decrease in FPEG gross profit margin from 2010 to 2011 was driven by higher costs, primarily related to silver. Partially offsetting this decline was favorable price/mix, due to pricing actions implemented to mitigate the rising silver costs (+1pp) and an increase in gross profit from a non-recurring intellectual property licensing agreement (+1pp).

The decrease in FPEG gross profit margin from 2009 to 2010 was primarily driven by increased silver and other commodity costs.

Selling, General and Administrative Expenses

The declines in SG&A expenses were primarily attributable to focused cost reduction actions completed in 2009 and 2010 that continue to result in lower SG&A expenses.

Research and Development Costs

The decreases in R&D costs were due to the rationalization of investments in the segment.

LIQUIDITY AND CAPITAL RESOURCES

2011

Cash Flow Activity

(in millions)	As of December 31, 2011	2010
Cash and cash equivalents	$ 861	$ 1,624

(in millions)	For the Year Ended December 31, 2011	2010	Change
Cash flows from operating activities:			
Net cash used in continuing operations	$ (988)	$ (219)	$ (769)
Net cash used in discontinued operations	(10)	-	(10)
Net cash used in operating activities	(998)	(219)	(779)
Cash flows from investing activities:			
Net cash used in investing activities	(25)	(112)	87
Cash flows from financing activities:			
Net cash provided by (used in) financing activities	246	(74)	320
Effect of exchange rate changes on cash	14	5	9
Net decrease in cash and cash equivalents	$ (763)	$ (400)	$ (363)

Operating Activities

Net cash used in operating activities increased $779 million for the year ended December 31, 2011 as compared with the prior year. Cash received in 2011 related to non-recurring licensing agreements of $82 million was $515 million lower than cash received in 2010, related to non-recurring licensing agreements, net of applicable withholding taxes, of $597 million. Additionally, the increase in cash used in operating activities was attributable to a greater use of cash from working capital changes and use of cash for the settlement of other liabilities in the current year as compared with the prior year.

Investing Activities

Net cash used in investing activities decreased $87 million for the year ended December 31, 2011 as compared with 2010 due primarily to an increase in proceeds received from sales of assets and businesses and lower capital expenditures. Partially offsetting this was cash used for the acquisition of a business and to fund restricted cash and investments in trust ensuring payment of various obligations.

Financing Activities

Net cash provided by financing activities increased $320 million for the year ended December 31, 2011 as compared with 2010 due to an increase in net borrowings.

Sources of Liquidity

The Company has been using cash received from operations, including intellectual property licensing, and the sale of non-core assets to fund its investment in the consumer and commercial inkjet businesses and its transformation from a traditional film manufacturing company to a digital technology company. The Company faces an uncertain business environment and a number of substantial challenges, including the level of investment necessary to support growth in its consumer and commercial inkjet businesses, historically high commodity costs, aggressive price competition, secular decline in the Company's traditional film businesses, the cost to restructure the Company to enable sustainable profitability, underfunded and unfunded defined benefit and other postretirement benefit plans, and short-term uncertainty relating to certain of the Company's intellectual property licensing activities pending the outcome of the infringement litigation against Apple, Inc. and Research in Motion Ltd. before the International Trade Commission. In July 2011, the Company announced that it is exploring strategic alternatives, including a potential sale, related to its digital imaging patent portfolios. As this process proceeds, the Company will continue to pursue its patent licensing program as well as all litigation related to its digital imaging technology. A sale of the Company's digital imaging patent portfolios, which would accelerate the monetization of the digital imaging patent portfolios that has been implemented largely through licensing transactions, could result in the cessation of license revenue related to these patents.

During the year ended December 31, 2011, the Company has supplemented cash on hand with additional debt to fund operations, while pursuing asset sales, intellectual property licenses, and a sale of, or other strategic alternatives with, its digital imaging patent portfolio. Net cash provided by financing activities was $246 million in 2011.

On January 20, 2012, in connection with the Company's Bankruptcy Filing, the Company entered into, and the Bankruptcy Court approved on an interim basis, the DIP Credit Agreement which provides up to a $700 million super-priority senior secured term loan facility and up to a $250 million super-priority senior secured asset-based revolving credit facilities. On January 20, 2012, the Company borrowed $400 million in term loans and issued $102 million of letters of credit under the revolving credit facilities. In connection with entering into and drawing funds on the DIP Credit Agreement, the Company repaid, refinanced, or transferred all obligations and terminated all commitments under the Second Amended and Restated Credit Agreement. On February 15, 2012, the Company received from the Bankruptcy Court the final DIP Credit Agreement order (the "Final DIP Order") and shortly thereafter borrowed the remaining $300 million super-priority senior secured term loan.

Cash and cash equivalents are held in various locations throughout the world. At December 31, 2011 and December 31, 2010, approximately $170 million and $580 million, respectively, of cash and cash equivalents were held within the U.S. During the twelve month period ended December 31, 2011, approximately $320 million of cash was repatriated, or loaned, from foreign subsidiaries to the U.S., net of loans and repayments of loans to foreign subsidiaries, at an incremental cash tax cost of $4 million. The Company utilizes a variety of tax planning and financing strategies in an effort to ensure that cash is available in locations where it is needed; however, as of December 31, 2011, cash balances held outside of the U.S. are generally required to support local country operations and are therefore not available for operations in other jurisdictions. Additionally, in China, where approximately $340 million in cash and cash equivalents was held as of December 31, 2011, there are limitations related to net asset balances that impact the ability to make cash available to other jurisdictions in the world. The Company plans to meet its current liquidity needs through existing cash balances, operating earnings from foreign subsidiaries, including Chinese subsidiaries, when available, financing available under the DIP Credit Agreement, proceeds from sales of businesses and assets, and through monetization of its digital imaging patent portfolio.

The Company's Bankruptcy Filing is intended to permit the Company to reorganize and improve liquidity in the U.S. and abroad, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and focus on the most valuable business lines to enable sustainable profitability. The Company's goal is to develop and implement a reorganization plan that meets the standards for confirmation under the Bankruptcy Code. If the Company is unable to sell its digital imaging patent portfolio at an appropriate price, it will pursue additional licensing opportunities related to that patent portfolio. Additionally, if liquidity needs require, the Company could slow its rate of investment in its digital growth initiatives and/or pursue the sale of certain of its cash generating businesses that have leading market positions in large markets. The Company believes that it will have sufficient amounts available under the DIP Credit Agreement, plus trade credit extended by vendors, proceeds from sales of assets, intellectual property monetization transactions, and cash generated from operations to fund anticipated cash requirements through the end of 2012.

The Bankruptcy Filing constituted an event of default for certain of the Debtor's debt obligations. However, payment obligations under the debt agreements are stayed as a result of the Bankruptcy Filing and the creditors' rights of enforcement in respect of the debt agreements are subject to the applicable provisions of the Bankruptcy Code.

There can be no assurance that cash on hand, cash generated through operations, and other available funds will be sufficient to meet the Company's reorganization or ongoing cash needs, or that the Company will remain in compliance with all the necessary terms and conditions of the DIP Credit Agreement. As a result, the Company may be required to consider other alternatives to maximize the potential recovery for the various creditor constituencies, including, but not limited to, a possible sale of the Company or certain of the Company's material assets pursuant to Section 363 of the Bankruptcy Code.

Liens on assets under the Company's borrowing arrangements are not expected to affect the Company's strategy of divesting non-core assets.

Refer to Note 9, "Short-Term Borrowings and Long-Term Debt," in the Notes to Financial Statements for further discussion of sources of liquidity, presentation of long-term debt, related maturities and interest rates as of December 31, 2011 and 2010.

Issuance of Senior Secured Notes due 2019

On March 15, 2011, the Company issued $250 million of aggregate principal amount of 10.625% senior secured notes due March 15, 2019 (2019 Senior Secured Notes). The terms call for interest at an annual rate of 10.625% of the principal amount at issuance, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2011.

Upon issuance of the 2019 Senior Secured Notes, the Company received proceeds of approximately $247 million ($250 million aggregate principal less $3 million stated discount). The proceeds were used to repurchase $50 million of the 7.25% Senior Notes due 2013 with the remaining amount being used for other general corporate purposes.

In connection with the issuance of the 2019 Senior Secured Notes, the Company and the subsidiary guarantors (as defined below) entered into an indenture, dated as of March 15, 2011, with Bank of New York Mellon as trustee and second lien collateral agent (Indenture). On January 26, 2012, Wilmington Trust National Association replaced Bank of New York Mellon as trustee and second lien collateral agent.

At any time prior to March 15, 2015, the Company will be entitled at its option to redeem some or all of the 2019 Senior Secured Notes at a redemption price of 100% of the principal plus accrued and unpaid interest and a "make-whole" premium (as defined in the Indenture). On and after March 15, 2015, the Company may redeem some or all of the 2019 Senior Secured Notes at certain redemption prices expressed as percentages of the principal plus accrued and unpaid interest. In addition, prior to March 15, 2014, the Company may redeem up to 35% of the 2019 Senior Secured Notes at a redemption price of 110.625% of the principal, plus accrued and unpaid interest, using proceeds from certain equity offerings, provided the redemption takes place within 120 days after the closing of the related equity offering and not less than 65% of the original aggregate principal remains outstanding immediately thereafter.

Upon the occurrence of a change of control, each holder of the 2019 Senior Secured Notes has the right to require the Company to repurchase some or all of such holder's 2019 Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

The Indenture contains covenants limiting, among other things, the Company's ability and the ability of the Company's restricted subsidiaries (as defined in the Indenture) to (subject to certain exceptions and qualifications): incur additional debt or issue certain preferred stock; pay dividends or make distributions in respect of capital stock or make other restricted payments; make principal payments on, or purchase or redeem subordinated indebtedness prior to any scheduled principal payment or maturity; make certain investments; sell certain assets; create liens on assets; consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's and its subsidiaries' assets; enter into certain transactions with affiliates; and designate the Company's subsidiaries as unrestricted subsidiaries. The Company was in compliance with these covenants as of December 31, 2011.

The 2019 Senior Secured Notes are fully and unconditionally guaranteed (Guarantees) on a senior secured basis by each of the Company's existing and future direct or indirect 100% owned domestic subsidiaries, subject to certain exceptions (Subsidiary Guarantors). The 2019 Senior Secured Notes and Guarantees are secured by second-priority liens, subject to permitted liens, on substantially all of the Company's domestic assets and substantially all of the domestic assets of the Subsidiary Guarantors pursuant to a supplement, dated March 15, 2011, to the security agreement, dated March 5, 2010, entered into with Bank of New York Mellon as second lien collateral agent. The carrying value of the assets pledged as collateral at December 31, 2011 was approximately $1 billion.

The 2019 Senior Secured Notes are the Company's senior secured obligations and rank senior in right of payment to any future subordinated indebtedness; rank equally in right of payment with all of the Company's existing and future senior indebtedness; are effectively senior in right of payment to the Company's existing and future unsecured indebtedness; are effectively subordinated in right of payment to indebtedness under the Company's Second Amended Credit Agreement (as defined below) to the extent of the collateral securing such indebtedness on a first-priority basis; and effectively are subordinated in right of payment to all existing and future indebtedness and other liabilities of the Company's non-guarantor subsidiaries.

Certain events are considered events of default and may result in the acceleration of the maturity of the 2019 Senior Secured Notes, including, but not limited to (subject to applicable grace and cure periods): default in the payment of principal or interest when it becomes due and payable; failure to purchase Senior Secured Notes tendered when and as required; events of bankruptcy; and non-compliance with other provisions and covenants and the acceleration or default in the payment of principal of certain other forms of debt. If an event of default occurs, the aggregate principal amount and accrued and unpaid interest may become due and payable immediately.

The Bankruptcy Filing constituted an event of default with the 2019 Senior Secured Notes. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

Second Lien Holders Agreement

On February 14, 2012, the Company reached an adequate protection agreement with a group representing at least 50.1% of the Second Lien Note Holders (2019 Senior Secured Note Holders and 2018 Senior Secured Note Holders) which was reflected in the Final DIP Order. The Company agreed, among other things, to provide all Second Lien Note Holders with a portion of the proceeds received from certain sales and settlements in respect of the Company's digital imaging portfolio subject to the following waterfall and the Company's right to retain a percentage of certain proceeds under the DIP Credit Agreement: first, to repay any outstanding obligations under the DIP Credit Agreement, including cash collateralizing letters of credit (unless the certain parties otherwise agree); second, to pay 50% of accrued second lien interest at the non-default rate; third, the Company retains $250 million; fourth, to pay 50% of accrued second lien interest at the non-default rate; fifth, any remaining proceeds up to $2,250 million to be split 60% to the Company and 40% to repay outstanding second lien debt at par; and sixth, the Company agreed that any proceeds above $2,250 million will be split 50% to the Company and 50% to Second Lien Note Holders until second lien debt is fully paid. The Company also agreed to pay current interest to Second Lien Note Holders upon the receipt of $250 million noted above. Subject to the satisfaction of certain conditions, the Company also agreed to pay reasonable fees of certain advisors to the Second Lien Note Holders.

Repurchase of Senior Notes due 2013

On March 15, 2011, the Company repurchased $50 million aggregate principal amount of Senior Notes due 2013 (2013 Notes) at par using proceeds from the issuance of the 2019 Senior Secured Notes. As of December 31, 2011, $250 million of the 2013 Notes remain outstanding.

Second Amended and Restated Credit Agreement

On April 26, 2011, the Company and its subsidiary, Kodak Canada, Inc. (together the "Borrowers"), together with the Company's U.S. subsidiaries as guarantors (Guarantors), entered into a Second Amended and Restated Credit Agreement (Second Amended Credit Agreement), with the named lenders (Lenders) and Bank of America, N.A. as administrative agent, in order to amend and extend its Amended and Restated Credit Agreement dated as of March 31, 2009, as amended (Amended Credit Agreement).

The Second Amended Credit Agreement provides for an asset-based Canadian and U.S. revolving credit facility (Credit Facility) of $400 million ($370 million in the U.S. and $30 million in Canada), as further described below, with the ability to increase the aggregate amount. Additionally, up to $125 million of the Company's and its subsidiaries' obligations to Lenders under treasury management services, hedge or other agreements or arrangements can be secured by the collateral under the Credit Facility. The Credit Facility can be used for ongoing working capital and other general corporate purposes. The termination date of the Credit Facility is the earlier of (a) April 26, 2016 or (b) August 17, 2013, to the extent that the 2013 Notes have not been redeemed, defeased, or otherwise satisfied by that date.

On September 23, 2011, the Company initiated a draw of $160 million under the Second Amended Credit Agreement for general corporate purposes. During the fourth quarter of 2011, the Company repaid $60 million under the Second Amended Credit Agreement. The revolving credit advance bears interest at applicable margins over the Base Rate, as defined in the Second Amended Credit Agreement. The borrowing will bear interest initially at 1.5% (the applicable margin) plus the Base Rate, which fluctuates daily based on the highest of the following reference rates: the Federal Funds Rate plus 0.5%, Bank of America's prime rate, and a one-month Eurodollar rate plus 1.0%. The Company

may repay the advances at any time without penalty, subject to certain conditions if the advances have been converted to a Eurodollar rate.

Advances under the Second Amended Credit Agreement are available based on the Borrowers' respective borrowing base from time to time. The borrowing base is calculated based on designated percentages of eligible accounts receivable, inventory, and machinery and equipment, subject to applicable reserves. As of December 31, 2011, based on this borrowing base calculation and after deducting $100 million of outstanding borrowings under the agreement, the face amount of letters of credit outstanding of $96 million and $63 million of collateral to secure other banking arrangements, the Company had $71 million available to borrow under the Second Amended Credit Agreement.

Under the terms of the Credit Facility, the Company has agreed to certain affirmative and negative covenants customary in similar asset-based lending facilities. In the event the Company's excess availability under the Credit Facility borrowing base formula falls below the greater of (a) $40 million or (b) 12.5% of the commitments under the Credit Facility at any time (Trigger), among other things, the Company must maintain a fixed charge coverage ratio of not less than 1.1 to 1.0 until the excess availability is greater than the Trigger for 30 consecutive days. As of December 31, 2011, the Company's fixed charge coverage ratio was less than 1.1 to 1.0; however, as of December 31, 2011, excess availability was greater than the Trigger. The $100 million principal outstanding as of December 31, 2011 is recorded within short-term borrowings and current portion of long-term debt within the Company's Consolidated Statement of Financial Position. The negative covenants limit, under certain circumstances, among other things, the Company's ability to incur additional debt or liens, make certain investments, make shareholder distributions or prepay debt, except as permitted under the terms of the Second Amended Credit Agreement. The Company was in compliance with all covenants under the Credit Facility as of December 31, 2011.

In addition to the Second Amended Credit Agreement, the Company has other committed and uncommitted lines of credit as of December 31, 2011 totaling $17 million and $65 million, respectively. These lines primarily support operational and borrowing needs of the Company's subsidiaries, which include term loans, overdraft coverage, revolving credit lines, letters of credit, bank guarantees and vendor financing programs. Interest rates and other terms of borrowing under these lines of credit vary from country to country, depending on local market conditions. As of December 31, 2011, usage under these lines was approximately $24 million, all of which were supporting non-debt related obligations.

The Credit Facility contains events of default customary in similar asset based lending facilities. If an event of default occurs and is continuing, the Lenders may decline to provide additional advances, impose a default rate of interest, declare all amounts outstanding under the Credit Facility immediately due and payable, and require cash collateralization or similar arrangements for outstanding letters of credit.

The Bankruptcy Filing constituted an event of default with the Second Amended and Restated Credit Agreement. On January 20, 2012, the Company repaid, refinanced, or transferred all obligations and terminated all commitments under the Second Amended and Restated Credit Agreement in connection with entering into and drawing funds from the Debtor-in-Possession Revolving Credit Agreement.

Debtor-in-Possession Credit Agreement

In connection with the Bankruptcy Filing, on January 20, 2012, the Company and Kodak Canada Inc. (the "Canadian Borrower" and, together with the Company, the "Borrowers") entered into a Debtor-in-Possession Credit Agreement (the "DIP Credit Agreement") with certain subsidiaries of the Company and the Canadian Borrower signatory thereto ("Subsidiary Guarantors"), the lenders signatory thereto (the "Lenders"), Citigroup Global Markets Inc., as sole lead arranger and bookrunner, and Citicorp North America, Inc., as syndication agent, administration agent and collateral agent (the "Agent"). Pursuant to the terms of the DIP Credit Agreement, the Lenders agreed to lend in an aggregate principal amount of up to $950 million, consisting of up to $250 million super-priority senior secured asset-based revolving credit facilities and an up to $700 million super-priority senior secured term loan facility (collectively, the "Loans"). Up to $25 million of the revolving credit facilities will be available to the Canadian Borrower and may be borrowed in Canadian Dollars. The Company and each existing and future direct or indirect U.S. subsidiary of the Company (other than indirect U.S. subsidiaries held through foreign subsidiaries and certain immaterial subsidiaries (if any)) (the "U.S. Guarantors") have agreed to provide unconditional guarantees of the obligations of the Borrowers under the DIP Credit Agreement. In addition, the U.S. Guarantors, the Canadian Borrower and each existing and future direct and indirect Canadian subsidiary of the Canadian Borrower (other than certain immaterial subsidiaries (if any)) (the "Canadian Guarantors" and, together with the U.S. Guarantors, the "Guarantors") have agreed to provide unconditional guarantees of the obligations of the Canadian Borrower under the DIP Credit Agreement. Under the terms of the DIP Credit Agreement, the Company will have the option to have interest on the loans provided thereunder accrue at a base rate or the then applicable LIBOR Rate (subject to certain adjustments and, in the case of the term loan facility, a floor of 1.00%), plus a margin, (x) in the case of the revolving loan facility, of 2.25% for a base rate revolving loan or 3.25% for a LIBOR rate revolving loan, and (y) in the case of the term loan facility, of 6.50% for a base rate loan and 7.50% for a LIBOR Rate loan. The

obligations of the Borrowers and the Guarantors under the DIP Credit Agreement are secured by a super-priority security interest in and lien upon all of the existing and after-acquired personal property of the Company and the U.S. Guarantors, including pledges of all stock or other equity interest in direct subsidiaries owned by the Company or the U.S. Guarantors (but only up to 65% of the voting stock of each direct foreign subsidiary owned by the Company or any U.S. Guarantor in the case of pledges securing the Company's and the U.S. Guarantors' obligations under the DIP Credit Agreement). Assets of the type described in the preceding sentence of the Canadian Borrower or any Canadian subsidiary of the Canadian Borrower are similarly pledged to secure the obligations of the Canadian Borrower and Canadian Guarantor under the DIP Credit Agreement. The security and pledges are subject to certain exceptions. The Credit Agreement terminates and all outstanding commitments must be repaid on the earliest to occur of (i) July 20, 2013, (ii) date of the substantial consummation of certain reorganization plans and (iii) certain other events, including Events of Default and repayment in full of the obligations pursuant to a mandatory prepayment.

The DIP Credit Agreement limits, among other things, the Borrowers' and the Subsidiary Guarantors' ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions and (vi) modify the terms of any organizational documents and certain material contracts of the Borrowers and the Subsidiary Guarantors. In addition to standard obligations, the DIP Credit Agreement provides for specific milestones that the Company must achieve by specific target dates. In addition, the Company and its subsidiaries are required to maintain consolidated Adjusted EBITDA (as defined in the DIP Credit Agreement) of not less than a specified level for certain periods, with the specified levels ranging from $(130) million to $175 million depending on the applicable period. The Company and its subsidiaries must also maintain minimum U.S. Liquidity (as defined in the DIP Credit Agreement) ranging from $100 million to $250 million depending on the applicable period.

The Borrowers drew approximately $400 million in term loans under the DIP Credit Agreement on January 20, 2012 and issued approximately $102 million of letters of credit under the revolving credit facility. After the initial drawdown under the DIP Credit Agreement and based on the current borrowing base calculation, as of January 20, 2012, the Borrowers had approximately $98 million available under the revolving credit facility and $300 million committed under the term loan facility. Availability under the DIP Credit Agreement may be further subject to borrowing base availability, reserves and other limitations. Following the Final DIP Order issued on February 15, 2012, the Company borrowed the remaining $300 million of term loans.

The Company paid approximately $36 million to the Agent for arrangement, incentive, and customary agency administration fees in connection with the DIP Credit Agreement and will pay to the Lenders participation fees and an unused amount fee and commitment fee as set forth in the DIP Credit Agreement.

In connection with entering into the DIP Credit Agreement described above, on January 20, 2012, the Company repaid all obligations (other than reimbursement obligations in respect of undrawn amounts, fees and interest in respect of certain letters of credit and secured agreements that remain outstanding) and terminated all commitments under the Second Amended and Restated Credit Agreement (the "Prior Credit Agreement"), dated as of April 26, 2011. In addition, the Company obtained the release of the liens granted to the agents for the benefit of the secured parties in connection with the Prior Credit Agreement.

Contractual Obligations *

The impact that contractual obligations are expected to have on the Company's cash flow in future periods is as follows:

		As of December 31, 2011					
(in millions)	**Total**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017+**
Long-term debt (1)	$ 1,618	$ 52	$ 402	$ -	$ -	$ -	$ 1,164
Interest payments on debt (1)	684	123	120	105	105	105	126
Operating lease obligations	241	68	51	33	25	21	43
Purchase obligations (2)	310	109	69	47	41	18	26
Total (3) (4) (5) (6)	$ 2,853	$ 352	$ 642	$ 185	$ 171	$ 144	$ 1,359

***** Pre-petition obligations are being administered by the Bankruptcy Court. A portion of the contractual obligations relate to non-U.S. entities and, therefore, are not subject to the bankruptcy proceedings.

(1) Long-term debt represents the maturity values of the Company's long-term debt obligations as of December 31, 2011 (pre-petition debt). Interest payments on debt represent payments related to pre-petition debt. See Note 9, "Short-Term Borrowings and Long-Term Debt", in the Notes to Financial Statements.

(2) Purchase obligations include agreements related to raw materials, supplies, production and administrative services, as well as marketing and advertising, that are enforceable and legally binding on the Company and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Purchase obligations exclude agreements that are cancelable without penalty. The terms of these agreements cover the next one to eleven years.

(3) Due to uncertainty regarding the completion of tax audits and possible outcomes, the remaining estimate of the timing of payments related to uncertain tax positions and interest cannot be made. See Note 16, "Income Taxes," in the Notes to Financial Statements for additional information regarding the Company's uncertain tax positions.

(4) Kodak Limited, a wholly owned subsidiary of the Company, has agreed with the Trustees of the Kodak Pension Plan of the United Kingdom (the "Plan" or "KPP") to make certain contributions to the Plan. Under the terms of this agreement, Kodak Limited is obligated to pay a minimum amount of $50 million to the KPP in each of the years 2012 through 2014, and a minimum amount of $90 million to the KPP in each of the years 2015 through 2022. The payment amounts for the years 2015 through 2022 could be lower, and the payment amounts for 2012 through 2022 could be higher by up to $5 million per year, based on the exchange rate between the U.S. dollar and British pound. The minimum amounts do not include certain potential contributions which could be required if Kodak Limited received a cash tax benefit as a result of the minimum contributed amount. These amounts of future contributions have not been included in the table above, as in total they are dependent on the funded status of the KPP as it fluctuates over the term of the agreement. A funding valuation and funding plan is required to be submitted to and approved by the United Kingdom Pension Regulator every three years. The 2010 valuation is currently ongoing.

(5) In addition to the pension contributions related to the KPP noted in (4) above, funding requirements for the Company's other major defined benefit retirement plans and other postretirement benefit plans have not been determined, therefore, they have not been included. In 2011, the Company made contributions to its major defined benefit retirement plans and benefit payments for its other postretirement benefit plans including the KPP of $103 million ($25 million relating to its U.S. defined benefit plans) and $115 million ($110 million relating to its U.S. other postretirement benefits plan), respectively. The Company expects to contribute approximately $97 million ($15 million relating to its U.S. defined benefit plans) and $119 million ($118 million relating to its U.S. other postretirement benefits plan), respectively, to its defined benefit plans and other postretirement benefit plans in 2012, including KPP contributions noted in (4) above.

(6) Because their future cash outflows are uncertain, the other long-term liabilities presented in Note 10, "Other Long-Term Liabilities," in the Notes to Financial Statements are excluded from this table.

Off-Balance Sheet Arrangements

The Company guarantees debt and other obligations of certain customers. The debt and other obligations are primarily due to banks and leasing companies in connection with financing of customers' purchases of equipment and product from the Company. At December 31, 2011, the maximum potential amount of future payments (undiscounted) that the Company could be required to make under these customer-related guarantees was $25 million and the carrying amount of the liability related to these customer guarantees was not material.

The customer financing agreements and related guarantees, which mature between 2012 and 2016, typically have a term of 90 days for product and short-term equipment financing arrangements, and up to five years for long-term equipment financing arrangements. These guarantees would require payment from the Company only in the event of default on payment by the respective debtor. In some cases, particularly for guarantees related to equipment financing, the Company has collateral or recourse provisions to recover and sell the equipment to reduce any losses that might be incurred in connection with the guarantees. However, any proceeds received from the liquidation of these assets may not cover the maximum potential loss under these guarantees.

Eastman Kodak Company (“EKC”) also guarantees potential indebtedness to banks and other third parties for some of its consolidated subsidiaries. The maximum amount guaranteed is $185 million, and the outstanding amount for those guarantees is $161 million. Of this outstanding amount, $75 million is recorded within Short-term borrowings and current portion of long-term debt, and Long-term debt, net of current portion. Additionally $12 million is recorded within Other current liabilities and Other long-term liabilities. The remaining $74 million of outstanding guarantees represent parent guarantees providing financial assurance to third parties that the Company’s subsidiaries will fulfill their future performance or financial obligations under various contracts, and do not represent recorded liabilities. These guarantees expire in 2012 through 2019. Pursuant to the terms of the Company's Amended Credit Agreement, obligations of the Borrowers to the Lenders under the Amended Credit Agreement, as well as secured agreements in an amount not to exceed $125 million, are guaranteed by the Company and the Company’s U.S. subsidiaries and included in the above amounts. As of December 31, 2011, these secured agreements totaled $63 million.

EKC has issued a guarantee to Kodak Limited (the “Subsidiary”) and the Trustees (the “Trustees”) of the Kodak Pension Plan of the United Kingdom (the “Plan”). Under that arrangement, EKC guaranteed to the Subsidiary and the Trustees the ability of the Subsidiary, only to the extent it becomes necessary to do so, to (1) make contributions to the Plan to ensure sufficient assets exist to make plan benefit payments, and (2) make contributions to the Plan such that it will achieve full funded status by the funding valuation for the period ending December 31, 2022. The guarantee expires (a) upon the conclusion of the funding valuation for the period ending December 31, 2022 if the Plan achieves full funded status or on payment of the balance if the Plan is underfunded by no more than 60 million British pounds by that date, (b) earlier in the event that the Plan achieves full funded status for two consecutive funding valuation cycles which are typically performed at least every three years, or (c) June 30, 2024 on payment of the balance in the event that the Plan is underfunded by more than 60 million British pounds upon conclusion of the funding valuation for the period ending December 31, 2022. The amount of potential future contributions is dependent on the funding status of the Plan as it fluctuates over the term of the guarantee. The funded status of the plan may be materially impacted by future changes in key assumptions used in the valuation of the plan, particularly the discount rate and expected rate of return on plan assets. The funded status of the Plan (calculated in accordance with U.S. GAAP) is included in Pension and other postretirement liabilities presented in the Consolidated Statement of Financial Position.

The Company 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 the Company’s financial position, results of operations or cash flows. Additionally, the fair value of the indemnifications that the Company issued during the year ended December 31, 2011 was not material to the Company’s financial position, results of operations or cash flows.

2010

Cash Flow Activity

(in millions)	For the Year Ended December 31, 2010	2009	Change
Cash flows from operating activities:			
Net cash used in operating activities	$ (219)	$ (136)	$ (83)
Cash flows from investing activities:			
Net cash used in investing activities	(112)	(22)	(90)
Cash flows from financing activities:			
Net cash (used in) provided by financing activities	(74)	33	(107)
Effect of exchange rate changes on cash	5	4	1
Net decrease in cash and cash equivalents	$ (400)	$ (121)	$ (279)

Operating Activities

Net cash used in operating activities increased $83 million for the year ended December 31, 2010 as compared with the prior year due to the combination of working capital changes and use of cash for settlement of other liabilities in the current year using more cash than those factors in the prior year.

Cash received in 2010 related to non-recurring licensing agreements, net of applicable withholding taxes, of $597 million, was $25 million lower than cash received in 2009 related to non-recurring licensing agreements of $622 million.

Investing Activities

Net cash used in investing activities increased $90 million for the year ended December 31, 2010 as compared with 2009 due primarily to a decline of $124 million in proceeds received from sales of assets and businesses. Approximately $100 million of this decline is due to proceeds received from the sale of assets of the Company's OLED group in the prior year. Partially offsetting this decline were a decrease in cash used for acquisitions of $17 million and a reduction in funding of restricted cash of $13 million.

Financing Activities

Net cash used in financing activities increased $107 million for the year ended December 31, 2010 as compared with 2009 due to lower proceeds received from borrowings in the current year, primarily due to the Company's debt refinancing in 2009 for which it received approximately $100 million of net proceeds. Partially offsetting this decrease was a reduction of debt issuance costs of $18 million, also primarily related to the 2009 debt refinancing.

OTHER

Refer to Note 11, "Commitments and Contingencies," in the Notes to Financial Statements for discussion regarding the Company's undiscounted liabilities for environmental remediation costs, and other commitments and contingencies, including legal matters.

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 the Company's plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, financing needs, plans or business trends, and other information that is not historical information. When used in this report on Form 10–K, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could," or "may," and variations of such words or similar expressions are intended to identify forward–looking statements. All forward–looking statements, including, without limitation,

management's examination of historical operating trends and data are based upon the Company's expectations and various assumptions. Future events or results may differ from those anticipated or expressed in these forward-looking statements. Important factors that could cause actual events or results to differ materially from these forward-looking statements include, among others, the risks and uncertainties described under the heading "Risk Factors" in this annual report on Form 10–K for the year end December 31, 2011, and under the headings "Business" (Item 1 of Part 1), "Risk Factors" (Item 1A of Part 1), "Management's Discussion and Analysis of Financial Conditions and Results of Operations Liquidity and Capital Resources" (Item 7 of Part 2), "Notes to Financial Statements", and "Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Litigation Reform Act of 1995" in this report, and those described in filings made by the Company with the U.S. Bankruptcy Court for the Southern District of New York and in other filings the Company makes with the SEC from time to time. There may be other factors that may cause the Company's actual results to differ materially from the forward–looking statements. All forward–looking statements attributable to the Company 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 report. The Company 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.

SUMMARY OF OPERATING DATA

A summary of operating data for 2011 and for the four years prior is shown on page 117.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates, commodity prices, and interest rates, which may adversely affect its results of operations and financial position. In seeking to minimize the risks associated with such activities, the Company may enter into derivative contracts. The Company does not utilize financial instruments for trading or other speculative purposes.

Foreign currency forward contracts are used to hedge existing foreign currency denominated assets and liabilities, especially those of the Company's International Treasury Center, as well as forecasted foreign currency denominated intercompany sales. Silver forward contracts are used to mitigate the Company's risk to fluctuating silver prices.

The Company's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs. Long-term debt is generally used to finance long-term investments, while short-term debt is used to meet working capital requirements.

Using a sensitivity analysis based on estimated fair value of open foreign currency forward contracts using available forward rates, if the U.S. dollar had been 10% stronger at December 31, 2011 and 2010, the fair value of open forward contracts would have decreased $30 million and $35 million, respectively. Such changes in fair value would be substantially offset by the revaluation or settlement of the underlying positions hedged.

Using a sensitivity analysis based on estimated fair value of open silver forward contracts using available forward prices, if available forward silver prices had been 10% lower at December 31, 2011 and 2010, the fair value of open forward contracts would have decreased $2 million and $1 million, respectively. Such changes in fair value, if realized, would be offset by lower costs of manufacturing silver-containing products.

The Company is exposed to interest rate risk primarily through its borrowing activities and, to a lesser extent, through investments in marketable securities. The Company may utilize borrowings to fund its working capital and investment needs. The majority of short-term and long-term borrowings are in fixed-rate instruments. There is inherent roll-over risk for borrowings and marketable securities as they mature and are renewed at current market rates. The extent of this risk is not predictable because of the variability of future interest rates and business financing requirements.

Using a sensitivity analysis based on estimated fair value of short-term and long-term borrowings, if available market interest rates had been 10% (about 301 basis points) lower at December 31, 2011, the fair value of short-term and long-term borrowings would have increased $3 million and $66 million, respectively. Using a sensitivity analysis based on estimated fair value of short-term and long-term borrowings, if available market interest rates had been 10% (about 76 basis points) lower at December 31, 2010, the fair value of short-term and long-term borrowings would have increased less than $1 million and $50 million, respectively.

The Company's financial instrument counterparties are high-quality investment or commercial banks with significant experience with such instruments. The Company manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. The Company has procedures to monitor the credit exposure amounts. The maximum credit exposure at December 31, 2011 was not significant to the Company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Eastman Kodak Company and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 1 to the financial statements, on January 19, 2012, the Company and its U.S. subsidiaries filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code. Uncertainties inherent in the bankruptcy process raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

A company’s internal control over financial reporting is a process 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. A company’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 the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Rochester, New York
February 28, 2012

Eastman Kodak Company
CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)	For the Year Ended December 31, 2011	2010	2009
Net sales			
Products	$ 5,113	$ 5,485	$ 6,326
Services	781	778	788
Licensing & royalties	128	904	495
Total net sales	$ 6,022	$ 7,167	$ 7,609
Cost of sales			
Products	$ 4,534	$ 4,618	$ 5,247
Services	601	603	603
Total cost of sales	$ 5,135	$ 5,221	$ 5,850
Gross profit	$ 887	$ 1,946	$ 1,759
Selling, general and administrative expenses	1,159	1,275	1,298
Research and development costs	274	318	351
Restructuring costs, rationalization and other	121	70	226
Other operating (income) expenses, net	(67)	619	(88)
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(600)	(336)	(28)
Interest expense	156	149	119
Loss on early extinguishment of debt, net	-	102	-
Other income (charges), net	(2)	26	30
Loss from continuing operations before income taxes	(758)	(561)	(117)
Provision for income taxes	9	114	115
Loss from continuing operations	(767)	(675)	(232)
Earnings (loss) from discontinued operations, net of income taxes	3	(12)	17
Extraordinary item, net of tax	-	-	6
NET LOSS	(764)	(687)	(209)
Less: Net earnings attributable to noncontrolling interests	-	-	(1)
NET LOSS ATTRIBUTABLE TO EASTMAN KODAK COMPANY	$ (764)	$ (687)	$ (210)
Basic and diluted net (loss) earnings per share attributable to Eastman Kodak Company common shareholders:			
Continuing operations	$ (2.85)	$ (2.51)	$ (0.87)
Discontinued operations	0.01	(0.05)	0.07
Extraordinary item	-	-	0.02
Total	$ (2.84)	$ (2.56)	$ (0.78)

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

Eastman Kodak Company
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions, except share and per share data)	As of December 31, 2011	As of December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 861	$ 1,624
Receivables, net	1,103	1,196
Inventories, net	607	746
Deferred income taxes	58	120
Other current assets	74	100
Total current assets	2,703	3,786
Property, plant and equipment, net	895	1,037
Goodwill	277	294
Other long-term assets	803	1,109
TOTAL ASSETS	$ 4,678	$ 6,226
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable, trade	$ 706	$ 959
Short-term borrowings and current portion of long-term debt	152	50
Accrued income taxes	40	343
Other current liabilities	1,252	1,468
Total current liabilities	2,150	2,820
Long-term debt, net of current portion	1,363	1,195
Pension and other postretirement liabilities	3,053	2,661
Other long-term liabilities	462	625
Total liabilities	7,028	7,301
Commitments and Contingencies (Note 11)		
EQUITY (DEFICIT)		
Common stock, $2.50 par value, 950,000,000 shares authorized; 391,292,760 shares issued as of December 31, 2011 and 2010; 271,379,883 and 268,898,978 shares outstanding as of December 31, 2011 and 2010	978	978
Additional paid in capital	1,108	1,105
Retained earnings	4,071	4,969
Accumulated other comprehensive loss	(2,666)	(2,135)
	3,491	4,917
Treasury stock, at cost; 119,912,877 shares as of December 31, 2011 and 122,393,782 shares as of December 31, 2010	(5,843)	(5,994)
Total Eastman Kodak Company shareholders' (deficit) equity	(2,352)	(1,077)
Noncontrolling interests	2	2
Total (deficit) equity	(2,350)	(1,075)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	$ 4,678	$ 6,226

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

Eastman Kodak Company
CONSOLIDATED STATEMENT OF EQUITY (DEFICIT)

(in millions, except share and per share data)

	Eastman Kodak Company Shareholders							
	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total	Noncontrolling Interests	Total
Equity (deficit) as of December 31, 2008	$ 978	$ 901	$ 5,903	$ (749)	$ (6,048)	$ 985	$ 3	$ 988
Net (loss) earnings	-	-	(210)	-	-	(210)	1	(209)
Equity transactions with noncontrolling interests	-	-	-	-	-	-	(2)	(2)
Other comprehensive loss:								
Unrealized gains arising from hedging activity ($17 million pre-tax)	-	-	-	17	-	17	-	17
Reclassification adjustment for hedging related gains included in net earnings ($5 million pre-tax)	-	-	-	(5)	-	(5)	-	(5)
Currency translation adjustments	-	-	-	4	-	4	-	4
Pension and other postretirement liability adjustments ($1,111 million pre-tax)	-	-	-	(1,027)	-	(1,027)	-	(1,027)
Other comprehensive loss	-	-	-	(1,011)	-	(1,011)	-	(1,011)
Comprehensive loss								(1,222)
Recognition of equity-based compensation expense	-	20	-	-	-	20	-	20
Equity component of debt issuances	-	181	-	-	-	181	-	181
Treasury stock issued, net (328,099 shares) (2)	-	(8)	(10)	-	18	-	-	-
Unvested stock issuances (133,360 shares)	-	(1)	(7)	-	8	-	-	-
Equity (deficit) as of December 31, 2009	$ 978	$ 1,093	$ 5,676	$ (1,760)	$ (6,022)	$ (35)	$ 2	$ (33)

Eastman Kodak Company
CONSOLIDATED STATEMENT OF EQUITY (DEFICIT) Cont'd.

(in millions, except share and per share data)

	Eastman Kodak Company Shareholders							
	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total	Noncontrolling Interests	Total
Equity (deficit) as of December 31, 2009	$ 978	$ 1,093	$ 5,676	$ (1,760)	$ (6,022)	$ (35)	$ 2	$ (33)
Net loss	-	-	(687)	-	-	(687)	-	(687)
Other comprehensive loss:								
Unrealized gains arising from hedging activity ($4 million pre-tax)	-	-	-	4	-	4	-	4
Reclassification adjustment for hedging related gains included in net earnings ($8 million pre-tax)	-	-	-	(8)	-	(8)	-	(8)
Currency translation adjustments	-	-	-	80	-	80	-	80
Pension and other postretirement liability adjustments ($470 million pre-tax)	-	-	-	(451)	-	(451)	-	(451)
Other comprehensive loss	-	-	-	(375)	-	(375)	-	(375)
Comprehensive loss								(1,062)
Recognition of equity-based compensation expense	-	21	-	-	-	21	-	21
Treasury stock issued, net (268,464 shares) (2)	-	(9)	(20)	-	28	(1)	-	(1)
Equity (deficit) as of December 31, 2010	$ 978	$ 1,105	$ 4,969	$ (2,135)	$ (5,994)	$ (1,077)	$ 2	$ (1,075)

Eastman Kodak Company
CONSOLIDATED STATEMENT OF EQUITY (DEFICIT) Cont'd.

(in millions, except share and per share data)

	Eastman Kodak Company Shareholders							
	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total	Noncontrolling Interests	Total
Equity (deficit) as of December 31, 2010	$ 978	$ 1,105	$ 4,969	$ (2,135)	$ (5,994)	$ (1,077)	$ 2	$ (1,075)
Net loss	-	-	(764)	-	-	(764)	-	(764)
Other comprehensive loss:								
Unrealized gains on available-for-sale securities ($1 million pre-tax)	-	-	-	1		1		1
Unrealized gains arising from hedging activity ($5 million pre-tax)	-	-	-	5	-	5	-	5
Reclassification adjustment for hedging related gains included in net earnings ($14 million pre-tax)	-	-	-	(14)	-	(14)	-	(14)
Currency translation adjustments	-	-	-	18	-	18	-	18
Pension and other postretirement liability adjustments ($611 million pre-tax)	-	-	-	(541)	-	(541)	-	(541)
Other comprehensive loss	-	-	-	(531)	-	(531)	-	(531)
Comprehensive loss								(1,295)
Recognition of equity-based compensation expense	-	20	-	-	-	20	-	20
Treasury stock issued, net (2,326,209 shares) (2)	-	(16)	(127)	-	143	-	-	-
Unvested stock issuances (154,696 shares)	-	(1)	(7)	-	8	-	-	-
Equity (deficit) as of December 31, 2011	$ 978	$ 1,108	$ 4,071	$ (2,666)	$ (5,843)	$ (2,352)	$ 2	$ (2,350)

(1) There are 100 million shares of $10 par value preferred stock authorized, none of which have been issued.

(2) Includes stock awards issued, offset by shares surrendered for taxes.

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

Eastman Kodak Company
CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	For the Year Ended December 31,		
	2011	**2010**	**2009**
Cash flows from operating activities:			
Net loss	$ (764)	$ (687)	$ (209)
Adjustments to reconcile to net cash provided by operating activities:			
(Earnings) loss from discontinued operations, net of income taxes	(3)	12	(17)
Earnings from extraordinary items, net of income taxes	-	-	(6)
Depreciation and amortization	294	378	427
Gain on sales of businesses/assets	(80)	(8)	(100)
Loss on early extinguishment of debt, net	-	102	-
Non-cash restructuring and rationalization costs, asset impairments and other charges	17	635	28
Provision (benefit) for deferred income taxes	12	(91)	(99)
Decrease in receivables	96	138	359
Decrease (increase) in inventories	131	(44)	280
Decrease in liabilities excluding borrowings	(729)	(584)	(821)
Other items, net	38	(70)	22
Total adjustments	(224)	468	73
Net cash used in continuing operations	(988)	(219)	(136)
Net cash used in discontinued operations	(10)	-	-
Net cash used in operating activities	(998)	(219)	(136)
Cash flows from investing activities:			
Additions to properties	(128)	(149)	(152)
Proceeds from sales of businesses/assets	153	32	156
Acquisitions, net of cash acquired	(27)	-	(17)
(Funding) use of restricted cash and investment accounts	(22)	1	(12)
Marketable securities - sales	83	74	39
Marketable securities - purchases	(84)	(70)	(36)
Net cash used in investing activities	(25)	(112)	(22)
Cash flows from financing activities:			
Proceeds from borrowings	412	503	712
Repayment of borrowings	(160)	(565)	(649)
Debt issuance costs	(6)	(12)	(30)
Net cash provided by (used in) financing activities	246	(74)	33
Effect of exchange rate changes on cash	14	5	4
Net decrease in cash and cash equivalents	(763)	(400)	(121)
Cash and cash equivalents, beginning of year	1,624	2,024	2,145
Cash and cash equivalents, end of year	$ 861	$ 1,624	$ 2,024

Eastman Kodak Company
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

SUPPLEMENTAL CASH FLOW INFORMATION

(in millions)

	For the Year Ended December 31,		
	2011	**2010**	**2009**
Cash paid for interest and income taxes was:			
Interest, net of portion capitalized of $1, $1 and $2	$ 126	$ 115	$ 70
Income taxes (1)	78	197	225
The following non-cash items are not reflected in the Consolidated Statement of Cash Flows:			
Pension and other postretirement benefits liability adjustments	$ 541	$ 451	$ 1,027
Liabilities assumed in acquisitions	9	-	4
Issuance of unvested stock, net of forfeitures	1	-	-

(1) Includes payments related to discontinued operations.

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

NOTE 1: CHAPTER 11 FILING

On January 19, 2012 (the "Petition Date"), Eastman Kodak Company (the "Company") and its U.S. subsidiaries (together with the Company, the "Debtors") filed voluntary petitions for relief (the "Bankruptcy Filing") under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") case number 12-10202. The Company's foreign subsidiaries (collectively, the "Non-Filing Entities") were not part of the Bankruptcy Filing. The Debtors will continue to operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Non-Filing Entities will continue to operate in the ordinary course of business.

The Bankruptcy Filing is intended to permit the Company to reorganize and increase liquidity in the U.S. and abroad, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and focus on the most valuable business lines to enable sustainable profitability. The Company's goal is to develop and implement a reorganization plan that meets the standards for confirmation under the Bankruptcy Code. Confirmation of a reorganization plan could materially alter the classifications and amounts reported in the Company's consolidated financial statements, which do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that might be necessary as a consequence of a confirmation of a reorganization plan or other arrangement or the effect of any operational changes that may be implemented.

Operation and Implication of the Bankruptcy Filing

Under Section 362 of the Bankruptcy Code, the filing of voluntary bankruptcy petitions by the Debtors automatically stayed most actions against the Debtors, including most actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Company's property. Accordingly, although the Bankruptcy Filing triggered defaults for certain of the Debtor's debt obligations, creditors are stayed from taking any actions as a result of such defaults. Absent an order of the Bankruptcy Court, substantially all of the Company's pre-petition liabilities are subject to settlement under a reorganization plan. As a result of the Bankruptcy Filing the realization of assets and the satisfaction of liabilities are subject to uncertainty. The Debtors, operating as debtors-in-possession under the Bankruptcy Code, may, subject to approval of the Bankruptcy Court, sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the consolidated financial statements. Further, a confirmed reorganization plan or other arrangement may materially change the amounts and classifications in the Company's consolidated financial statements.

Subsequent to the Petition Date, the Company received approval from the Bankruptcy Court to pay or otherwise honor certain pre-petition obligations generally designed to stabilize the Company's operations. These obligations related to certain employee wages, salaries and benefits, and the payment of vendors and other providers in the ordinary course for goods and services received after the Petition Date. The Company has retained, pursuant to Bankruptcy Court approval, legal and financial professionals to advise the Company in connection with the Bankruptcy Filing and certain other professionals to provide services and advice in the ordinary course of business. From time to time, the Company may seek Bankruptcy Court approval to retain additional professionals.

The U.S. Trustee for the Southern District of New York (the "U.S. Trustee") has appointed an official committee of unsecured creditors (the "UCC"). The UCC and its legal representatives have a right to be heard on all matters that come before the Bankruptcy Court on all matters affecting the Debtors. There can be no assurance that the UCC will support the Company's positions on matters to be presented to the Bankruptcy Court in the future or on any reorganization plan, once proposed.

Reorganization Plan

In order for the Company to emerge successfully from chapter 11, the Company must obtain the Bankruptcy Court's approval of a reorganization plan, which will enable the Company to transition from chapter 11 into ordinary course operations outside of bankruptcy. In connection with a reorganization plan, the Company also may require a new credit facility, or "exit financing." The Company's ability to obtain such approval and financing will depend on, among other things, the timing and outcome of various ongoing matters related to the Bankruptcy Filing. A reorganization plan determines the rights and satisfaction of claims of various creditors and security holders, and is subject to the ultimate outcome of negotiations and Bankruptcy Court decisions ongoing through the date on which the reorganization plan is confirmed.

Although the Company's goal is to file a plan of reorganization, the Company may determine that it is in the best interests of the Debtors' estates to seek Bankruptcy Court approval of a sale of all or a portion of the Company's assets pursuant to Section 363 of the Bankruptcy Code or seek confirmation of a reorganization plan providing for such a sale or other arrangement.

The Company intends to propose a reorganization plan on or prior to the applicable date required under the Bankruptcy Code, as the same may be extended with approval of the Bankruptcy Court. The Company presently expects that any proposed reorganization plan will provide, among other things, mechanisms for settlement of claims against the Debtors' estates, treatment of the Company's existing equity and debt holders, and certain corporate governance and administrative matters pertaining to the reorganized Company. Any proposed reorganization plan will be subject to revision prior to submission to the Bankruptcy Court based upon discussions with the Company's creditors and other interested parties, and thereafter in response to creditor claims and objections and the requirements of the Bankruptcy Code or the Bankruptcy Court. There can be no assurance that the Company will be able to secure approval for the Company's proposed reorganization plan from the Bankruptcy Court or that the Company's proposed plan will be accepted by the lenders under a Debtor-in-Possession Revolving Credit Agreement (the "DIP Credit Agreement"). In the event the Company does not secure approval of the reorganization plan, the outstanding principal and interest could become immediately due and payable.

Going Concern

The Company incurred a net loss for the years ended 2009, 2010 and, 2011 and had a shareholders' deficit as of December 31, 2011 and 2010. To improve the Company's performance and address competitive challenges, the Company is developing a strategic plan for the ongoing operation of the Company's business. Successful implementation of the Company's plan, however, is subject to numerous risks and uncertainties. In addition, the increasingly competitive industry conditions under which the Company operates have negatively impacted the Company's results of operations and cash flows and may continue to do so in the future. These factors raise 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 and contemplate the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is contingent upon the Company's ability to comply with the financial and other covenants contained in the DIP Credit Agreement, the Bankruptcy Court's approval of the Company's reorganization plan and the Company's ability to successfully implement the Company's plan and obtain exit financing, among other factors. As a result of the Bankruptcy Filing, the realization of assets and the satisfaction of liabilities are subject to uncertainty. While operating as debtors-in-possession under chapter 11, the Company may sell or otherwise dispose of or liquidate assets or settle liabilities, subject to the approval of the Bankruptcy Court or as otherwise permitted in the ordinary course of business (and subject to restrictions contained in the DIP Credit Agreement), for amounts other than those reflected in the accompanying consolidated financial statements. Further, the reorganization plan could materially change the amounts and classifications of assets and liabilities reported in the consolidated financial statements. The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern or as a consequence of the Bankruptcy Filing.

NOTE 2: 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. The following is a description of the significant accounting policies of Eastman Kodak Company.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Eastman Kodak Company, its wholly owned subsidiaries, and its majority owned subsidiaries (collectively "the Company"). The Company consolidates variable interest entities if the Company has a controlling financial interest and is determined to be the primary beneficiary of the entity. The Company accounts for investments in companies over which it has the ability to exercise significant influence, but does not hold a controlling interest, under the equity method of accounting, and the Company records its proportionate share of income or losses in Other income (charges), net in the accompanying Consolidated Statements of Operations. The Company accounts for investments in companies over which it does not have the ability to exercise significant influence under the cost method of accounting. These investments are carried at cost and are adjusted only for other-than-temporary declines in fair value. The Company has eliminated all significant intercompany accounts and transactions, and net earnings are reduced by the portion of the net earnings of subsidiaries applicable to noncontrolling interests.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at year end, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CHANGE IN ESTIMATE

In conjunction with the Company's goodwill impairment analysis in the fourth quarter of 2010, the Company reviewed its estimates of the remaining useful lives of its Film, Photofinishing and Entertainment Group segment's long-lived assets. This analysis indicated that overall these assets will continue to be used in these businesses for a longer period than anticipated in 2008, the last time that depreciable lives were adjusted for these assets. As a result, the Company revised the useful lives of certain existing production machinery and equipment, and manufacturing-related buildings effective January 1, 2011. These assets, many of which were previously set to fully depreciate by 2012 to 2013, were changed to depreciate with estimated useful lives ending from 2012 to 2017. This change in useful lives reflects the Company's current estimate of future periods to be benefited from the use of the property, plant, and equipment.

The effect of this change in estimate for the year ended December 31, 2011 was a reduction in depreciation expense of $38 million, $32 million of which would have been recognized in Cost of sales, and $6 million of which would have been capitalized as inventories at December 31, 2011. The net impact of this change is an increase in earnings from continuing operations for the year ended December 31, 2011 of $32 million, or $.12 on a fully-diluted earnings per share basis.

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; income, 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) income in the accompanying Consolidated Statement of Financial Position. Translation adjustments related to investments that are permanent in nature are not tax-effected.

For certain other subsidiaries and branches, 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 rates. Adjustments that result from the remeasurement of the assets and liabilities of these subsidiaries are included in Net (loss) earnings in the accompanying Consolidated Statement of Operations.

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

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, receivables, and derivative instruments. The Company places its cash and cash equivalents with high-quality financial institutions and limits the amount of credit exposure to any one institution. With respect to receivables, such receivables arise from sales to numerous customers in a variety of industries, markets, and geographies around the world. Receivables arising from these sales are generally not collateralized. The Company performs ongoing credit evaluations of its customers' financial conditions, and maintains reserves for potential credit losses and such losses, in the aggregate, have not exceeded management's expectations. With respect to the derivative instruments, the counterparties to these contracts are major financial institutions. The Company has not experienced non-performance by any of its derivative instruments counterparties.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative instruments are recognized as either assets or liabilities and are measured at fair value. Certain derivatives are designated and accounted for as hedges. The Company does not use derivatives for trading or other speculative purposes. See Note 13, “Financial Instruments.”

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 market. The cost of all of the Company’s inventories is determined by either the “first in, first out” (“FIFO”) or average cost method, which approximates current cost. The Company provides inventory reserves for excess, obsolete or slow-moving inventory based on changes in customer demand, technology developments or other economic factors.

PROPERTIES

Properties are recorded at cost, net of accumulated depreciation. The Company capitalizes additions and improvements. Maintenance and repairs are charged to expense as incurred. The Company calculates depreciation expense using the straight-line method over the assets’ estimated useful lives, which are as follows:

	Years
Buildings and building improvements	5-40
Land improvements	20
Leasehold improvements	3-20
Equipment	3-15
Tooling	1-3
Furniture and fixtures	5-10

The Company depreciates leasehold improvements over the shorter of the lease term or the asset’s estimated useful life. 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.

GOODWILL

Goodwill represents the excess of purchase price of an acquisition over the fair value of net assets acquired. Goodwill is not amortized, but is required to be assessed for impairment at least annually. The Company has elected September 30 as the annual impairment assessment date for all of its reporting units, and will perform additional impairment tests when events or changes in circumstances occur that would more likely than not reduce the fair value of the reporting unit below its carrying amount. A reporting unit is defined as an operating segment or one level below an operating segment. During 2011, the Company estimated the fair value of its reporting units utilizing an income approach through the application of a discounted cash flow method. During 2010, the Company estimated the fair value of its reporting units utilizing income and market approaches through the application of discounted cash flow and market comparable methods, respectively. The assessment is performed in two steps, step one to test for a potential impairment of goodwill and, if potential losses are identified, step two to measure the impairment loss. Determining the fair value of a reporting unit involves the use of significant estimates and assumptions.

The Company recorded pre-tax goodwill impairment charges of $8 million and $626 million in 2011 and 2010, respectively. See Note 6, “Goodwill and Other Intangible Assets.”

REVENUE

The Company’s revenue transactions include sales of the following: products; equipment; software; services; integrated solutions; and intellectual property licensing. The Company recognizes revenue when realized or realizable and earned, which is when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the sales price is fixed or determinable;

and (4) collectability is reasonably assured. If the Company determines that collection of a fee is not reasonably assured, the fee is deferred and revenue is recognized at the time collection becomes reasonably assured, which is generally upon receipt of payment. At the time revenue is recognized, the Company provides for the estimated costs of customer incentive programs and estimated returns and reduces revenue accordingly. The Company accrues the estimated cost of post-sale obligations, including basic product warranties, based on historical experience at the time the Company recognizes revenue.

For product sales, the revenue recognition criteria are generally met when title and risk of loss have transferred from the Company 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 revenues are recognized as such services are rendered.

For equipment sales, the recognition criteria are generally met when the equipment is delivered and installed at the customer site. Revenue is recognized for equipment upon delivery as opposed to upon installation when the equipment has stand-alone value to the customer, and the amount of revenue allocable to the equipment is not legally contingent upon the completion of the installation. 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. For certain agreements, the Company does not consider these customer acceptance clauses to be substantive because the Company can and does replicate the customer acceptance test environment and performs the agreed upon product testing prior to shipment. In these instances, revenue is recognized upon installation of the equipment.

Revenue from the sale of software licenses is recognized when; (1) the Company enters into a legally binding arrangement with a customer for the license of software; (2) the Company delivers the software; (3) customer payment is deemed fixed or determinable and free of contingencies or significant uncertainties; and (4) collection from the customer is reasonably assured. Software maintenance and support revenue is recognized ratably over the term of the related maintenance contract.

Revenue from services includes extended warranty, customer support and maintenance agreements, consulting, business process services, training and education. Service revenue is recognized over the contractual period or as services are performed. In service arrangements where final acceptance of a system or solution by the customer is required, revenue is deferred until all acceptance criteria have been met.

The timing and the amount of revenue recognized from the licensing of intellectual property depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. Revenue is only recognized after all of the following criteria are met: (1) the Company enters into a legally binding arrangement with a licensee of Kodak’s intellectual property, (2) the Company delivers the technology or intellectual property rights, (3) licensee payment is deemed fixed or determinable and free of contingencies or significant uncertainties, and (4) collection from the licensee is reasonably assured.
When the Company has continuing obligations related to a licensing arrangement, including extending the rights to currently undeveloped intellectual property, the Company applies the multiple element revenue guidance described below to determine the separation, allocation and recognition of revenue.

The Company's transactions may involve the sale of equipment, software, and related services under multiple element arrangements. The Company allocates revenue to the various elements based on available vendor specific objective evidence (“VSOE”), third party evidence, or best estimated selling price. Revenue allocated to an individual element is recognized when all other revenue recognition criteria are met for that element. Kodak limits the amount of revenue recognition for delivered elements to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The Company evaluates each deliverable in an arrangement to determine whether they represent separate units of accounting. A deliverable constitutes a separate unit of accounting when it has stand-alone value to the customer, and if the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in our control. If these criteria are not met, the arrangement is accounted for as one unit of accounting and the recognition of revenue generally occurs upon delivery/completion or ratably as a single unit of accounting over the contractual service period.

Consideration in a multiple element arrangement is allocated at the inception of the arrangement to all deliverables on the basis of the relative selling price. When applying the relative selling price method, the selling price for each deliverable is based on its VSOE if available, third party evidence (“TPE”) if VSOE is not available, or best estimated selling price (“BESP”) if neither VSOE nor TPE is available. The Company establishes VSOE of selling price using the price charged for a deliverable when sold separately. TPE of selling price is established by evaluating largely similar and interchangeable competitor products or services in standalone sales to similarly

situated customers. The best estimate of selling price is established by considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life cycle. Consideration is also given to geographies, market conditions such as competitor pricing strategies and industry technology life cycles. The Company regularly reviews VSOE, TPE and BESP and maintains internal controls over the establishment and updates of these estimates.

Most of the Company's equipment has both software and non-software components that function together to deliver the equipment's essential functionality and therefore they are accounted for together as non-software deliverables. Non-essential software sold in connection with the Company's equipment sales is off-the-shelf and accounted for as separate deliverables or elements. In most cases these software products sold as part of a multiple element arrangement include software maintenance agreements as well as unspecified upgrades or enhancements on a when-and-if-available basis. In those multiple element arrangements where non-essential software deliverables are included, revenue is allocated to non-software and to software deliverables each as a group based on relative selling prices of each of the deliverables in the arrangement. The software deliverables are subject to software accounting whereby revenue is allocated based on relative VSOE or based on the residual method when VSOE exists for all undelivered software elements such as post-contract support. Revenue allocated to the software deliverables is deferred and amortized over the contract period if VSOE does not exist for the undelivered elements. Revenue allocated to software licenses is recognized when all other revenue criteria have been met. Revenue generated from maintenance and unspecified upgrades or updates on a when-and-if-available basis is recognized over the contract period.

At the time revenue is recognized, the Company also records reductions to revenue for customer incentive programs. Such incentive programs include cash and volume discounts, price protection, promotional, cooperative and other advertising allowances, and coupons. For those incentives that require the estimation of sales volumes or redemption rates, such as for volume rebates or coupons, the Company uses historical experience and internal and customer data to estimate the sales incentive at the time revenue is recognized.

In instances where the Company provides slotting fees or similar arrangements, this incentive is recognized as a reduction in revenue when payment is made to the customer (or at the time the Company has incurred the obligation, if earlier) unless the Company receives a benefit over a period of time, in which case the incentive is recorded as an asset and is amortized as a reduction of revenue over the period in which the benefit is realized. Arrangements in which the Company receives an identifiable benefit include arrangements that have enforceable exclusivity provisions and include clawback provisions entitling the Company to a pro rata reimbursement if the customer does not fulfill its obligations under the contract.

The Company may offer customer financing to assist customers in their acquisition of Kodak's products. At the time a financing transaction is consummated, which qualifies as a sales-type lease, the Company records equipment revenue equal to the total lease receivable net of unearned income. Unearned income is recognized as finance income using the effective interest method over the term of the lease. Leases not qualifying as sales-type leases are accounted for as operating leases. The Company recognizes revenue from operating leases as earned.

RESEARCH AND DEVELOPMENT COSTS

Research and development ("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. The acquisition-date fair value of research and development assets acquired in a business combination is capitalized.

ADVERTISING

Advertising costs are expensed as incurred and included in selling, general and administrative expenses in the accompanying Consolidated Statement of Operations. Advertising expenses amounted to $206 million, $301 million, and $271 million for the years ended December 31, 2011, 2010, and 2009, respectively.

SHIPPING AND HANDLING COSTS

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

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews the carrying values of its long-lived assets, other than goodwill and purchased intangible assets with indefinite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. The Company assesses the recoverability of the carrying values of long-lived assets by first grouping its 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. The Company 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, the Company records an impairment charge to the extent the carrying value of the long-lived assets exceed their fair value. The Company 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.

In connection with its assessment of recoverability of its long-lived assets and its ongoing strategic review of the business and its operations, the Company continually reviews the remaining useful lives of its long-lived assets. If this review indicates that the remaining useful life of the long-lived asset has changed significantly, the Company adjusts the depreciation on that asset to facilitate full cost recovery over its revised estimated remaining useful life.

INCOME TAXES

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of operating losses, credit carryforwards and temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. 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. For discussion of the amounts and components of the valuation allowances as of December 31, 2011 and 2010, see Note 16, "Income Taxes."

EARNINGS PER SHARE

Basic earnings per share computations are based on the weighted-average number of shares of common stock outstanding during the year. As a result of the net loss from continuing operations presented for the years ended December 31, 2011, 2010, and 2009, the Company calculated diluted earnings per share using weighted-average basic shares outstanding for each period, as utilizing diluted shares would be anti-dilutive to loss per share. Weighted-average basic shares outstanding for the years ended December 31, 2011, 2010, and 2009 were 269.1 million, 268.5 million, and 268.0 million shares, respectively.

If the Company had reported earnings from continuing operations for the years ended December 31, 2011, 2010, and 2009, the following potential shares of the Company's common stock would have been dilutive in the computation of diluted earnings per share:

(in millions of shares)	For the Year Ended December 31,		
	2011	2010	2009
Unvested share-based awards	0.4	2.7	0.5

The computation of diluted earnings per share for the years ended December 31, 2011, 2010, and 2009 also excluded the assumed conversion of outstanding employee stock options and detachable warrants to purchase common shares, because the effects would be anti-dilutive. The following table sets forth the total amount of outstanding employee stock options and detachable warrants to purchase common shares as of December 31 for each reporting period:

(in millions of shares)	For the Year Ended December 31,		
	2011	2010	2009
Employee stock options	13.6	18.0	23.5
Detachable warrants to purchase common shares	40.0	40.0	40.0
Total	53.6	58.0	63.5

Diluted earnings per share calculations could also reflect shares related to the assumed conversion of approximately $315 million of convertible senior notes due 2017, if dilutive. The Company's diluted (loss) earnings per share excludes the effect of these convertible securities, as they were anti-dilutive for all periods presented. Refer to Note 9, "Short-Term Borrowings and Long-Term Debt."

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In December 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-28, "When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts," which amends Accounting Standards Codification (ASC) Topic 350, "Intangibles – Goodwill and Other." ASU No. 2010-28 amends the ASC to require entities that have a reporting unit with a zero or negative carrying value to assess whether qualitative factors indicate that it is more likely than not that an impairment of goodwill exists, and if an entity concludes that it is more likely than not that an impairment exists, the entity must measure the goodwill impairment. The changes to the ASC as a result of this update were effective for annual and interim reporting periods beginning after December 15, 2010 (January 1, 2011 for the Company). The adoption of this guidance did not impact the Company's Consolidated Financial Statements.

In October 2009, the FASB issued ASU No. 2009-13, "Multiple-Deliverable Revenue Arrangements," which amends ASC Topic 605, "Revenue Recognition." ASU No. 2009-13 amends the ASC to eliminate the residual method of allocation for multiple-deliverable revenue arrangements, and requires that arrangement consideration be allocated at the inception of an arrangement to all deliverables using the relative selling price method. The ASU also establishes a selling price hierarchy for determining the selling price of a deliverable, which includes: (1) vendor-specific objective evidence if available, (2) third-party evidence if vendor-specific objective evidence is not available, and (3) estimated selling price if neither vendor-specific nor third-party evidence is available. Additionally, ASU No. 2009-13 expands the disclosure requirements related to a vendor's multiple-deliverable revenue arrangements. The changes to the ASC as a result of this update were effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 (January 1, 2011 for the Company). The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In October 2009, the FASB issued ASU No. 2009-14, "Certain Revenue Arrangements That Include Software Elements," which amends ASC Topic 985, "Software." ASU No. 2009-14 amends the ASC to change the accounting model for revenue arrangements that include both tangible products and software elements, such that tangible products containing both software and non-software components that function together to deliver the tangible product's essential functionality are no longer within the scope of software revenue guidance. The changes to the ASC as a result of this update were effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 (January 1, 2011 for the Company). The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2011, the FASB issued ASU No. 2011-10, "Derecognition of in Substance Real Estate – a Scope Clarification," which amends ASC Topic 360, "Property, Plant and Equipment." ASU No. 2011-10 states that when an investor ceases to have a controlling financial interest in an entity that is in-substance real estate as a result of a default on the entity's nonrecourse debt, the investor should apply the guidance under ASC Subtopic 360-20, Property, Plant and Equipment – Real Estate Sales (formerly FAS 66) to determine whether to derecognize the entity's assets (including real estate) and liabilities (including the nonrecourse debt). The changes to the ASC as a result of this update are effective prospectively for deconsolidation events occurring during fiscal years, and interim periods within those years, beginning on or after June, 15, 2012 (January 1, 2013 for the Company). Adoption of this guidance will not impact the Company's Consolidated Financial Statements.

In December 2011, the FASB issued ASU No. 2011-11, "Balance Sheet (ASC Topic 210): Disclosures about Offsetting Assets and Liabilities." ASU No. 2011-11 creates new disclosure requirements about the nature of an entity's rights of setoff and related arrangements

associated with its financial instruments and derivative instruments. The changes to the ASC as a result of this update are effective for periods beginning on or after January 1, 2013 (January 1, 2013 for the Company) and must be shown retrospectively for all comparative periods presented. This guidance requires new disclosures only, and will have no impact on the Company's Consolidated Financial Statements.

In September 2011, the FASB issued ASU No. 2011-08, "Intangibles-Goodwill and Other (ASC Topic 350) – Testing Goodwill for Impairment." ASU No. 2011-08 amends the impairment test for goodwill by allowing companies to first assess qualitative factors to determine if it is more likely than not that goodwill might be impaired and whether it is necessary to perform the current two-step goodwill impairment test. The changes to the ASC as a result of this update are effective prospectively for interim and annual periods beginning after December 15, 2011 (January 1, 2012 for the Company). Adoption of this guidance will not impact the Company's Consolidated Financial Statements.

In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (ASC Topic 220) - Presentation of Comprehensive Income." ASU No. 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of equity and requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Subsequently, the FASB issued ASU No. 2011-12, "Comprehensive Income (ASC Topic 220) – Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05." ASU 2011-12 defers indefinitely the provision within ASU 2011-05 requiring entities to present reclassification adjustments out of accumulated other comprehensive income (AOCI) by component in both the income statement and the statement in which other comprehensive income (OCI) is presented. ASU 2011-12 does not change the other provisions instituted within ASU 2011-05. The amendments of both ASUs are effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011 (January 1, 2012 for the Company). The guidance requires changes in presentation only and will have no impact on the Company's Consolidated Financial Statements.

In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement (ASC Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." ASU No. 2011-04 amends current fair value measurement and disclosure guidance to include increased transparency around valuation inputs and investment categorization. The changes to the ASC as a result of this update are effective prospectively for interim and annual periods beginning after December 15, 2011 (January 1, 2012 for the Company). The adoption of this guidance will not have a significant impact on the Company's Consolidated Financial Statements.

NOTE 3: RECEIVABLES, NET

(in millions)	As of December 31, 2011	2010
Trade receivables	$ 996	$ 1,074
Miscellaneous receivables	107	122
Total (net of allowances of $51 and $77 as of December 31, 2011 and 2010, respectively)	$ 1,103	$ 1,196

Approximately $191 million and $224 million of the total trade receivable amounts as of December 31, 2011 and 2010, respectively, are expected to be settled through customer deductions in lieu of cash payments. Such deductions represent rebates owed to the customer and are included in Other current liabilities in the accompanying Consolidated Statement of Financial Position at each respective balance sheet date.

NOTE 4: INVENTORIES, NET

(in millions)	As of December 31,	
	2011	2010
Finished goods	$ 379	$ 471
Work in process	123	154
Raw materials	105	121
Total	$ 607	$ 746

NOTE 5: PROPERTY, PLANT AND EQUIPMENT, NET

(in millions)	As of December 31,	
	2011	2010
Land	$ 44	$ 43
Buildings and building improvements	1,339	1,413
Machinery and equipment	4,042	4,494
Construction in progress	60	72
	5,485	6,022
Accumulated depreciation	(4,590)	(4,985)
Net properties	$ 895	$ 1,037

Depreciation expense was $253 million, $318 million, and $354 million for the years 2011, 2010, and 2009, respectively, of which approximately $10 million, $6 million, and $22 million, respectively, represented accelerated depreciation in connection with restructuring actions.

NOTE 6: GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill was $277 million and $294 million as of December 31, 2011 and 2010, respectively. The changes in the carrying amount of goodwill by reportable segment for 2011 and 2010 were as follows:

(in millions)	Consumer Digital Imaging Group	Graphic Communications Group	Film, Photofinishing and Entertainment Group	Consolidated Total
Balance as of December 31, 2009:				
Goodwill	$ 195	$ 879	$ 618	$ 1,692
Accumulated impairment losses	-	(785)	-	(785)
	$ 195	**$ 94**	**$ 618**	**$ 907**
Impairment	-	8	(626)	(618)
Currency translation adjustments	6	(9)	8	5
Balance as of December 31, 2010:				
Goodwill	201	870	626	1,697
Accumulated impairment losses	-	(777)	(626)	(1,403)
	$ 201	**$ 93**	**$ -**	**$ 294**
Impairment	-	(8)	-	(8)
Divesiture	(6)	(4)	-	(10)
Currency translation adjustments	2	(1)	-	1
Balance as of December 31, 2011:				
Goodwill	197	865	626	1,688
Accumulated impairment losses	-	(785)	(626)	(1,411)
	$ 197	**$ 80**	**$ -**	**$ 277**

During 2010, due to continuing challenging business conditions driven, in part, by rising commodity prices and a continuation of significant declines in the FPEG business caused by digital substitution, the Company concluded there was an indication of a possible goodwill impairment related to the FPEG segment. Based on its analysis, the Company concluded that there was an impairment of goodwill related to the FPEG segment. The Company recorded a pre-tax impairment charge of $626 million in the fourth quarter of 2010 that was included in Other operating expenses (income), net in the Consolidated Statement of Operations.

During 2011, due to the impact of continued pricing pressures and higher commodity costs within Prepress Solutions, as well as higher start-up costs associated with the commercialization and placement of Prosper Printing Systems, the Company concluded that the carrying value of goodwill for its Commercial Printing reporting unit exceeded the implied fair value of goodwill. The Company recorded a pre-tax impairment charge of $8 million in 2011 that was included in Other operating expenses (income), net in the Consolidated Statement of Operations.

The gross carrying amount and accumulated amortization by major intangible asset category as of December 31, 2011 and 2010 were as follows:

	As of December 31, 2011			
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	$ 146	$ 133	$ 13	7 years
Customer-related	223	157	66	10 years
Other	16	8	8	18 years
Total	$ 385	$ 298	$ 87	9 years

	As of December 31, 2010			
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	$ 168	$ 135	$ 33	7 years
Customer-related	256	177	79	11 years
Other	29	17	12	14 years
Total	$ 453	$ 329	$ 124	10 years

Amortization expense related to intangible assets was $41 million, $60 million, and $73 million for the years ended December 31, 2011, 2010, and 2009, respectively.

Estimated future amortization expense related to purchased intangible assets as of December 31, 2011 was as follows (in millions):

2012	$ 27
2013	14
2014	11
2015	10
2016	10
2017 +	15
Total	$ 87

NOTE 7: OTHER LONG-TERM ASSETS

	As of December 31,	
(in millions)	2011	2010
Deferred income taxes, net of valuation allowance	$ 452	$ 695
Intangible assets	87	124
Other	264	290
Total	$ 803	$ 1,109

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

NOTE 8: OTHER CURRENT LIABILITIES

(in millions)	As of December 31, 2011	2010
Accrued employment-related liabilities	$ 359	$ 420
Accrued customer rebates, advertising and promotional expenses	245	322
Deferred revenue	169	165
Accrued restructuring liabilities	60	42
Other	419	519
Total	$ 1,252	$ 1,468

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 9: SHORT-TERM BORROWINGS AND LONG-TERM DEBT

SHORT-TERM BORROWINGS AND CURRENT PORTION OF LONG-TERM DEBT

The Company's current portion of long-term debt was $152 million and $50 million as of December 31, 2011 and 2010, respectively. There was $100 million outstanding under short-term bank borrowings as of December 31, 2011.

LONG-TERM DEBT, INCLUDING LINES OF CREDIT

Long-term debt and related maturities and interest rates were as follows:

(in millions)			As of December 31, 2011		2010	
Country	Type	Maturity	Weighted-Average Effective Interest Rate	Amount Outstanding	Weighted-Average Effective Interest Rate	Amount Outstanding
U.S.	Term note	2011-2013	6.16%	$ 19	6.16%	$ 27
Germany	Term note	2011-2013	6.16%	75	6.16%	109
Brazil	Term note	2012-2013	19.80%	5	-	-
U.S.	Term note	2013	7.25%	250	7.25%	300
U.S.	Revolver	2013	4.75%	100	-	-
U.S.	Convertible	2017	12.75%	315	12.75%	305
U.S.	Secured term note	2018	10.11%	491	10.11%	491
U.S.	Term note	2018	9.95%	3	9.95%	3
U.S.	Secured term note	2019	10.87%	247	-	-
U.S.	Term note	2021	9.20%	10	9.20%	10
				1,515		1,245
Current portion of long-term debt				(152)		(50)
Long-term debt, net of current portion				$ 1,363		$ 1,195

Annual maturities (in millions) of long-term debt outstanding at December 31, 2011 were as follows:

	Carrying Value	Principal Amount
2012	$ 52	$ 52
2013	397	402
2014	-	-
2015	-	-
2016	-	-
2017 and thereafter	1,066	1,164
Total	$ 1,515	$ 1,618

Issuance of Senior Secured Notes due 2019

On March 15, 2011, the Company issued $250 million of aggregate principal amount of 10.625% senior secured notes due March 15, 2019 (2019 Senior Secured Notes). Terms of the notes require interest at an annual rate of 10.625% of the principal amount at issuance, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2011.

Upon issuance of the 2019 Senior Secured Notes, the Company received proceeds of approximately $247 million ($250 million aggregate principal less $3 million stated discount). The proceeds were used to repurchase $50 million of the 7.25% Senior Notes due 2013 with the remaining amount being used for other general corporate purposes.

In connection with the issuance of the 2019 Senior Secured Notes, the Company and the subsidiary guarantors (as defined below) entered into an indenture, dated as of March 15, 2011, with Bank of New York Mellon as trustee and second lien collateral agent (Indenture).

At any time prior to March 15, 2015, the Company will be entitled at its option to redeem some or all of the 2019 Senior Secured Notes at a redemption price of 100% of the principal plus accrued and unpaid interest and a “make-whole” premium (as defined in the Indenture). On and after March 15, 2015, the Company may redeem some or all of the 2019 Senior Secured Notes at certain redemption prices expressed as percentages of the principal plus accrued and unpaid interest. In addition, prior to March 15, 2014, the Company may redeem up to 35% of the 2019 Senior Secured Notes at a redemption price of 110.625% of the principal, plus accrued and unpaid interest, using proceeds from certain equity offerings, provided the redemption takes place within 120 days after the closing of the related equity offering and not less than 65% of the original aggregate principal remains outstanding immediately thereafter.

Upon the occurrence of a change of control, each holder of the 2019 Senior Secured Notes has the right to require the Company to repurchase some or all of such holder’s 2019 Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

The Indenture contains covenants limiting, among other things, the Company’s ability and the ability of the Company’s restricted subsidiaries (as defined in the Indenture) to (subject to certain exceptions and qualifications): incur additional debt or issue certain preferred stock; pay dividends or make distributions in respect of capital stock or make other restricted payments; make principal payments on, or purchase or redeem subordinated indebtedness prior to any scheduled principal payment or maturity; make certain investments; sell certain assets; create liens on assets; consolidate, merge, sell or otherwise dispose of all or substantially all of the Company’s and its subsidiaries’ assets; enter into certain transactions with affiliates; and designate the Company’s subsidiaries as unrestricted subsidiaries. The Company was in compliance with these covenants as of December 31, 2011.

The 2019 Senior Secured Notes are fully and unconditionally guaranteed (Guarantees) on a senior secured basis by each of the Company’s existing and future direct or indirect 100% owned domestic subsidiaries, subject to certain exceptions (Subsidiary Guarantors). The 2019 Senior Secured Notes and Guarantees are secured by second-priority liens, subject to permitted liens, on substantially all of the Company’s domestic assets and substantially all of the domestic assets of the Subsidiary Guarantors pursuant to a supplement, dated March 15, 2011, to the security agreement, dated March 5, 2010, entered into with Bank of New York Mellon as second lien collateral agent. The carrying value of the assets pledged as collateral at December 31, 2011 was approximately $1 billion.

The 2019 Senior Secured Notes are the Company’s senior secured obligations and rank senior in right of payment to any future subordinated indebtedness; rank equally in right of payment with all of the Company’s existing and future senior indebtedness; are

effectively senior in right of payment to the Company's existing and future unsecured indebtedness, are effectively subordinated in right of payment to indebtedness under the Company's Second Amended Credit Agreement (as defined below) to the extent of the collateral securing such indebtedness on a first-priority basis; and effectively are subordinated in right of payment to all existing and future indebtedness and other liabilities of the Company's non-guarantor subsidiaries.

Certain events are considered events of default and may result in the acceleration of the maturity of the 2019 Senior Secured Notes, including, but not limited to (subject to applicable grace and cure periods): default in the payment of principal or interest when it becomes due and payable; failure to purchase Senior Secured Notes tendered when and as required; certain events of bankruptcy; and non-compliance with other provisions and covenants and the acceleration or default in the payment of principal of certain other forms of debt. If an event of default occurs, the aggregate principal amount and accrued and unpaid interest may become due and payable immediately.

The Bankruptcy Filing constituted an event of default with the 2019 Senior Secured Notes. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code. See discussion below regarding the Second Lien Holders Agreement.

Senior Secured Notes due 2018

On March 5, 2010, the Company issued $500 million of aggregate principal amount of 9.75% senior secured notes due March 1, 2018 (the "2018 Senior Secured Notes"). The Company will pay interest at an annual rate of 9.75% of the principal amount at issuance, payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2010.

Upon issuance of the 2018 Senior Secured Notes, the Company received net proceeds of approximately $490 million ($500 million aggregate principal less $10 million stated discount). The proceeds were used to repurchase all of the Senior Secured Notes due 2017 and to fund the tender of $200 million of the 7.25% Senior Notes due 2013.

In connection with the 2018 Senior Secured Notes, the Company and the subsidiary guarantors (as defined below) entered into an indenture, dated as of March 5, 2010, with Bank of New York Mellon as trustee and collateral agent (the "Indenture").

At any time prior to March 1, 2014, the Company will be entitled at its option to redeem some or all of the 2018 Senior Secured Notes at a redemption price of 100% of the principal plus accrued and unpaid interest and a "make-whole" premium (as defined in the Indenture). On and after March 1, 2014, the Company may redeem some or all of the 2018 Senior Secured Notes at certain redemption prices expressed as percentages of the principal plus accrued and unpaid interest. In addition, prior to March 31, 2013, the Company may redeem up to 35% of the 2018 Senior Secured Notes at a redemption price of 109.75% of the principal, plus accrued and unpaid interest, using proceeds from certain equity offerings, provided the redemption takes place within 120 days after the closing of the related equity offering and not less than 65% of the original aggregate principal remains outstanding immediately thereafter.

Upon the occurrence of a change of control, each holder of the 2018 Senior Secured Notes has the right to require the Company to repurchase some or all of such holder's 2018 Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

The Indenture contains covenants limiting, among other things, the Company's ability and the ability of the Company's restricted subsidiaries (as defined in the Indenture) to (subject to certain exceptions and qualifications): incur additional debt or issue certain preferred stock; pay dividends or make distributions in respect of capital stock or make other restricted payments; make principal payments on, or purchase or redeem subordinated indebtedness prior to any scheduled principal payment or maturity; make certain investments; sell certain assets; create liens on assets; consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's and its subsidiaries' assets; enter into certain transactions with affiliates; and designate the Company's subsidiaries as unrestricted subsidiaries. The Company was in compliance with these covenants as of December 31, 2011.

The 2018 Senior Secured Notes are fully and unconditionally guaranteed (the "guarantees") on a senior secured basis by each of the Company's existing and future direct or indirect 100% owned domestic subsidiaries, subject to certain exceptions (the "Subsidiary Guarantors"). The 2018 Senior Secured Notes and guarantees are secured by second-priority liens, subject to permitted liens, on substantially all of the Company's domestic assets and substantially all of the domestic assets of the Subsidiary Guarantors pursuant to a security agreement entered into with Bank of New York Mellon as second lien collateral agent on March 5, 2010. The carrying value of the assets pledged as collateral at December 31, 2011 was approximately $1 billion.

The 2018 Senior Secured Notes are the Company's senior secured obligations and rank senior in right of payment to any future subordinated indebtedness; rank equally in right of payment with all of the Company's existing and future senior indebtedness; are effectively senior in right of payment to the Company's existing and future unsecured indebtedness, are effectively subordinated in

right of payment to indebtedness under the Company's Amended Credit Agreement (as defined below) to the extent of the collateral securing such indebtedness on a first-priority basis; and effectively are subordinated in right of payment to all existing and future indebtedness and other liabilities of the Company's non-guarantor subsidiaries.

Certain events are considered events of default and may result in the acceleration of the maturity of the 2018 Senior Secured Notes including, but not limited to: default in the payment of principal or interest when it becomes due and payable; subject to applicable grace periods, failure to purchase Senior Secured Notes tendered when and as required; events of bankruptcy; and non-compliance with other provisions and covenants and the acceleration or default in the payment of principal of other forms of debt. If an event of default occurs, the aggregate principal amount and accrued and unpaid interest may become due and payable immediately.

The Bankruptcy Filing constituted an event of default with the 2018 Senior Secured Notes. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

Second Lien Holders Agreement

On February 14**,** 2012, the Company reached an adequate protection agreement with a group representing at least 50.1% of the Second Lien Note Holders (2019 Senior Secured Note Holders and 2018 Senior Secured Note Holders), which was reflected in the Final DIP Order. The Company agreed, among other things, to provide all Second Lien Note Holders with a portion of the proceeds received from certain sales and settlements in respect of the Company's digital imaging portfolio subject to the following waterfall and the Company's right to retain a percentage of certain proceeds under the DIP Credit Agreement: first, to repay any outstanding obligations under the DIP Credit Agreement, including cash collateralizing letters of credit (unless the certain parties otherwise agree); second, to pay 50% of accrued second lien interest at the non-default rate; third, the Company retains $250 million; fourth, to pay 50% of accrued second lien interest at the non-default rate; fifth, any remaining proceeds up to $2,250 million to be split 60% to the Company and 40% to repay outstanding second lien debt at par; and sixth, the Company agreed that any proceeds above $2,250 million will be split 50% to the Company and 50% to Second Lien Note Holders until second lien debt is fully paid. The Company also agreed to pay current interest to Second Lien Note Holders upon the receipt of $250 million noted above. Subject to the satisfaction of certain conditions, the Company also agreed to pay reasonable fees of certain advisors to the Second Lien Note Holders.

2017 Convertible Senior Notes

On September 23, 2009, the Company issued $400 million of aggregate principal amount of 7% convertible senior notes due April 1, 2017 (the "2017 Convertible Notes"). The Company will pay interest at an annual rate of 7% of the principal amount at issuance, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2010.

The 2017 Convertible Notes are convertible at an initial conversion rate of 134.9528 shares of the Company's common stock per $1,000 principal amount of convertible notes (representing an initial conversion price of approximately $7.41 per share of common stock) subject to adjustment in certain circumstances. Holders may surrender their 2017 Convertible Notes for conversion at any time prior to the close of business on the business day immediately preceding the maturity date for the notes. Upon conversion, the Company shall deliver or pay, at its election, solely shares of its common stock or solely cash. Holders of the 2017 Convertible Notes may require the Company to purchase all or a portion of the convertible notes at a price equal to 100% of the principal amount of the convertible notes to be purchased, plus accrued and unpaid interest, in cash, upon occurrence of certain fundamental changes involving the Company including, but not limited to, a change in ownership, consolidation or merger, plan of dissolution, or common stock delisting from a U.S. national securities exchange.

The Company may redeem the 2017 Convertible Notes in whole or in part for cash at any time on or after October 1, 2014 and before October 1, 2016 if the closing sale price of the common stock for at least 20 of the 30 consecutive trading days ending within three trading days prior to the date the Company provides notice of redemption exceeds 130% of the conversion price in effect on each such trading day, or at any time on or after October 1, 2016 and prior to maturity regardless of the sale price of the Company's common stock. The redemption price will equal 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest.

In accordance with U.S. GAAP, the principal amount of the 2017 Convertible Notes was allocated to debt at the estimated fair value of the debt component of the notes at the time of issuance, with the residual amount allocated to the equity component. Approximately $293 million and $107 million of the principal amount were initially allocated to the debt and equity components respectively, and reported as Long-term debt, net of current portion and Additional paid-in capital, respectively. The initial carrying value of the debt of $293 million will be accreted up to the $400 million stated principal amount using the effective interest method over the 7.5 year term of the notes. Accretion of the principal will be reported as a component of interest expense. Accordingly, the Company will recognize annual interest expense on the debt at an effective interest rate of 12.75%.

The 2017 Convertible Notes are the Company's senior unsecured obligations and rank: (i) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2017 Convertible Notes; (ii) equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; (iii) effectively subordinated in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and obligations incurred by the Company's subsidiaries including guarantees of the Company's obligations by such subsidiaries.

Certain events are considered events of default and may result in the acceleration of the maturity of the 2017 Convertible Notes including, but not limited to: default in the payment of principal or interest when it becomes due and payable; failure to comply with an obligation to convert the 2017 Convertible Notes; not timely reporting a fundamental change; events of bankruptcy; and non-compliance with other provisions and covenants and other forms of indebtedness for borrowed money. If an event of default occurs, the aggregate principal amount and accrued and unpaid interest may become due and payable immediately.

The Bankruptcy Filing constituted an event of default with the 2017 Convertible Notes. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

Senior Notes due 2013

On October 10, 2003, the Company completed the offering and sale of $500 million aggregate principal amount of Senior Notes due 2013 (the "2013 Notes"), which was made pursuant to the Company's shelf registration statement on Form S-3 effective September 19, 2003. Interest on the 2013 Notes will accrue at the rate of 7.25% per annum and is payable semiannually. The 2013 Notes are not redeemable at the Company's option or repayable at the option of any holder prior to maturity. The 2013 Notes are unsecured and unsubordinated obligations, and rank equally with all of the Company's other unsecured and unsubordinated indebtedness.

On March 10, 2010, the Company accepted for purchase $200 million aggregate principal amount of the Senior Notes due 2013 (2013 Notes) pursuant to the terms of a tender offer that commenced on February 3, 2010.

On March 15, 2011, the Company repurchased $50 million aggregate principal amount of the 2013 Notes at par using proceeds from the issuance of the 2019 Senior Secured Notes. As of December 31, 2011, $250 million of the 2013 Notes remain outstanding.

The Bankruptcy Filing constituted an event of default with the 2013 Senior Notes. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

Second Amended and Restated Credit Agreement

On April 26, 2011, the Company and its subsidiary, Kodak Canada, Inc. (together the "Borrowers"), together with the Company's U.S. subsidiaries as guarantors (Guarantors), entered into a Second Amended and Restated Credit Agreement (Second Amended Credit Agreement), with the named lenders (Lenders) and Bank of America, N.A. as administrative agent, in order to amend and extend its Amended and Restated Credit Agreement dated as of March 31, 2009, as amended (Amended Credit Agreement).

The Second Amended Credit Agreement provides for an asset-based Canadian and U.S. revolving credit facility (Credit Facility) of $400 million ($370 million in the U.S. and $30 million in Canada), as further described below, with the ability to increase the aggregate amount. Additionally, up to $125 million of the Company's and its subsidiaries' obligations to Lenders under treasury management services, hedge or other agreements or arrangements can be secured by the collateral under the Credit Facility. The Credit Facility can be used for ongoing working capital and other general corporate purposes. The termination date of the Credit Facility is the earlier of (a) April 26, 2016 or (b) August 17, 2013, to the extent that the 2013 Notes have not been redeemed, defeased, or otherwise satisfied by that date.

On September 23, 2011, the Company initiated a draw of $160 million under the Second Amended Credit Agreement for general corporate purposes. During the fourth quarter of 2011, the Company repaid $60 million under the Second Amended Credit Agreement. The revolving credit advance bears interest at applicable margins over the Base Rate, as defined in the Second Amended Credit Agreement. The borrowing will bear interest initially at 1.5% (the applicable margin) plus the Base Rate, which fluctuates daily based on the highest of the following reference rates: the Federal Funds Rate plus 0.5%, Bank of America's prime rate, and a one-month Eurodollar rate plus 1.0%. The Company may repay the advances at any time without penalty, subject to certain conditions if the advances have been converted to a Eurodollar rate.

Advances under the Second Amended Credit Agreement are available based on the Borrowers' respective borrowing base from time to time. The borrowing base is calculated based on designated percentages of eligible accounts receivable, inventory, and machinery and

equipment, subject to applicable reserves. As of December 31, 2011, based on this borrowing base calculation and after deducting $100 million of outstanding borrowings under the agreement, the face amount of letters of credit outstanding of $96 million and $63 million of collateral to secure other banking arrangements, the Company had $71 million available to borrow under the Second Amended Credit Agreement.

Under the terms of the Credit Facility, the Company has agreed to certain affirmative and negative covenants customary in similar asset-based lending facilities. In the event the Company's excess availability under the Credit Facility borrowing base formula falls below the greater of (a) $40 million or (b) 12.5% of the commitments under the Credit Facility at any time (Trigger), among other things, the Company must maintain a fixed charge coverage ratio of not less than 1.1 to 1.0 until the excess availability is greater than the Trigger for 30 consecutive days. As of December 31, 2011, the Company's fixed charge coverage ratio was less than 1.1 to 1.0; however, as of December 31, 2011, excess availability was greater than the Trigger. It is the Company's intent to repay its borrowings as necessary to avoid falling below the required threshold. The $100 million principal outstanding as of December 31, 2011 is recorded within short-term borrowings and current portion of long-term debt within the Company's Consolidated Statement of Financial Position. The negative covenants limit, under certain circumstances, among other things, the Company's ability to incur additional debt or liens, make certain investments, make shareholder distributions or prepay debt, except as permitted under the terms of the Second Amended Credit Agreement. The Company was in compliance with all covenants under the Credit Facility as of December 31, 2011.

In addition to the Second Amended Credit Agreement, the Company has other committed and uncommitted lines of credit as of December 31, 2011 totaling $17 million and $65 million, respectively. These lines primarily support operational and borrowing needs of the Company's subsidiaries, which include term loans, overdraft coverage, revolving credit lines, letters of credit, bank guarantees and vendor financing programs. Interest rates and other terms of borrowing under these lines of credit vary from country to country, depending on local market conditions. As of December 31, 2011, usage under these lines was approximately $24 million all of which were supporting non-debt related obligations.

The Credit Facility contains events of default customary in similar asset based lending facilities. If an event of default occurs and is continuing, the Lenders may decline to provide additional advances, impose a default rate of interest, declare all amounts outstanding under the Credit Facility immediately due and payable, and require cash collateralization or similar arrangements for outstanding letters of credit.

The Bankruptcy Filing constituted an event of default with the Second Amended and Restated Credit Agreement. The creditors are, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code. On January 20, 2012, the Company repaid all obligations and terminated all commitments under the Second Amended and Restated Credit Agreement in connection with entering into and drawing funds from the Debtor-in-Possession Revolving Credit Agreement.

Debtor-in-Possession Credit Agreement

In connection with the Bankruptcy Filing, on January 20, 2012, the Company and Kodak Canada Inc. (the "Canadian Borrower" and, together with the Company, the "Borrowers") entered into a Debtor-in-Possession Credit Agreement as amended on January 25, 2012 (the "DIP Credit Agreement"), with certain subsidiaries of the Company and the Canadian Borrower signatory thereto ("Subsidiary Guarantors"), the lenders signatory thereto (the "Lenders"), Citigroup Global Markets Inc., as sole lead arranger and bookrunner, and Citicorp North America, Inc., as syndication agent, administration agent and collateral agent (the "Agent"). Pursuant to the terms of the DIP Credit Agreement, the Lenders agreed to lend in an aggregate principal amount of up to $950 million, consisting of an up to $250 million super-priority senior secured asset-based revolving credit facility and an up to $700 million super-priority senior secured term loan facility (collectively, the "Loans"). A portion of the revolving credit facility will be available to the Canadian Borrower and may be borrowed in Canadian Dollars. The DIP Credit Agreement was approved on February 15, 2012 by the Bankruptcy Court.

The Company and each existing and future direct or indirect U.S. subsidiary of the Company (other than indirect U.S. subsidiaries held through foreign subsidiaries and certain immaterial subsidiaries (if any)) (the "U.S. Guarantors") have agreed to provide unconditional guarantees of the obligations of the Borrowers under the DIP Credit Agreement. In addition, the U.S. Guarantors, the Canadian Borrower and each existing and future direct and indirect Canadian subsidiary of the Canadian Borrower (other than certain immaterial subsidiaries (if any)) (the "Canadian Guarantors" and, together with the U.S. Guarantors, the "Guarantors") have agreed to provide unconditional guarantees of the obligations of the Canadian Borrower under the DIP Credit Agreement. Under the terms of the DIP Credit Agreement, the Company will have the option to have interest on the loans provided thereunder accrue at a base rate or the then applicable LIBOR Rate (subject to certain adjustments and, in the case of the term loan facility, a floor of 1.00%), plus a margin, (x) in the case of the revolving loan facility, of 2.25% for a base rate revolving loan or 3.25% for a LIBOR rate revolving loan, and (y) in the case of the term loan facility, of 6.50% for a base rate loan and 7.50% for a LIBOR Rate loan. The obligations of the Borrowers and the Guarantors under the DIP Credit Agreement are secured by a first-priority security interest in and lien upon all of the existing and after-acquired personal property of the Company and the U.S. Guarantors, including pledges of all stock or other equity interest in direct subsidiaries owned by the Company or the U.S. Guarantors (but only up to 65% of the voting stock of each direct foreign subsidiary owned by the Company or any U.S. Guarantor in the case of pledges securing the

Company's and the U.S. Guarantors' obligations under the DIP Credit Agreement). Assets of the type described in the preceding sentence of the Canadian Borrower or any Canadian subsidiary of the Canadian Borrower are similarly pledged to secure the obligations of the Canadian Borrower and Canadian Guarantor under the DIP Credit Agreement. The security and pledges are subject to certain exceptions.

The DIP Credit Agreement limits, among other things, the Borrowers' and the Subsidiary Guarantors' ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions and (vi) modify the terms of any organizational documents and certain material contracts of the Borrowers and the Subsidiary Guarantors. In addition to standard obligations, the DIP Credit Agreement provides for specific milestones that the Company must achieve by specific target dates. In addition, the Company and its subsidiaries are required to maintain consolidated Adjusted EBITDA (as defined in the DIP Credit Agreement) of not less than a specified level for certain periods, with the specified levels ranging from $(130) million to $175 million depending on the applicable period. The Company and its subsidiaries must also maintain minimum U.S. Liquidity (as defined in the DIP Credit Agreement) ranging from $100 million to $250 million depending on the applicable period.

The Borrowers drew approximately $400 million in term loans under the DIP Credit Agreement on January 20, 2012 and issued approximately $102 million of letters of credit under the revolving credit facility. After the initial drawdown under the DIP Credit Agreement and based on the current borrowing base calculation, as of January 20, 2012, the Borrowers had approximately $98 million available under the revolving credit facility and $300 million committed under the term loan facility. Availability under the DIP Credit Agreement may be further subject to borrowing base availability, reserves and other limitations, and in the case of the additional term loans the entry of a final order by the Bankruptcy Court approving incurrence of the additional term loans.

The Company paid approximately $36 million to the Agent for arrangement, incentive, and customary agency administration fees in connection with the DIP Credit Agreement and will pay to the Lenders participation fees and an unused amount fee and commitment fee as set forth in the DIP Credit Agreement.

In connection with entering into the DIP Credit Agreement described above, on January 20, 2012, the Company repaid all obligations (other than reimbursement obligations in respect of undrawn amounts, fees and interest in respect of certain letters of credit and secured agreements that remain outstanding) and terminated all commitments under the Second Amended and Restated Credit Agreement (the "Prior Credit Agreement"), dated as of April 26, 2011. In addition, the Company obtained the release of the liens granted to the agents for the benefit of the secured parties in connection with the Prior Credit Agreement.

NOTE 10: OTHER LONG-TERM LIABILITIES

(in millions)	As of December 31, 2011	2010
Non-current tax-related liabilities	$ 57	$ 160
Environmental liabilities	96	103
Asset retirement obligations	66	57
Other	243	305
Total	$ 462	$ 625

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 11: COMMITMENTS AND CONTINGENCIES

Environmental

Cash expenditures for pollution prevention and waste treatment for the Company's current facilities were as follows:

(in millions)	For the Year Ended December 31, 2011	2010	2009
Recurring costs for pollution prevention and waste treatment	$ 33	$ 34	$ 37
Capital expenditures for pollution prevention and waste treatment	1	1	3
Site remediation costs	2	2	2
Total	$ 36	$ 37	$ 42

Environmental expenditures that relate to an existing condition caused by past operations and that do not provide future benefits are expensed as incurred. Costs that are capital in nature and that provide future benefits are capitalized. Liabilities are recorded when environmental assessments are made or the requirement for remedial efforts is probable, and the costs can be reasonably estimated. The timing of accruing for these remediation liabilities is generally no later than the completion of feasibility studies. The Company has an ongoing monitoring process to assess how the activities, with respect to the known exposures, are progressing against the accrued cost estimates.

At December 31, 2011 and 2010, the Company’s undiscounted accrued liabilities for environmental remediation costs amounted to $96 million and $103 million, respectively. These amounts were reported in Other long-term liabilities in the accompanying Consolidated Statement of Financial Position.

The Company is currently implementing a Corrective Action Program required by the Resource Conservation and Recovery Act (“RCRA”) at Eastman Business Park (formerly known as Kodak Park) in Rochester, NY. The Company is currently in the process of completing, and in many cases has completed, RCRA Facility Investigations (“RFI”), Corrective Measures Studies (CMS) and Corrective Measures Implementation (“CMI”) for areas at the site. At December 31, 2011, estimated future investigation and remediation costs of $49 million were accrued for this site, the majority of which relates to long-term operation, maintenance of remediation systems and monitoring costs.

In addition, the Company has accrued for obligations with estimated future investigation, remediation and monitoring costs of $9 million relating to other operating sites, $19 million at sites associated with former operations, and $19 million of retained obligations for environmental remediation and Superfund matters related to certain sites associated with the non-imaging health businesses sold in 1994.

Cash expenditures for the aforementioned investigation, remediation and monitoring activities are expected to be incurred over the next thirty years for most of the sites. For these known environmental liabilities, the accrual reflects the Company’s best estimate of the amount it will incur under the agreed-upon or proposed work plans. The Company’s cost estimates were determined using the ASTM Standard E 2137-06, "Standard Guide for Estimating Monetary Costs and Liabilities for Environmental Matters," and have not been reduced by possible recoveries from third parties. The overall method includes the use of a probabilistic model which forecasts a range of cost estimates for the remediation required at individual sites. The projects are closely monitored and the models are reviewed as significant events occur or at least once per year. The Company’s estimate includes investigations, equipment and operating costs for remediation and long-term monitoring of the sites.

The Company is presently designated as a potentially responsible party (“PRP”) under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (the “Superfund Law”), or under similar state laws, for environmental assessment and cleanup costs as the result of the Company’s alleged arrangements for disposal of hazardous substances at six Superfund sites. In addition, the Company has been identified as a PRP in connection with the non-imaging health businesses in two active Superfund sites. Numerous other PRPs have also been designated at these sites. Although the law imposes joint and several liability on PRPs, the Company’s historical experience demonstrates that these costs are shared with other PRPs. Settlements and costs paid by the Company in Superfund matters to date have not been material.

Among these matters is a case in which the Company has been named by the U.S. Environmental Protection Agency as a PRP with potential liability for the study and remediation of the Lower Passaic River Study Area portion of the Diamond Alkali Superfund Site. Additionally, the Company has been named as a third-party defendant (along with approximately 300 other entities) in an action initially brought by the New Jersey Department of Environmental Protection in the Supreme Court of New Jersey, Essex County seeking recovery of all costs associated with the investigation, removal, cleanup and damage to natural resources resulting from the disposal of

various forms of chemicals in the Passaic River. The total costs (for all parties involved) to clean up the Passaic River could potentially be as high as several billions of dollars. Based on currently available information, the Company is unable to reasonably estimate a range of loss pertaining to this matter at this time.

Estimates of the amount and timing of future costs of environmental remediation requirements are by their nature imprecise because of the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the identification of presently unknown remediation sites and the allocation of costs among the potentially responsible parties. Based on information presently available, the Company does not believe it is reasonably possible that losses for known exposures could exceed current accruals by material amounts, although costs could be material to a particular quarter or year, with the possible exception of matters related to the Passaic River which are described above.

Asset Retirement Obligations

As of December 31, 2011 and 2010, the Company has recorded approximately $66 million and $57 million, respectively, of asset retirement obligations within Other long-term liabilities in the accompanying Consolidated Statement of Financial Position. The Company's asset retirement obligations primarily relate to asbestos contained in buildings that the Company owns. In many of the countries in which the Company operates, environmental regulations exist that require the Company to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. Otherwise, the Company is not required to remove the asbestos from its buildings. The Company 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. The Company does not have a liability recorded related to every building that contains asbestos because the Company 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, 2011	2010	2009
Asset retirement obligations as of January 1	$ 57	$ 62	$ 67
Liabilities incurred in the current period	15	-	4
Liabilities settled in the current period	(9)	(8)	(13)
Accretion expense	4	3	3
Other	(1)	-	1
Asset retirement obligations as of December 31	$ 66	$ 57	$ 62

Other Commitments and Contingencies

The Company has entered into noncancelable agreements with several companies, which provide Kodak with products and services to be used in its normal operations. These agreements are related to raw materials, supplies, production and administrative services, as well as marketing and advertising. The terms of these agreements cover the next one to eleven years. The minimum payments for obligations under these agreements are approximately $109 million in 2012, $69 million in 2013, $47 million in 2014, $41 million in 2015, $18 million in 2016 and $26 million in 2017 and thereafter.

Rental expense, net of minor sublease income, amounted to $87 million, $96 million, and $108 million in 2011, 2010, and 2009, respectively. The amounts of noncancelable lease commitments with terms of more than one year, principally for the rental of real property, reduced by minor sublease income, are $68 million in 2012, $51 million in 2013, $33 million in 2014, $25 million in 2015, $21 million in 2016 and $43 million in 2017 and thereafter.

In December 2003, the Company sold a property in France for approximately $65 million, net of direct selling costs, and then leased back a portion of this property for a nine-year term. The entire gain on the property sale of approximately $57 million was deferred and no gain was recognizable upon the closing of the sale as the Company's continuing involvement in the property is deemed to be significant. As a result, the Company is accounting for the transaction as a financing transaction. Minimum lease payments under this noncancelable lease commitment are approximately $5 million through the end of 2012.

The Company's Brazilian operations are involved in governmental assessments of indirect and other taxes in various stages of litigation, primarily related to federal and state value-added taxes. The Company is disputing these matters and intends to vigorously defend its position. Based on the opinion of legal counsel and current reserves already recorded for those matters deemed probable of loss, management does not believe that the ultimate resolution of these matters will materially impact the Company's results of operations or financial position. The Company 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, 2011, 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 $70 million.

The Company and its subsidiaries are involved in various lawsuits, claims, investigations and proceedings, including commercial, customs, employment, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. In addition, the Company is subject 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 the Company's products. These matters are in various stages of investigation and litigation and are being vigorously defended. Although the Company does not expect that the outcome 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. Therefore, judgments could be rendered or settlements entered that could adversely affect the Company's operating results or cash flow in a particular period. The Company routinely assesses all 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 12: GUARANTEES

The Company guarantees debt and other obligations of certain customers. The debt and other obligations are primarily due to banks and leasing companies in connection with financing of customers' purchases of equipment and product from the Company. At December 31, 2011, the maximum potential amount of future payments (undiscounted) that the Company could be required to make under these customer-related guarantees was $25 million. At December 31, 2011, the carrying amount of any liability related to these customer guarantees was not material.

The customer financing agreements and related guarantees, which mature between 2012 and 2016, typically have a term of 90 days for product and short-term equipment financing arrangements, and up to five years for long-term equipment financing arrangements. These guarantees would require payment from the Company only in the event of default on payment by the respective debtor. In some cases, particularly for guarantees related to equipment financing, the Company has collateral or recourse provisions to recover and sell the equipment to reduce any losses that might be incurred in connection with the guarantees. However, any proceeds received from the liquidation of these assets may not cover the maximum potential loss under these guarantees.

Eastman Kodak Company ("EKC") also guarantees potential indebtedness to banks and other third parties for some of its consolidated subsidiaries. The maximum amount guaranteed is $185 million, and the outstanding amount for those guarantees is $161 million with $75 million recorded within the Short-term borrowings and current portion of long-term debt, and Long-term debt, net of current portion components in the accompanying Consolidated Statement of Financial Position. These guarantees expire in 2012 through 2019. Pursuant to the terms of the Company's Amended Credit Agreement, obligations of the Borrowers to the Lenders under the Amended Credit Agreement, as well as secured agreements in an amount not to exceed $125 million, are guaranteed by the Company and the Company's U.S. subsidiaries and included in the above amounts. These secured agreements totaled $63 million as of December 31, 2011.

EKC has issued a guarantee to Kodak Limited (the "Subsidiary") and the Trustee (the "Trustee") of the Kodak Pension Plan of the United Kingdom (the "Plan"). Under that arrangement, EKC guaranteed to the Subsidiary and the Trustee the ability of the Subsidiary, only to the extent it becomes necessary to do so, to (1) make contributions to the Plan to ensure sufficient assets exist to make Plan benefit payments, and (2) make contributions to the Plan such that it will achieve full funded status by the funding valuation for the period ending December 31, 2022. The guarantee expires (a) upon the conclusion of the funding valuation for the period ending December 31, 2022 if the Plan achieves full funded status or on payment of the balance if the Plan is underfunded by no more than 60 million British pounds by that date, (b) earlier in the event that the Plan achieves full funded status for two consecutive funding valuation cycles which are typically performed at least every three years, or (c) June 30, 2024 on payment of the balance in the event that the Plan is underfunded by more than 60 million British pounds upon conclusion of the funding valuation for the period ending December 31, 2022. The amount of potential future contributions is dependent on the funding status of the Plan as it fluctuates over the term of the guarantee. The funded status of the Plan may be materially impacted by

future changes in key assumptions used in the valuation of the Plan, particularly the discount rate and expected rate of return on Plan assets. A funding valuation and funding plan is required to be submitted to and approved by the United Kingdom Pension Regulator. The 2010 valuation is currently ongoing. The funded status of the Plan (calculated in accordance with U.S. GAAP) is included in Pension and other postretirement liabilities presented in the Consolidated Statement of Financial Position.

Indemnifications

The Company 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 the Company's financial position, results of operations or cash flows. Additionally, the fair value of the indemnifications that the Company issued during the year ended December 31, 2011 was not material to the Company's financial position, results of operations or cash flows.

Warranty Costs

The Company has warranty obligations in connection with the sale of its products and equipment. The original warranty period is generally one year or less. The costs incurred to provide for these warranty obligations are estimated and recorded as an accrued liability at the time of sale. The Company estimates its warranty cost at the point of sale for a given product based on historical failure rates and related costs to repair. The change in the Company's accrued warranty obligations balance, which is reflected in Other current liabilities in the accompanying Consolidated Statement of Financial Position, was as follows:

(in millions)

Accrued warranty obligations as of December 31, 2009	$	61
Actual warranty experience during 2010		(78)
2010 warranty provisions		60
Accrued warranty obligations as of December 31, 2010	$	43
Actual warranty experience during 2011		(92)
2011 warranty provisions		95
Accrued warranty obligations as of December 31, 2011	$	46

The Company also offers its customers extended warranty arrangements that are generally one year, but may range from three months to three years after the original warranty period. The Company provides repair services and routine maintenance under these arrangements. The Company has not separated the extended warranty revenues and costs from the routine maintenance service revenues and costs, as it is not practicable to do so. Therefore, these revenues and costs have been aggregated in the discussion that follows. The change in the Company'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 as of December 31, 2009	$	130
New extended warranty and maintenance arrangements in 2010		438
Recognition of extended warranty and maintenance arrangement revenue in 2010		(438)
Deferred revenue as of December 31, 2010	$	130
New extended warranty and maintenance arrangements in 2011		428
Recognition of extended warranty and maintenance arrangement revenue in 2011		(438)
Deferred revenue as of December 31, 2011	$	120

Costs incurred under these extended warranty and maintenance arrangements for the years ended December 31, 2011 and 2010 amounted to $305 million and $363 million, respectively.

NOTE 13: FINANCIAL INSTRUMENTS

The following table presents the carrying amounts, estimated fair values, and location in the Consolidated Statement of Financial Position for the Company's financial instruments:

(in millions)		Assets			
		December 31, 2011		December 31, 2010	
	Balance Sheet Location	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Marketable securities:					
Available-for-sale (1)	Other current assets and Other long-term assets	$ 12	$ 12	$ 10	$ 10
Held-to-maturity (2)	Other current assets and Other long-term assets	30	30	8	8
Derivatives designated as hedging instruments:					
Commodity contracts (1)	Receivables, net	-	-	2	2
Derivatives not designated as hedging instruments:					
Foreign exchange contracts (1)	Receivables, net	3	3	11	11
Foreign exchange contracts (1)	Other long-term assets	1	1	1	1

(in millions)		Liabilities			
		December 31, 2011		December 31, 2010	
	Balance Sheet Location	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term borrowings and current portion of long-term debt (2)	Short-term borrowings and current portion of long-term debt	$ 152	$ 127	$ 50	$ 51
Long-term borrowings, net of current portion (2)	Long-term debt, net of current portion	1,363	781	1,195	1,242
Derivatives designated as hedging instruments:					
Commodity contracts (1)	Other current liabilities	6	6	-	-
Derivatives not designated as hedging instruments:					
Foreign exchange contracts (1)	Other current liabilities	4	4	8	8

(1) Recorded at fair value.
(2) Recorded at historical cost.

The Company does not utilize financial instruments for trading or other speculative purposes.

Fair value

The fair values of marketable securities are determined using quoted prices in active markets for identical assets (Level 1 fair value measurements). Fair values of the Company's forward contracts are determined using other 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. 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 2011.

Fair values of long-term borrowings 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. The carrying values of cash and cash equivalents, trade receivables, and payables (which are not shown in the table above) approximate their fair values.

Foreign exchange

Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved are included in Other income (charges), net in the accompanying Consolidated Statement of Operations. The net effects of foreign currency transactions, including changes in the fair value of foreign exchange contracts, are shown below:

(in millions)	For the Year Ended December 31,		
	2011	**2010**	**2009**
Net loss	$ (14)	$ (5)	$ (2)

Derivative financial instruments

The Company, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates, commodity prices, and interest rates, which may adversely affect its results of operations and financial position. The Company 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, especially those of the Company's International Treasury Center. Silver forward contracts are used to mitigate the Company's risk to fluctuating silver prices. The Company's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs.

The Company's financial instrument counterparties are high-quality investment or commercial banks with significant experience with such instruments. The Company manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. The Company has procedures to monitor the credit exposure amounts. The maximum credit exposure at December 31, 2011 was not significant to the Company.

In the event of a default under the Company's Amended Credit Agreement, or a default under any derivative contract or similar obligation of the Company, 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. At December 31, 2011 and 2010, the Company had open derivative contracts in liability positions with a total fair value of $10 million and $8 million, respectively.

The location and amounts of gains and losses related to derivatives reported in the Consolidated Statement of Operations are shown in the following tables:

Derivatives in Cash Flow Hedging Relationships	Gain (Loss) Recognized in OCI on Derivative (Effective Portion)			Gain (Loss) Reclassified from Accumulated OCI Into Cost of Sales (Effective Portion)			Gain (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
(in millions)	For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Commodity contracts	$ 5	$ 6	$ 12	$ 14	$ 10	$ 7	$ -	$ -	$ -
Foreign exchange contracts	-	(2)	-	-	(2)	(2)	-	-	-

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	Gain (Loss) Recognized in Income on Derivative		
(in millions)		For the Year Ended December 31,		
		2011	2010	2009
Foreign exchange contracts	Other income (charges), net	$ 11	$ 32	$ 29

Foreign currency forward contracts

Certain of the Company's foreign currency forward contracts used to mitigate currency risk related to existing foreign currency denominated assets and liabilities 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 remeasured through net (loss) earnings (both in Other income (charges), net). The notional amount of such contracts open at December 31, 2011 was approximately $945 million. The majority of the contracts of this type held by the Company are denominated in euros and British pounds.

Silver forward contracts

The Company enters into silver forward contracts that are designated as cash flow hedges of commodity price risk related to forecasted purchases of silver. The value of the notional amounts of such contracts open at December 31, 2011 was $23 million. Hedge gains and losses related to these silver forward contracts are reclassified into cost of sales as the related silver-containing products are sold to third parties. These gains or losses transferred to cost of sales are generally offset by increased or decreased costs of silver purchased in the open market. The amount of existing gains and losses at December 31, 2011 to be reclassified into earnings within the next 12 months is a net loss of $7 million. At December 31, 2011, the Company had hedges of forecasted purchases through May 2012.

In January 2012, the Company terminated all its existing hedges at a loss of $5 million. These hedges were designated as secured agreements under the Revolving Credit Facility and needed to be settled prior to the termination of that facility in conjunction with the Company's DIP Credit Agreement. Since the hedged transactions are still expected to occur in the originally specified time frame, this loss will remain in Accumulated other comprehensive loss until the related silver-containing products are sold to third parties.

NOTE 14: OTHER OPERATING (INCOME) EXPENSES, NET

(in millions)	For the Year Ended December 31, 2011	2010	2009
Expenses (income):			
Goodwill impairments (1)	$ 8	$ 626	$ -
Long-lived asset impairments	4	-	8
Gains related to the sales of assets and businesses (2)	(80)	(8)	(100)
Other	1	1	4
Total	$ (67)	$ 619	$ (88)

(1) Refer to Note 6 “Goodwill and Other Intangible Assets,” in the Notes to Financial Statements.

(2) On March 31, 2011, the Company sold patents and patent applications related to CMOS image sensors to OmniVision Technologies Inc. for $65 million. The Company recognized a gain, net of transaction costs, of $62 million from this transaction.

In November 2009, the Company agreed to terminate its patent infringement litigation with LG Electronics, Inc., LG Electronics USA, Inc., and LG Electronics Mobilecomm USA, Inc., entered into a technology cross license agreement with LG Electronics, Inc. and agreed to sell assets of its OLED group to Global OLED Technology LLC, an entity established by LG Electronics, Inc., LG Display Co., Ltd. and LG Chem, Ltd. As the transactions were entered into in contemplation of one another, in order to reflect the asset sale separately from the licensing transaction, the total consideration was allocated between the asset sale and the licensing transaction based on the estimated fair value of the assets sold. Fair value of the assets sold was estimated using other competitive bids received by the Company. Accordingly, $100 million of the proceeds was allocated to the asset sale. The remaining gross proceeds of $414 million were allocated to the licensing transaction and reported in net sales of the CDG segment.

NOTE 15: OTHER INCOME (CHARGES), NET

(in millions)	For the Year Ended December 31, 2011	2010	2009
Income (charges):			
Interest income	$ 10	$ 11	$ 12
Loss on foreign exchange transactions	(14)	(5)	(2)
Legal settlements	-	-	19
Gain on sale of investee	-	10	-
Other	2	10	1
Total	$ (2)	$ 26	$ 30

NOTE 16: INCOME TAXES

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

(in millions)	For the Year Ended December 31, 2011	2010	2009
(Loss) earnings from continuingoperations before income taxes:			
U.S.	$ (760)	$ (487)	$ (410)
Outside the U.S.	2	(74)	293
Total	$ (758)	$ (561)	$ (117)
U.S. income taxes:			
Current (benefit) provision	$ (378)	$ (2)	$ 8
Deferred provision (benefit)	241	2	(7)
Income taxes outside the U.S.:			
Current provision	55	192	113
Deferred provision (benefit)	106	(76)	-
State and other income taxes:			
Current benefit	(22)	(2)	(1)
Deferred provision	7	-	2
Total provision	$ 9	$ 114	$ 115

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

(in millions)	For the Year Ended December 31, 2011	2010	2009
Amount computed using the statutory rate	$ (265)	$ (196)	$ (41)
Increase (reduction) in taxes resulting from:			
State and other income taxes, net of federal	1	1	1
Unremitted foreign earnings	393	-	-
Impact of goodwill impairment	-	217	-
Operations outside the U.S.	40	130	45
Legislative rate changes	20	10	-
Valuation allowance	(33)	(46)	117
Tax settlements and adjustments, including interest	(149)	3	(4)
Other, net	2	(5)	(3)
Provision for income taxes	$ 9	$ 114	$ 115

During 2011, the Company determined that it is more likely than not that a portion of the deferred tax assets outside the U.S. would not be realized and accordingly, recorded a provision of $53 million associated with the establishment of a valuation allowance on those deferred tax assets.

During 2010, based on additional positive evidence regarding past earnings and projected future taxable income from operating activities, the Company determined that it is more likely than not that a portion of the deferred tax assets outside the U.S. would be

realized and accordingly, recorded a tax benefit of $154 million associated with the release of the valuation allowance on those deferred tax assets.

Deferred Tax Assets and Liabilities

The significant components of deferred tax assets and liabilities were as follows:

(in millions)	As of December 31, 2011	2010
Deferred tax assets		
Pension and postretirement obligations	$ 925	$ 809
Restructuring programs	5	7
Foreign tax credit	661	477
Inventories	33	23
Investment tax credit	172	160
Employee deferred compensation	69	80
Depreciation	30	28
Research and development costs	232	184
Tax loss carryforwards	1,178	1,181
Other	406	423
Total deferred tax assets	$ 3,711	$ 3,372
Deferred tax liabilities		
Leasing	37	47
Other deferred debt	16	15
Unremitted foreign earnings	430	-
Other	168	175
Total deferred tax liabilities	651	237
Net deferred tax assets before valuation allowance	3,060	3,135
Valuation allowance	2,560	2,335
Net deferred tax assets	$ 500	$ 800

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

(in millions)	As of December 31, 2011	2010
Deferred income taxes (current)	$ 58	$ 120
Other long-term assets	452	695
Accrued income taxes	(3)	(7)
Other long-term liabilities	(7)	(8)
Net deferred tax assets	$ 500	$ 800

As of December 31, 2011, the Company had available domestic and foreign net operating loss carryforwards for income tax purposes of approximately $3,806 million, of which approximately $592 million have an indefinite carryforward period. The remaining $3,214 million expire between the years 2012 and 2031. Utilization of these net operating losses may be subject to limitations in the event of significant changes in stock ownership of the Company. As of December 31, 2011, the Company had unused foreign tax credits and investment tax credits of

$661 million and $172 million, respectively, with various expiration dates through 2031.

The Company has been granted a tax holiday in certain jurisdictions in China. The Company is eligible for a 50% reduction of the income tax rate as a tax holiday incentive. The tax rate currently varies by jurisdiction, due to the tax holiday, and will be 25% in all jurisdictions within China in 2013.

During 2011, the Company concluded that the undistributed earnings of its foreign subsidiaries would no longer be considered permanently reinvested. After assessing the assets of the subsidiaries relative to specific opportunities for reinvestment, as well as the forecasted uses of cash for both its domestic and foreign operations, the Company concluded that it was prudent to changes its indefinite reinvestment assertion to allow greater flexibility in its cash management. As a result of the change in its assertion the Company recorded a deferred tax liability (net of related foreign tax credits) of $396 million on the foreign subsidiaries' undistributed earnings. This deferred tax liability was fully offset by a corresponding decrease in the Company's U.S. valuation allowance, which resulted in no net tax provision. The Company also recorded a provision of $34 million for the potential foreign withholding taxes on the undistributed earnings.

The Company's valuation allowance as of December 31, 2011 was $2,560 million. Of this amount, $417 million was attributable to the Company's net deferred tax assets outside the U.S. of $964 million, and $2,143 million related to the Company's net deferred tax assets in the U.S. of $2,096 million, for which the Company believes it is not more likely than not that the assets will be realized. The net deferred tax assets in excess of the valuation allowance of $500 million relate primarily to net operating loss carryforwards, certain tax credits, and pension related tax benefits for which the Company believes it is more likely than not that the assets will be realized.

The Company's valuation allowance as of December 31, 2010 was $2,335 million. Of this amount, $280 million was attributable to the Company's net deferred tax assets outside the U.S. of $849 million, and $2,055 million related to the Company's net deferred tax assets in the U.S. of $2,286 million, for which the Company believes it is not more likely than not that the assets will be realized. The net deferred tax assets in excess of the valuation allowance of $800 million relate primarily to net operating loss carryforwards, certain tax credits, and pension related tax benefits for which the Company believes it is more likely than not that the assets will be realized.

Accounting for Uncertainty in Income Taxes

A reconciliation of the beginning and ending amount of the Company's liability for income taxes associated with unrecognized tax benefits is as follows:

(in millions)

	2011	2010	2009
Balance as of January 1	**$ 245**	**$ 256**	**$ 296**
Tax positions related to the current year:			
Additions	12	1	10
Tax positions related to prior years:			
Additions	2	-	8
Reductions	(183)	(11)	(58)
Lapses in statutes of limitations	-	(1)	-
Balance as of December 31	**$ 76**	**$ 245**	**$ 256**

The Company'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. During the years ended December 31, 2011, 2010 and 2009, the Company recognized interest and penalties of approximately $(60) million, $5 million and $8 million, respectively, in income tax (benefit) expense. Additionally, the Company had approximately $14 million and $74 million of interest and penalties associated with uncertain tax benefits accrued as of December 31, 2011 and 2010, respectively.

If the unrecognized tax benefits were recognized, they would favorably affect the effective income tax rate in the period recognized. The Company has classified certain income tax liabilities as current or noncurrent based on management's estimate of when these liabilities will be settled. These current liabilities are recorded in Accrued income and other taxes 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 the Company'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 to $30 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 the Company. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a positive impact on earnings.

During 2011, the Company agreed to terms with the U.S. Internal Revenue Service and settled the federal audits for calendar years 2001 through 2005. For these years, the Company originally recorded federal and related state liabilities for uncertain tax positions ("UTPs") totaling $115 million (plus interest of approximately $25 million). The settlement resulted in a reduction in Accrued income and other taxes (including the UTP previously noted) of $296 million, the recognition of a $50 million tax benefit, and a reduction in net deferred tax assets of $246 million.

During 2011, the Company agreed to terms with a tax authority outside of the U.S. and settled audits for calendar years 2001 and 2002. For these years, the Company originally recorded liabilities for UTPs totaling $56 million (plus interest of approximately $43 million). The settlement resulted in a reduction in Accrued income taxes and the recognition of a $94 million tax benefit.

The Company files numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2006. The Company's U.S. tax matters for the years 2007 through 2011 remain subject to examination by the IRS. Substantially all material state, local, and foreign income tax matters have been concluded for years through 2006. The Company's tax matters for the years 2007 through 2011 remain subject to examination by the respective state, local, and foreign tax jurisdiction authorities.

Net Operating Loss Rights Agreement

On August 1, 2011, the Company entered into a Net Operating Loss (NOL) Rights Agreement (NOL Rights Agreement) designed to preserve stockholder value and tax assets. The Company's ability to use its tax attributes to offset tax on U.S. taxable income would be substantially limited if there were an "ownership change" as defined under Section 382 of the U.S. Internal Revenue Code. In general, an ownership change would occur if "5-percent shareholders," as defined under Section 382, collectively increase their ownership in the Company by more than 50 percentage points over a rolling three-year period.

In connection with the adoption of the NOL Rights Agreement, the Company's Board of Directors declared a dividend of one preferred share purchase right for each outstanding share of the Company's common stock. The preferred share purchase rights were distributed to stockholders of record as of August 11, 2011, but would only be activated if triggered by the NOL Rights Agreement.

Under the NOL Rights Agreement, preferred share purchase rights will work to impose significant dilution upon any person or group which acquires beneficial ownership of 4.9% or more of the outstanding common stock, without the approval of the Company's Board of Directors, from and after August 1, 2011. Stockholders that own 4.9% or more of the outstanding common stock as of the opening of business on August 1, 2011, will not trigger the preferred share purchase rights so long as they do not (i) acquire additional shares of common stock representing one one-thousandth of one percent (0.001%) or more of the shares of common stock then outstanding or (ii) fall under 4.9% ownership of common stock and then re-acquire shares that in the aggregate equal 4.9% or more of the common stock.

The NOL Rights Agreement has a three-year term, although the Company's Board of Directors will review the plan periodically.

NOTE 17: RESTRUCTURING AND RATIONALIZATION LIABILITIES

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

Restructuring and Ongoing Rationalization Reserve Activity

The activity in the accrued balances and the non-cash charges and credits incurred in relation to restructuring programs and ongoing rationalization activities during the three years ended December 31, 2011 were as follows:

(in millions)	Severance Reserve	Exit Costs Reserve	Long-lived Asset Impairments and Inventory Write-downs	Accelerated Depreciation	Total
Balance at December 31, 2008	$ 109	$ 21	$ -	$ -	$ 130
2009 charges - continuing operations (1)	193	27	16	22	258
2009 cash payments/utilization (2)	(154)	(23)	(16)	(22)	(215)
2009 other adjustments & reclasses (3)	(80)	2	-	-	(78)
Balance at December 31, 2009	68	27	-	-	95
2010 charges - continuing operations (4)	49	14	9	6	78
2010 cash payments/utilization (5)	(67)	(21)	(9)	(6)	(103)
2010 other adjustments & reclasses (6)	(28)	-	-	-	(28)
Balance at December 31, 2010	22	20	-	-	42
2011 charges - continuing operations (7)	105	15	3	10	133
2011 cash payments/utilization (8)	(58)	(13)	(3)	(10)	(84)
2011 other adjustments & reclasses (9)	(31)	-	-	-	(31)
Balance at December 31, 2011 (10)	$ 38	$ 22	$ -	$ -	$ 60

(1) Severance reserve activity includes charges of $191 million, and net curtailment and settlement losses related to these actions of $2 million.

(2) During the year ended December 31, 2009, the Company made cash payments of approximately $177 million related to restructuring and rationalization, all of which was paid out of restructuring liabilities.

(3) Includes $84 million of severance related charges for pension plan curtailments, settlements, and special termination benefits, which are reflected in Pension and other postretirement liabilities and Other long-term assets in the Consolidated Statement of Financial Position, partially offset by foreign currency translation adjustments.

(4) Severance reserve activity includes charges of $49 million.

(5) During the year ended December 31, 2010, the Company made cash payments of approximately $88 million related to restructuring and rationalization, all of which was paid out of restructuring liabilities.

(6) Includes $28 million of severance related charges for pension plan curtailments, settlements, and special termination benefits, which are reflected in Pension and other postretirement liabilities and Other long-term assets in the Consolidated Statement of Financial Position.

(7) Severance reserve activity includes charges of $101 million, and net curtailment and settlement losses related to these actions of $4 million.

(8) During the year ended December 31, 2011, the Company made cash payments of approximately $71 million related to restructuring and rationalization, all of which was paid out of restructuring liabilities.

(9) Includes $32 million of severance related charges for pension plan curtailments, settlements, and special termination benefits, which are reflected in Pension and other postretirement liabilities and Other long-term assets in the Consolidated Statement of Financial Position, offset by $1 million of foreign currency translation adjustments.

(10) The Company expects to utilize the majority of the December 31, 2011 accrual balance in 2012.

2009 Activity

On December 17, 2008, the Company committed to a plan to implement a targeted cost reduction program (the 2009 Program) to more appropriately size the organization as a result of economic conditions. The program involved rationalizing selling, administrative, research and development, supply chain and other business resources in certain areas and consolidating certain facilities.

The Company recorded $258 million of charges, including $22 million of charges for accelerated depreciation and $10 million of charges for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations for the year ended December 31, 2009. The remaining costs incurred of $226 million were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2009. 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.

The severance costs related to the elimination of approximately 3,225 positions, including approximately 1,475 manufacturing, 750 research and development, and 1,000 administrative positions. The geographic composition of the positions eliminated includes approximately 1,950 in the United States and Canada, and 1,275 throughout the rest of the world.

The charges of $258 million recorded in 2009 included $69 million applicable to the FPEG segment, $34 million applicable to the CDG segment, $112 million applicable to the GCG segment, and $43 million that was applicable to manufacturing, research and development, and administrative functions, which are shared across all segments.

As a result of these initiatives, severance payments will be paid during periods through 2010 since, in many instances, the employees whose positions were eliminated can elect or are required to receive their payments over an extended period of time. In addition, certain exit costs, such as long-term lease payments, will be paid over periods throughout 2010 and beyond.

2010 Activity

The $78 million of charges for the year 2010 includes $6 million of charges for accelerated depreciation and $2 million for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations. The remaining costs incurred of $70 million, including $49 million of severance costs, $14 million of exit costs, and $7 million of long-lived asset impairments, were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations. 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.

The 2010 severance costs related to the elimination of approximately 800 positions, including approximately 550 manufacturing/service, 225 administrative, and 25 research and development positions. The geographic composition of these positions includes approximately 475 in the United States and Canada, and 325 throughout the rest of the world.

The charges of $78 million recorded in 2010 included $38 million applicable to FPEG, $15 million applicable to GCG, $3 million applicable to CDG, and $22 million that was applicable to manufacturing/service, research and development, and administrative functions, which are shared across all segments.

As a result of these initiatives, severance payments will be paid during periods through 2011 since, in many instances, the employees whose positions were eliminated can elect or are required to receive their payments over an extended period of time. In addition, certain exit costs, such as long-term lease payments, will be paid over periods throughout 2011 and beyond.

2011 Activity

The $133 million of charges for the year 2011 includes $10 million of charges for accelerated depreciation and $2 million for inventory write-downs, which were reported in Cost of sales in the accompanying Consolidated Statement of Operations. The remaining costs incurred of $121 million, including $105 million of severance costs, $15 million of exit costs, and $1 million of long-lived asset impairments, were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations. 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.

The 2011 severance costs related to the elimination of approximately 1,225 positions, including approximately 575 manufacturing/service, 550 administrative, and 100 research and development positions. The geographic composition of these positions includes approximately 725 in the United States and Canada, and 500 throughout the rest of the world.

The charges of $133 million recorded in 2011 included $47 million applicable to FPEG, $34 million applicable to GCG, $9 million applicable to CDG, and $43 million that was applicable to manufacturing/service, research and development, and administrative functions, which are shared across all segments.

As a result of these initiatives, severance payments will be paid during periods through 2012 since, in many instances, the employees whose positions were eliminated can elect or are required to receive their payments over an extended period of time. In addition, certain exit costs, such as long-term lease payments, will be paid over periods throughout 2012 and beyond.

NOTE 18: 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. Generally, benefits are based on a formula recognizing length of service and final average earnings. Assets in the trust fund are held for the sole benefit of participating employees and retirees. They are comprised 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.

In March 1999, the Company amended the KRIP to include a separate cash balance formula for all U.S. employees hired after February 1999. All U.S. employees hired prior to that date were granted the option to choose the traditional KRIP plan or the Cash Balance plan. Written elections were made by employees in 1999, and were effective January 1, 2000. The Cash Balance plan credits employees' accounts with an amount equal to 4% of their pay, plus interest based on the 30-year treasury-bond rate. In addition, for employees participating in the Cash Balance plan and the Company's defined contribution plan, the Savings and Investment Plan (“SIP”), the Company matches dollar-for-dollar on the first 1% contributed to SIP and $.50 for each dollar on the next 4% contributed. Company contributions to SIP were $10 million and $11 million for 2011 and 2010, respectively.

The Company also sponsors unfunded defined benefit plans for certain U.S. employees, primarily executives. The benefits of these plans are obtained by applying KRIP provisions to all compensation, including amounts being deferred, and without regard to the legislated qualified plan maximums, reduced by benefits under KRIP. Employees covered by the Cash Balance plan also receive an additional benefit equal to 3% of their annual pensionable earnings.

Many subsidiaries and branches operating outside the U.S. have defined benefit retirement plans covering substantially all employees. Contributions by the Company 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 the Company operates.

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.

Information regarding the major funded and unfunded U.S. and Non-U.S. defined benefit plans follows:

(in millions)	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in Benefit Obligation				
Projected benefit obligation at January 1	$ 5,071	$ 3,636	$ 4,842	$ 3,527
Acquisitions/divestitures/other transfers	(1)	2	-	-
Service cost	50	16	48	14
Interest cost	254	180	263	177
Participant contributions	-	4	-	3
Plan amendments	-	(4)	-	45
Benefit payments	(535)	(226)	(511)	(218)
Actuarial loss	392	160	402	181
Curtailments	-	-	-	(5)
Settlements	-	(86)	-	(2)
Special termination benefits	28	1	27	1
Currency adjustments	-	(31)	-	(87)
Projected benefit obligation at December 31	$ 5,259	$ 3,652	$ 5,071	$ 3,636
Change in Plan Assets				
Fair value of plan assets at January 1	$ 4,861	$ 2,634	$ 4,758	$ 2,502
Acquisitions/divestitures	-	1	-	-
Actual gain on plan assets	413	47	592	320
Employer contributions	25	78	22	90
Participant contributions	-	4	-	3
Settlements	-	(86)	-	(2)
Benefit payments	(536)	(226)	(511)	(218)
Currency adjustments	-	(16)	-	(61)
Fair value of plan assets at December 31	$ 4,763	$ 2,436	$ 4,861	$ 2,634
Under Funded Status at December 31	$ (496)	$ (1,216)	$ (210)	$ (1,002)
Accumulated benefit obligation at December 31	$ 5,112	$ 3,584	$ 4,881	$ 3,545

As a result of a legislative change in November 2010, a French defined benefit pension plan was amended to reflect a change in the Social Security retirement age. The legislative change requires the minimum retirement age be extended up to 2 years, phasing in at a rate of 4 months per year until 2018. This amendment increased the projected benefit obligation in 2010 by $33 million, which is reflected in the plan amendments line in the table above.

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

(in millions)	As of December 31,			
	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Other long-term assets	$ -	$ -	$ 18	$ 21
Other current liabilities	(18)	-	(19)	-
Pension and other postretirement liabilities	(478)	(1,216)	(209)	(1,023)
Net amount recognized	$ (496)	$ (1,216)	$ (210)	$ (1,002)

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 follows:

(in millions)	As of December 31,			
	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Projected benefit obligation	$ 5,259	$ 3,652	$ 383	$ 3,210
Accumulated benefit obligation	5,112	3,584	378	3,124
Fair value of plan assets	4,763	2,436	154	2,187

Amounts recognized in Accumulated other comprehensive loss for all major funded and unfunded U.S. and Non-U.S. defined benefit plans consisted of:

(in millions)	As of December 31,			
	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Prior service cost	$ 6	$ 26	$ 7	$ 38
Net actuarial loss	2,135	1,663	1,790	1,423
Total	$ 2,141	$ 1,689	$ 1,797	$ 1,461

Changes in plan assets and benefit obligations recognized in other comprehensive loss for all major funded and unfunded U.S. and Non-U.S. defined benefit plans follows:

(in millions)	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Newly established loss	$ 414	$ 322	$ 286	$ 71
Newly established prior service cost	-	(4)	-	42
Amortization of:				
Prior service cost	(1)	(4)	(1)	(1)
Net actuarial loss	(69)	(52)	(5)	(37)
Prior service cost recognized due to curtailment	-	(4)	-	1
Net loss recognized in expense due to settlements	-	(10)	-	(1)
Transfers	-	1	-	2
Total amount recognized in Other comprehensive loss	$ 344	$ 249	$ 280	$ 77

The actuarial loss and prior service cost estimated to be amortized from Accumulated other comprehensive loss into net periodic pension cost over the next year for all major plans is $237million and $3 million, respectively.

Pension (income) expense from continuing operations for all defined benefit plans included:

(in millions)	For the Year Ended December 31,					
	2011		2010		2009	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Major defined benefit plans:						
Service cost	$ 50	$ 16	$ 48	$ 14	$ 52	$ 14
Interest cost	254	180	263	177	293	178
Expected return on plan assets	(435)	(209)	(475)	(210)	(486)	(206)
Amortization of:						
Prior service cost	1	4	1	1	2	-
Actuarial loss	69	52	5	37	5	13
Pension (income) expense before special termination benefits, curtailments and settlements	(61)	43	(158)	19	(134)	(1)
Special termination benefits	28	1	27	1	78	5
Curtailment losses (gains)	-	4	-	(7)	-	(1)
Settlement losses	-	10	-	1	-	1
Net pension (income) expense for major defined benefit plans	(33)	58	(131)	14	(56)	4
Other plans including unfunded plans	-	12	-	11	-	6
Net pension (income) expense from continuing operations	$ (33)	$ 70	$ (131)	$ 25	$ (56)	$ 10

The special termination benefits of $29 million, $28 million, and $83 million for the years ended December 31, 2011, 2010, and 2009, respectively, were incurred as a result of the Company's restructuring actions and, therefore, have been included in Restructuring costs, rationalization and other in the Consolidated Statement of Operations for those respective periods. There were no impacts of curtailments or settlements incurred as a result of the Company’s restructuring actions in 2009 and 2010. For 2011, $3 million of the curtailment losses and $1 million of the settlement losses were incurred as a result of the Company’s restructuring actions and, therefore, have been included in Restructuring costs, rationalization and other in the Consolidated Statement of Operations for 2011.

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

	As of December 31,			
	2011		2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	4.25%	4.37%	5.24%	4.92%
Salary increase rate	3.28%	2.99%	3.81%	3.88%

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:

	For the Year Ended December 31,					
	2011		2010		2009	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	5.24%	4.95%	5.75%	5.17%	6.76%	5.90%
Salary increase rate	3.80%	3.89%	3.88%	3.87%	3.99%	3.45%
Expected long-term rate of return on plan assets	8.09%	7.79%	8.73%	7.76%	8.49%	7.30%

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 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 the Company'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 and 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.

Of the total plan assets attributable to the major U.S. defined benefit plans at December 31, 2011 and 2010, 97% relate 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. During 2010, an asset and liability study was completed and resulted in an 8.50% EROA for KRIP. A review of the EROA as of December 2011 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 8.60%.

The annual expected return on plan assets for the major non-U.S. pension plans range from 3.70% to 7.80% for 2011. EROA assumptions for 2010 for those plans were based on their respective asset allocations as of the end of the year. As with the KRIP, the EROA assumptions for certain of the Company's other pension plans were reassessed as of December 2011. EROA assumptions for those plans were updated accordingly.

Plan Asset Risk Management

The Company 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. As of December 31, 2011 and 2010, there were no significant concentrations (defined as greater than 10 percent of plan assets) of risk in the Company's defined benefit plan assets.

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

	As of December 31,		
Asset Category	**2011**	**2010**	**2011 Target**
Equity securities	17%	20%	13%-27%
Debt securities	38%	45%	35%-47%
Real estate	4%	5%	2%-10%
Cash	7%	3%	0%-6%
Other	34%	27%	30%-40%
Total	100%	100%	

The Company'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, 2011	2010	2011 Target
Equity securities	16%	19%	12%-19%
Debt securities	46%	43%	44%-52%
Real estate	3%	3%	0%-9%
Cash	4%	7%	0%-6%
Other	31%	28%	27%-37%
Total	100%	100%	

The Other asset category in the tables above is primarily composed of private equity, venture capital, and other investments.

Fair Value Measurements

The Company’s asset allocations by level within the fair value hierarchy at December 31, 2011 and 2010 are presented in the tables below for the Company’s major defined benefit plans. The Company’s plan assets were accounted for at fair value and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company’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.

Major U.S. Plans
December 31, 2011

(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ -	$ 321	$ -	$ 321
Equity Securities	270	528	18	816
Debt Securities:				
Government Bonds	-	724	-	724
Inflation-Linked Bonds	-	231	260	491
Investment Grade Bonds	-	449	-	449
Global High Yield & Emerging Market Debt	-	132	-	132
Other:				
Absolute Return	-	345	-	345
Real Estate	-	-	213	213
Private Equity	-	-	971	971
Insurance Contracts	-	1	-	1
Derivatives with unrealized gains	11	-	-	11
Derivatives with unrealized losses	-	289	-	289
	$ 281	$ 3,020	$ 1,462	$ 4,763

Major U.S. Plans
December 31, 2010

(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ -	$ 126	$ -	$ 126
Equity Securities	436	534	19	989
Debt Securities:				
Government Bonds	-	749	-	749
Inflation-Linked Bonds	-	667	221	888
Investment Grade Bonds	-	409	-	409
Global High Yield & Emerging Market Debt	-	122	-	122
Other:				
Absolute Return	-	287	-	287
Real Estate	-	-	240	240
Private Equity	-	-	1,063	1,063
Derivatives with unrealized gains	7	7	-	14
Derivatives with unrealized losses	-	(26)	-	(26)
	$ 443	$ 2,875	$ 1,543	$ 4,861

For the Company'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 global government bonds, as well as U.S. and emerging market companies' debt securities diversified by sector, geography, and through a wide range of market capitalizations. Real estate investments include investments in office, industrial, retail and apartment properties. Other investments include private equity, hedge funds and natural resource investments. Private equity investments are primarily comprised of limited partnerships and fund-of-fund investments that invest in distressed investments, venture capital, leveraged buyout and special situation funds. Natural resource investments in oil and gas partnerships and timber funds are also included in this category. Absolute return investments are comprised of hedge funds that use equity long-short strategies.

Major Non-U.S. Plans
December 31, 2011

(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ -	$ 103	$ -	$ 103
Equity securities	58	348	-	406
Debt securities:				
Government Bonds	-	186	-	186
Inflation-Linked Bonds	-	613	-	613
Investment Grade Bonds	-	130	-	130
Global High Yield & Emerging Market Debt	-	226	-	226
Other:				
Absolute Return	-	147	-	147
Real Estate	-	9	55	64
Private Equity	-	2	312	314
Insurance Contracts	-	339	-	339
Derivatives with unrealized gains	-	-	-	-
Derivatives with unrealized losses	-	-	-	-
	$ 58	$ 2,103	$ 367	$ 2,528

Major Non-U.S. Plans
December 31, 2010

(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ -	$ 173	$ -	$ 173
Equity securities	77	420	-	497
Debt securities:				
Government Bonds	-	413	-	413
Inflation-Linked Bonds	-	338	65	403
Investment Grade Bonds	-	111	-	111
Global High Yield & Emerging Market Debt	-	203	-	203
Other:				
Absolute Return	-	76	-	76
Real Estate	-	4	77	81
Private Equity	-	2	301	303
Insurance Contracts	-	378	-	378
Derivatives with unrealized gains	1	3	-	4
Derivatives with unrealized losses	-	(8)	-	(8)
	$ 78	$ 2,113	$ 443	$ 2,634

For the Company'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 long duration government and corporate bonds with some emerging market debt. Real estate investments include investments in primarily office, industrial, and retail properties. Other investments include private equity, hedge funds, and insurance contracts. Private equity investments are comprised of limited partnerships and fund-of-fund investments that invest in distressed investments, venture capital and leveraged buyout funds. Absolute return investments are comprised of hedge funds that use equity long-short strategies.

Cash and cash equivalents are valued utilizing cost approach valuation techniques. Equity securities and debt securities are valued using a market approach based on the closing price on the last business day of the year (if the securities are traded on an active market), or based on the proportionate share of the estimated fair value of the underlying assets (net asset value). Other investments are valued using a combination of market, income, and cost approaches, based on the nature of the investment. Absolute return investments are primarily valued based on net asset value derived from observable market inputs. Real estate investments are valued primarily based on independent appraisals and discounted cash flow models, taking into consideration discount rates and local market conditions. 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.

Some of the plans' assets, primarily absolute return, real estate, and private equity, do not have readily determinable market values due to the nature of these investments. For these investments, fund manager or general partner estimates were used where available. The estimates for the absolute return assets are derived from observable inputs, based on the fair value of the underlying positions, which have readily available market prices. For investments with lagged pricing, the Company used the available net asset values, and also considered expected return, subsequent cash flows and material events.

For all of the Company's major defined benefit pension plans, investment managers are selected that are expected to provide best-in-class asset management for their particular asset class, and expected returns greater than those expected from existing salable assets,

especially if this would maintain the aggregate volatility desired for each plan's portfolio. Investment managers are retained for the purpose of managing specific investment strategies within contractual investment guidelines. Certain investment managers are authorized to invest in derivatives such as futures, swaps, and currency forward contracts. Investments in futures and swaps are used to obtain targeted exposure to a particular asset, index or bond duration and only require a portion of the cash to gain exposure to the notional value of the underlying investment. The remaining cash is available to be deployed and in some cases is invested in a diversified portfolio of various uncorrelated hedge fund strategies that provide added returns at a lower level of risk. Of the investments shown in the major U.S. plans table as of December 31, 2011 above, 9% and 16% of the total U.S. assets reported within equity securities and government bonds, respectively, are reflective of the exposures gained from the use of derivatives, and are invested in a diversified portfolio of hedge funds using equity, debt, commodity, and currency strategies. Of the investments shown in the major Non-U.S. plans table as of December 31, 2011 above, 1% and 3% of the total Non-U.S. assets reported within equity securities and government bonds, respectively, are reflective of the exposures gained from the use of derivatives, and are invested in a diversified portfolio of hedge funds using equity, debt, commodity, and currency strategies. Foreign currency contracts and swaps are used to partially hedge foreign currency risk. Additionally, the Company's major defined benefit pension plans invest in government bond futures or local government bonds to partially hedge the liability risk of the plans.

The following is a reconciliation of the beginning and ending balances of level 3 assets of the Company's major U.S. defined benefit pension plans (in millions):

	U.S.				
	Balance at January 1, 2011	**Net Realized and Unrealized Gains/(Losses)**	**Net Purchases and Sales**	**Net Transfer Into/(Out of) Level 3**	**Balance at December 31, 2011**
Equity Securities	$ 19	$ (1)	$ -	$ -	$ 18
Inflations-Linked Bonds	221	39	-	-	260
Private Equity	1,063	139	(231)	-	971
Real Estate	240	18	(45)	-	213
Total	$ 1,543	$ 195	$ (276)	$ -	$ 1,462

	U.S.				
	Balance at January 1, 2010	**Net Realized and Unrealized Gains/(Losses)**	**Net Purchases and Sales**	**Net Transfer Into/(Out of) Level 3**	**Balance at December 31, 2010**
Equity Securities	$ 7	$ 5	$ 7	$ -	$ 19
Inflation-Linked Bonds	172	49	-	-	221
Private Equity	958	135	(30)	-	1,063
Real Estate	293	(34)	(19)	-	240
Total	$ 1,430	$ 155	$ (42)	$ -	$ 1,543

The following is a reconciliation of the beginning and ending balances of level 3 assets of the Company's major Non-U.S. defined benefit pension plans (in millions):

	Non-U.S.				
	Balance at January 1, 2011	**Net Realized and Unrealized Gains/(Losses)**	**Net Purchases and Sales**	**Net Transfer Into/(Out of) Level 3**	**Balance at December 31, 2011**
Inflation-Linked Bonds	$ 65	$ 12	$ (23)	$ (54)	$ -
Private Equity	301	44	(33)	-	312
Real Estate	77	(7)	(15)	-	55
Total	$ 443	$ 49	$ (71)	$ (54)	$ 367

	Non-U.S.				
	Balance at January 1, 2010	Net Realized and Unrealized Gains/(Losses)	Net Purchases and Sales	Net Transfer Into/(Out of) Level 3	Balance at December 31, 2010
Inflation-Linked Bonds	$ 57	$ 8	$ -	$ -	$ 65
Private Equity	242	32	27	-	301
Real Estate	99	(13)	(9)	-	77
Total	$ 398	$ 27	$ 18	$ -	$ 443

The Company expects to contribute approximately $15 million and $82 million in 2012 for U.S. and Non-U.S. defined benefit pension plans, respectively. Benefit plans in the U.S. are subject to the bankruptcy proceedings.

The following pension benefit payments, which reflect expected future service, are expected to be paid from the plans:

(in millions)	U.S.	Non-U.S.
2012	$ 430	$ 201
2013	423	197
2014	399	194
2015	392	191
2016	385	189
2017-2021	1,834	944

NOTE 19: OTHER POSTRETIREMENT BENEFITS

The Company provides healthcare, dental and life insurance benefits to U.S. eligible retirees and eligible survivors of retirees. Generally, to be eligible for the plan, individuals retiring prior to January 1, 1996 were required to be 55 years of age with ten years of service or their age plus years of service must have equaled or exceeded 75. For those retiring after December 31, 1995, the individuals must be 55 years of age with ten years of service or have been eligible as of December 31, 1995. Based on the eligibility requirements, these benefits are provided to U.S. retirees who are covered by the Company's KRIP plan and are funded from the general assets of the Company as they are incurred. However, those under the Cash Balance portion of the KRIP plan would be required to pay the full cost of their benefits under the plan.

The Company's subsidiaries in the United Kingdom and Canada offer similar postretirement benefits.

On November 30, 2010, the Company adopted and announced certain changes to its U.S. postretirement benefit plans effective January 1, 2011. Modifications were made to dependent subsidy levels and prescription drug coverage. These changes resulted in the remeasurement of the plan’s obligations as of November 30, 2010.

On March 30, 2011, the Company adopted and announced certain changes to its UK postretirement benefit plan effective May 1, 2011. Modifications were made regarding contributions for certain retirees. These changes resulted in the remeasurement of the plan’s obligations as of March 31, 2011.

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

Changes in the Company's benefit obligation and funded status for the U.S., United Kingdom and Canada other postretirement benefit plans were as follows:

(in millions)	2011	2010
Net benefit obligation at beginning of year	$ 1,386	$ 1,404
Service cost	2	1
Interest cost	64	72
Plan participants' contributions	20	9
Plan amendments	(23)	(29)
Actuarial (gain) loss	(5)	95
Benefit payments	(135)	(168)
Currency adjustments	(1)	2
Net benefit obligation at end of year	$ 1,308	$ 1,386
Underfunded status at end of year	$ (1,308)	$ (1,386)

Amounts recognized in the Consolidated Statement of Financial Position for the Company's U.S., United Kingdom, and Canada plans consisted of:

(in millions)	As of December 31, 2011	2010
Other current liabilities	$ (123)	$ (133)
Pension and other postretirement liabilities	(1,185)	(1,253)
	$ (1,308)	$ (1,386)

Amounts recognized in Accumulated other comprehensive loss for the Company's U.S., United Kingdom, and Canada plans consisted of:

(in millions)	As of December 31, 2011	2010
Prior service credit	$ 771	$ 829
Net actuarial loss	(496)	(535)
	$ 275	$ 294

Changes in benefit obligations recognized in Other comprehensive loss during 2011 for the Company's U.S., United Kingdom, and Canada plans follows:

(in millions)	As of December 31, 2011	2010
Newly established (gain) loss	$ (5)	$ 95
Newly established prior service credit	(23)	(29)
Amortization of:		
Prior service credit	80	76
Net loss	(33)	(28)
Total amount recognized in Other comprehensive loss	$ 19	$ 114

Other postretirement benefit cost from continuing operations for the Company's U.S., United Kingdom and Canada plans included:

(in millions)	For the Year Ended December 31, 2011	2010	2009
Components of net postretirement benefit cost:			
Service cost	$ 2	$ 1	$ 1
Interest cost	64	72	92
Amortization of:			
Prior service credit	(80)	(76)	(71)
Actuarial loss	33	28	22
Other postretirement benefit cost before curtailments	19	25	44
Curtailment losses	-	-	1
Net other postretirement benefit cost from continuing operations	$ 19	$ 25	$ 45

The prior service credit and net actuarial loss estimated to be amortized from Accumulated other comprehensive loss into net periodic benefit cost over the next year is $80 million and $31 million, respectively.

The U.S. plan represents approximately 94% of the total other postretirement net benefit obligation as of December 31, 2011 and 93% as of December 31, 2010 and, therefore, the weighted-average assumptions used to compute the other postretirement benefit amounts approximate the U.S. assumptions.

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

	As of December 31, 2011	2010
Discount rate	4.25%	5.03%
Salary increase rate	3.45%	3.84%

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

	For the Year Ended December 31, 2011	2010	2009
Discount rate	5.00%	5.93%	6.59%
Salary increase rate	4.10%	3.90%	3.96%

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

	2011	2010
Healthcare cost trend	7.50%	7.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2017	2016

A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

(in millions)	1% increase	1% decrease
Effect on total service and interest cost	$ 1	$ (1)
Effect on postretirement benefit obligation	21	(18)

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

(in millions)	
2012	$ 119
2013	112
2014	108
2015	103
2016	99
2017-2021	443

Benefit plans in the U.S. are subject to the bankruptcy proceedings. On February 27, 2012, the Company made a motion to the Bankruptcy Court requesting approval to terminate certain retiree Medicare supplemental benefits. As of December 31, 2011 those benefits represent approximately $220 million of the Company's other postretirement benefit plans' net benefit obligation. If the motion is approved by the Court, expected cash payments reflected in the table above would be reduced.

NOTE 20: ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of Accumulated other comprehensive loss, net of tax, were as follows:

	As of December 31,		
(in millions)	2011	2010	2009
Unrealized holding gains related to available-for-sale securities	$ 1	$ -	$ -
Realized and unrealized (losses) gains from hedging activity, net of tax	(7)	2	6
Currency translation adjustments	333	315	235
Pension and other postretirement benefit plan obligation activity, net of tax	(2,993)	(2,452)	(2,001)
Total	$ (2,666)	$ (2,135)	$ (1,760)

See Note 18, "Retirement Plans," and Note 19, "Other Postretirement Benefits," regarding the pension and other postretirement plan obligation activity.

NOTE 21: STOCK OPTION AND COMPENSATION PLANS

The Company recognized stock-based compensation expense in the amount of $20 million, $21 million and $20 million for the years ended December 31, 2011, 2010 and 2009, respectively. There were no proceeds from the issuance of common stock through stock option plans for the years ended December 31, 2011, 2010, or 2009.

Of the expense amounts noted above, compensation expense related to stock options during the years ended December 31, 2011, 2010 and 2009 was $3 million, $4 million and $5 million, respectively. Compensation expense related to unvested stock and performance awards during the years ended December 31, 2011, 2010 and 2009 was $17 million, $17 million and $15 million, respectively.

The Company's stock incentive plans consist of the 2005 Omnibus Long-Term Compensation Plan (the "2005 Plan"), the 2000 Omnibus Long-Term Compensation Plan (the "2000 Plan"), and the 1995 Omnibus Long-Term Compensation Plan (the "1995 Plan"). The Plans are administered by the Executive Compensation and Development Committee of the Board of Directors. Stock options are generally non-qualified and are at exercise prices not less than 100% of the per share fair market value on the date of grant. Stock-based compensation

awards granted under the Company's stock incentive plans are generally subject to a three-year vesting period from the date of grant.

Under the 2005 Plan, 11 million shares of the Company's common stock may be granted to employees between January 1, 2005 and December 31, 2014. This share reserve may be increased by shares that are forfeited pursuant to awards made under the 1995, 2000, and 2005 Plans; shares retained for payment of tax withholding; shares delivered for payment or satisfaction of tax withholding; shares reacquired on the open market using cash proceeds from option exercises; and awards that otherwise do not result in the issuance of shares. The 2005 Plan is substantially similar to and is intended to replace the 2000 Plan, which expired on January 18, 2005. Options granted under the 2005 Plan generally expire seven years from the date of grant, but may be forfeited or canceled earlier if the optionee's employment terminates prior to the end of the contractual term. The 2005 Plan provides for, but is not limited to, grants of unvested stock, performance awards, and Stock Appreciation Rights ("SARs"), either in tandem with options or freestanding. SARs allow optionees to receive payment equal to the increase in the market price of the Company's stock from the grant date to the exercise date. As of December 31, 2011, 10,000 freestanding SARs were outstanding under the 2005 Plan at an option price of $7.50. Compensation expense recognized for the years ended December 31, 2011, 2010, and 2009 on those freestanding SARs was not material.

Under the 2000 Plan, 22 million shares of the Company's common stock were eligible for grant to a variety of employees between January 1, 2000 and December 31, 2004. The 2000 Plan was substantially similar to, and was intended to replace, the 1995 Plan, which expired on December 31, 1999. The options generally expire ten years from the date of grant, but may expire sooner if the optionee's employment terminates. The 2000 Plan provided for, but was not limited to, grants of unvested stock, performance awards, and SARs, either in tandem with options or freestanding. As of December 31, 2011, 4,500 freestanding SARs were outstanding under the 2000 Plan at option prices ranging from $23.25 to $27.55. Compensation expense recognized for the years ended December 31, 2011, 2010, and 2009 on those freestanding SARs was not material.

Under the 1995 Plan, 22 million shares of the Company's common stock were eligible for grant to a variety of employees between February 1, 1995 and December 31, 1999. The options generally expire ten years from the date of grant, but may expire sooner if the optionee's employment terminates. The 1995 Plan provided for, but was not limited to, grants of unvested stock, performance awards, and SARs, either in tandem with options or freestanding. As of December 31, 2011, no freestanding SARs were outstanding under the 1995 Plan.

Further information relating to stock options is as follows:

(Amounts in thousands, except per share amounts)	Shares Under Option	Range of Price Per Share	Weighted-Average Exercise Price Per Share
Outstanding on December 31, 2008	25,207	$ 7.41 - $79.63	$ 31.71
Granted	1,229	$ 2.64 - $6.76	$ 4.61
Exercised	0	N/A	N/A
Terminated, Expired, Surrendered	2,916	$ 7.41 - $79.63	$ 45.73
Outstanding on December 31, 2009	23,520	$ 2.64 - $65.91	$ 28.55
Granted	300	$ 3.96 - $5.96	$ 4.17
Exercised	0	N/A	N/A
Terminated, Expired, Surrendered	5,790	$ 7.41 - $65.91	$ 37.68
Outstanding on December 31, 2010	18,030	$ 2.64 - $48.34	$ 25.22
Granted	2,179	$ 2.82 - $5.22	$ 3.41
Exercised	0	N/A	N/A
Terminated, Expired, Surrendered	6,599	$ 3.40 - $65.91	$ 31.07
Outstanding on December 31, 2011	13,610	$ 2.64 - $38.04	$ 18.89
Exercisable on December 31, 2009	20,018	$ 7.41 - $65.91	$ 31.96
Exercisable on December 31, 2010	16,036	$ 2.64 - $48.34	$ 27.64
Exercisable on December 31, 2011	10,568	$ 2.64 - $38.04	$ 23.25

The following table summarizes information about stock options as of December 31, 2011:

(Number of options in thousands)

Range of Exercise Prices At Least	Less Than	Options Outstanding: Options	Options Outstanding: Weighted-Average Remaining Contractual Life (Years)	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Options	Options Exercisable: Weighted-Average Exercise Price
$2	$10	6,033	4.70	$ 5.27	2,991	$ 6.83
$10	$30	4,042	1.51	$ 24.63	4,042	$ 24.63
$30	$40	3,535	0.93	$ 35.57	3,535	$ 35.57
		13,610			10,568	

At December 31, 2011, the weighted-average remaining contractual term of all options outstanding and exercisable was 2.78 years and 1.92 years respectively. There was no intrinsic value of options outstanding and exercisable due to the fact that the market price of the Company's common stock as of December 31, 2011 was below the weighted-average exercise price of options. There were no option exercises during 2009, 2010, or 2011.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on historical volatility of the Company's stock, management's estimate of implied volatility of the Company's stock, and other factors. The expected term of options granted is derived from the vesting period of the award, as well as historical exercise behavior, and represents the period of time that options granted are expected to be outstanding. The risk-free rate is calculated using the U.S. Treasury yield curve, and is based on the expected term of the option. The Company uses historical data to estimate forfeitures.

The Black-Scholes option pricing model was used with the following weighted-average assumptions for options issued in each year:

	For the Year Ended 2011	2010	2009
Weighted-average risk-free interest rate	2.48%	1.50%	2.63%
Risk-free interest rates	2.2% - 2.5%	1.5% - 2.9%	1.9% - 2.7%
Weighted-average expected option lives	6 years	6 years	6 years
Expected option lives	6 years	6 years	6 years
Weighted-average volatility	59%	57%	45%
Expected volatilities	59% - 60%	45% - 58%	45%
Weighted-average expected dividend yield	0.0%	0.0%	0.4%
Expected dividend yields	0.0%	0.0%	0.0% - 7.1%

The weighted-average fair value per option granted in 2011, 2010, and 2009 was $1.92, $2.16, and $2.06, respectively.

As of December 31, 2011, there was $3 million of total unrecognized compensation cost related to unvested options. The cost is expected to be recognized over a weighted-average period of 1.7 years.

NOTE 22: ACQUISITIONS

2011

On March 1, 2011, the Company completed the acquisition of substantially all of the assets of the relief plates business of Tokyo Ohka Kogyo Co., Ltd. for a purchase price of approximately $27 million, net of cash acquired. The acquisition expands and enhances the Company’s capabilities to serve customers, particularly in the packaging industry. The acquired relief plates business is part of the Company’s Prepress Solutions group within the GCG segment. This acquisition was immaterial to the Company's financial position

as of December 31, 2011, and its results of operations and cash flows for the year ended December 31, 2011.

The Company's estimated fair value of the assets acquired and liabilities assumed at the date of acquisition exceeded the purchase price by $5 million. This amount was recorded as a gain from a bargain purchase within Other income (charges), net in the Consolidated Statement of Operations for the year ended December 31, 2011.

2010

There were no significant acquisitions in 2010.

2009

In the third quarter of 2009, the Company acquired the scanner division of BÖWE BELL + HOWELL, which markets a portfolio of production document scanners that complements the products currently offered within the GCG segment. Through this acquisition, Kodak expects to expand customer value by providing a wider choice of production scanners. Since Kodak has provided field service to BÖWE BELL + HOWELL scanners since 2001, this acquisition is also expected to enhance global access to service and support for channel partners and end-user customers worldwide. This acquisition was immaterial to the Company's financial position as of December 31, 2009, and its results of operations and cash flows for the year ended December 31, 2009.

NOTE 23: DISCONTINUED OPERATIONS

The components of earnings (loss) from discontinued operations, net of income taxes, are as follows:

(in millions)	For the Year Ended December 31, 2011	2010	2009
Benefit (provision) for income taxes related to discontinued operations	$ 4	$ (10)	$ 8
All other items, net	(1)	(2)	9
Earnings (loss) from discontinued operations, net of income taxes	$ 3	$ (12)	$ 17

NOTE 24: EXTRAORDINARY ITEM

The terms of the purchase agreement of the 2004 acquisition of NexPress Solutions LLC called for additional consideration to be paid by the Company if sales of certain products exceeded a stated minimum number of units sold during a five-year period following the close of the transaction. In May 2009, the earn-out period lapsed with no additional consideration required to be paid by the Company. Negative goodwill, representing the contingent consideration obligation of $17 million, was therefore reduced to zero. The reversal of negative goodwill reduced Property, plant and equipment, net by $2 million and Research and development expense by $7 million and resulted in an extraordinary gain of $6 million, net of tax, during the year ended December 31, 2009.

NOTE 25: SEGMENT INFORMATION

Segment Reporting Structure

For 2011, the Company had three reportable segments: Consumer Digital Imaging Group, Graphic Communications Group, and Film, Photofinishing and Entertainment Group. The balance of the Company's continuing operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other. A description of the segments is as follows:

Consumer Digital Imaging Group Segment ("CDG"): CDG encompasses digital still and video cameras, digital devices such as picture frames, kiosks, APEX drylab systems, and related consumables and services, consumer inkjet printing systems, Kodak Gallery products and services, and imaging sensors. CDG also includes the licensing activities related to the Company's intellectual property in digital imaging products. As announced on February 9, 2012, the Company plans to phase out its dedicated capture devices business, including digital cameras, pocket video cameras, and digital picture frames in the first half of 2012.

Graphic Communications Group Segment ("GCG"): GCG encompasses workflow software and digital controllers; digital printing, which includes commercial inkjet and electrophotographic products, including equipment, consumables and service; prepress consumables; prepress equipment and packaging solutions; business solutions and consulting services; and document scanners.

Film, Photofinishing and Entertainment Group Segment ("FPEG"): FPEG encompasses consumer and professional film, one-time-use cameras, aerial and industrial materials, and entertainment imaging products and services. In addition, this segment also includes paper and output systems, and photofinishing services.

All Other: This category includes the results of the Company's display business, up to the date of sale of assets of this business in the fourth quarter of 2009.

Transactions between segments, which are immaterial, are made on a basis intended to reflect the market value of the products, recognizing prevailing market prices and distributor discounts. Differences between the reportable segments' operating results and assets and the Company's consolidated financial statements relate primarily to items held at the corporate level, and to other items excluded from segment operating measurements.

Change in Segment Measure of Profit and Loss

During the first quarter of 2011, the Company changed its segment measure of profit and loss to exclude certain components of pension and other postretirement obligations (OPEB). As a result of this change, the operating segment results exclude the interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefit, curtailment and settlement components of pension and OPEB expense. The service cost and amortization of prior service cost components will continue to be reported as part of operating segment results.

Prior period segment results have been revised to reflect this change.

2012 Reportable Segments

For 2012, the Company will report financial information for two reportable segments; Commercial Group and Consumer Group.

The Commercial Group will be comprised of the following: Graphics, Entertainment & Commercial Film Business, Digital and Functional Printing, and Enterprise Services and Solutions.

The Consumer Group will be comprised of the following: Intellectual Property and the Consumer Business: Retail Systems Solutions, Consumer Inkjet Systems, Traditional Photofinishing, and Digital Capture and Devices.

Segment financial information is shown below.

(in millions)	For the Year Ended December 31, 2011	2010	2009
Net sales from continuing operations:			
Consumer Digital Imaging Group	$ 1,739	$ 2,731	$ 2,626
Graphic Communications Group	2,736	2,674	2,718
Film, Photofinishing and Entertainment Group	1,547	1,762	2,262
All Other	-	-	3
Consolidated total	$ 6,022	$ 7,167	$ 7,609
(Loss) earnings from continuing operations before interest expense, other income (charges), net and income taxes:			
Consumer Digital Imaging Group	$ (349)	$ 278	$ (10)
Graphic Communications Group	(191)	(95)	(107)
Film, Photofinishing and Entertainment Group	34	91	187
All Other	-	(1)	(16)
Total	(506)	273	54
Restructuring costs, rationalization and other	(133)	(78)	(258)
Corporate components of pension and OPEB (expense) income	(28)	96	85
Other operating (expenses) income, net	67	(619)	88
Adjustments to contingencies and legal reserves/settlements	-	(8)	3
Interest expense	(156)	(149)	(119)
Loss on early extinguishment of debt	-	(102)	-
Other income (charges), net	(2)	26	30
Loss from continuing operations before income taxes	$ (758)	$ (561)	$ (117)

(in millions)	As of December 31, 2011	2010	2009
Segment total assets:			
Consumer Digital Imaging Group	$ 929	$ 1,126	$ 1,198
Graphic Communications Group	1,459	1,566	1,734
Film, Photofinishing and Entertainment Group	913	1,090	1,991
Total of reportable segments	3,301	3,782	4,923
Cash and marketable securities	867	1,628	2,031
Deferred income tax assets	510	815	728
All Other/ corporate items	-	1	-
Consolidated total assets	$ 4,678	$ 6,226	$ 7,682

(in millions)	For the Year Ended December 31, 2011	2010	2009
Intangible asset amortization expense from continuing operations:			
Consumer Digital Imaging Group	$ -	$ -	$ -
Graphic Communications Group	41	58	71
Film, Photofinishing and Entertainment Group	-	2	2
Consolidated total	$ 41	$ 60	$ 73
Depreciation expense from continuing operations:			
Consumer Digital Imaging Group	$ 81	$ 89	$ 86
Graphic Communications Group	87	85	94
Film, Photofinishing and Entertainment Group	75	136	151
All Other	-	2	1
Sub-total	243	312	332
Restructuring-related depreciation	10	6	22
Consolidated total	$ 253	$ 318	$ 354
Capital additions from continuing operations:			
Consumer Digital Imaging Group	$ 52	$ 59	$ 61
Graphic Communications Group	62	64	67
Film, Photofinishing and Entertainment Group	14	26	23
All Other	-	-	1
Consolidated total	$ 128	$ 149	$ 152
Net sales to external customers attributed to (1):			
The United States	$ 2,043	$ 3,102	$ 3,086
Europe, Middle East and Africa	$ 1,973	$ 2,031	$ 2,358
Asia Pacific	1,239	1,234	1,298
Canada and Latin America	767	800	867
Foreign countries total	$ 3,979	$ 4,065	$ 4,523
Consolidated total	$ 6,022	$ 7,167	$ 7,609

(1) Sales are reported in the geographic area in which they originate.

(in millions)	As of December 31, 2011	2010	2009
Property, plant and equipment, net located in :			
The United States	$ 554	$ 664	$ 819
Europe, Middle East and Africa	$ 158	$ 189	$ 219
Asia Pacific	143	144	159
Canada and Latin America	40	40	57
Foreign countries total	$ 341	$ 373	$ 435
Consolidated total	$ 895	$ 1,037	$ 1,254

NOTE 26: QUARTERLY SALES AND EARNINGS DATA – UNAUDITED

(in millions, except per share data)	4th Qtr.		3rd Qtr.		2nd Qtr.		1st Qtr.	
2011								
Net sales from continuing operations	$ 1,753		$ 1,462		$ 1,485		$ 1,322	
Gross profit from continuing operations	344		207		211		125	
Loss from continuing operations	(117)	(4)	(222)	(3)	(179)	(2)	(249)	(1)
Earnings from discontinued operations (9)	-		-		-		3	
Net loss attributable to Eastman Kodak Company	(117)		(222)		(179)		(246)	
Basic and diluted net (loss) earnings per share attributable to Eastman Kodak Company common shareholders (10)								
Continuing operations	(0.43)		(0.83)		(0.67)		(0.92)	
Discontinued operations	-		-		-		0.01	
Total	(0.43)		(0.83)		(0.67)		(0.91)	
2010								
Net sales from continuing operations	$ 1,942		$ 1,756		$ 1,555		$ 1,914	
Gross profit from continuing operations	376		474		303		793	
(Loss) earnings from continuing operations	(584)	(8)	(43)	(7)	(167)	(6)	119	(5)
Loss from discontinued operations (9)	(11)		-		(1)		-	
Net (loss) earnings attributable to Eastman Kodak Company	(595)		(43)		(168)		119	
Basic net (loss) earnings per share attributable to Eastman Kodak Company common shareholders (10)								
Continuing operations	(2.17)		(0.16)		(0.62)		0.44	
Discontinued operations	(0.04)		-		(0.01)		-	
Total	(2.21)		(0.16)		(0.63)		0.44	
Diluted net (loss) earnings per share attributable to Eastman Kodak Company common shareholders (10)								
Continuing operations	(2.17)		(0.16)		(0.62)		0.40	
Discontinued operations	(0.04)		-		(0.01)		-	
Total	(2.21)		(0.16)		(0.63)		0.40	

(footnotes on next page)

(1) Includes pre-tax restructuring charges of $35 million ($2 million included in Cost of sales and $33 million included in Restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $34 million; a pre-tax gain on asset/business sales of $71 million (included in Other operating (income) expenses, net), which increased net earnings from continuing operations by $71 million; and Corporate pension costs of $8 million (included in Cost of sales, SG&A, and R&D), which decreased net earnings from continuing operations by $6 million.

(2) Includes pre-tax restructuring charges of $36 million ($7 million included in Cost of sales and $29 million included in Restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $33 million; and Corporate pension costs of $4 million (included in Cost of sales, SG&A, and R&D), which decreased net earnings from continuing operations by $2 million.

(3) Includes pre-tax restructuring charges of $18 million ($1 million included in Cost of sales and $17 million included in Restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $18 million; and a pre-tax impairment charge of $8 million (included in Other operating expenses (income), net), which decreased net earnings from continuing operations by $8 million.

(4) Includes pre-tax restructuring charges of $44 million ($2 million included in Cost of sales and $42 million included in Restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $42 million; Corporate pension costs of $4 million (included in Cost of sales, SG&A, and R&D), which increased net earnings from continuing operations by $1 million, and a pre-tax gain on asset/business sales of $8 million, which increased net earnings by $8 million.

(5) Includes pre-tax restructuring charges of $14 million ($1 million included in Cost of sales and $13 million included in Restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $12 million; a pre-tax loss on early extinguishment of debt of $102 million, which decreased net earnings from continuing operations by $102 million; a pre-tax loss on asset sales of $4 million (included in Other operating expenses (income), net), which decreased net earnings from continuing operations by $4 million; and other discrete tax items, which decreased net earnings from continuing operations by $19 million.

(6) Includes pre-tax restructuring charges of $11 million (included in Restructuring costs, rationalization and other), which increased net loss from continuing operations by $11 million; pre-tax legal contingencies and settlements of $19 million ($10 million included in Cost of sales, $3 million included in Interest expense, and $6 million included in Other income (charges), net), which increased net loss from continuing operations by $19 million; a pre-tax gain on asset sales of $2 million (included in Other operating expenses (income), net), which decreased net loss from continuing operations by $2 million; and other discrete tax items, which increased net loss from continuing operations by $3 million.

(7) Includes pre-tax restructuring charges of $29 million ($5 million included in Cost of sales and $24 million included in Restructuring, rationalization and other), which increased net loss from continuing operations by $28 million; a pre-tax gain on asset sales of $3 million (included in Other operating expenses (income), net), which decreased net loss from continuing operations by $3 million; and other discrete tax items, which increased net loss from continuing operations by $13 million.

(8) Includes a pre-tax goodwill impairment charge of $626 million (included in Other operating expenses (income), net), which increased net loss from continuing operations by $624 million, pre-tax restructuring charges of $24 million ($2 million included in Cost of sales and $22 million included in Restructuring costs, rationalization and other), which increased net loss from continuing operations by $24 million; a pre-tax foreign contingency of $6 million ($2 million included in Cost of sales, $2 million in Interest expense, and $2 million in Other income (charges), net), which decreased net loss from continuing operations by $6 million; a pre-tax gain on asset sales of $6 million (included in Other operating expenses (income), net), which decreased net loss from continuing operations by $6 million; and other discrete tax items, which decreased net loss from continuing operations by $144 million.

(9) Refer to Note 23, “Discontinued Operations,” in the Notes to Financial Statements for a discussion regarding earnings from discontinued operations.

(10) Each quarter is calculated as a discrete period and the sum of the four quarters may not equal the full year amount. The Company's diluted net (loss) earnings per share in the above table may include the effect of convertible debt instruments.

Changes in Estimates Recorded During the Fourth Quarter Ended December 31, 2011

During the fourth quarter ended December 31, 2011, the Company recorded a reduction of expense of approximately $43 million related to changes in estimates with respect to certain of its employee benefit and compensation accruals. These changes in estimates positively impacted results for the quarter by $.16 per share.

Eastman Kodak Company
SUMMARY OF OPERATING DATA – UNAUDITED*

(in millions, except per share data, shareholders, and employees)

	2011	2010	2009	2008	2007
Net sales from continuing operations (8)	$ 6,022	$ 7,167	$ 7,609	$ 9,416	$ 10,301
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(600)	(336)	(28)	(821)	(230)
(Loss) earnings from:					
Continuing operations	(767) (1)	(675) (2)	(232) (3)	(727) (4)	(206) (5)
Discontinued operations	3 (6)	(12) (6)	17 (6)	285	884
Extraordinary item, net of tax	-	-	6	-	-
Net (Loss) Earnings	(764)	(687)	(209)	(442)	678
Less: Net earnings attributable to noncontrolling interests	-	-	(1)	-	(2)
Net (Loss) Earnings Attributable to Eastman Kodak Company	(764)	(687)	(210)	(442)	676
Earnings and Dividends					
(Loss) earnings from continuing operations					
- % of net sales from continuing operations	-12.7%	-9.4%	-3.0%	-7.7%	-2.0%
Net (loss) earnings					
- % return on average equity	-44.1%	-124.0%	-44.0%	-21.8%	30.2%
Basic and diluted (loss) earnings per share attributable to Eastman Kodak Company common shareholders:					
Continuing operations	(2.85)	(2.51)	(0.87)	(2.58)	(0.71)
Discontinued operations	0.01	(0.05)	0.07	1.01	3.06
Extraordinary item, net of tax	-	-	0.02	-	-
Total	(2.84)	(2.56)	(0.78)	(1.57)	2.35
Cash dividends declared and paid					
- on common shares	-	-	-	139	144
- per comon share	-	-	-	0.50	0.50
Common shares outstanding at year end	271.4	268.9	268.6	268.2	288.0
Shareholders at year end	49,760	51,802	54,078	56,115	58,652
Statement of Financial Position Data					
Working capital	553	966	1,407	1,566	1,631
Property, plant and equipment, net	895	1,037	1,254	1,551	1,811
Total assets	4,678	6,226	7,682	9,179	13,659
Short-term borrowings and current portion of long-term debt	152	50	62	51	308
Long-term debt, net of current portion	1,363	1,195	1,129	1,252	1,289
	2011	**2010**	**2009**	**2008**	**2007**
Supplemental Information					
Net sales from continuing operations					
- CDG	$ 1,739	$ 2,731	$ 2,626	$ 3,088	$ 3,247
- GCG	2,736	2,674	2,718	3,334	3,413
- FPEG	1,547	1,762	2,262	2,987	3,632
- All Other	-	-	3	7	9
Research and development costs	274	318	351	478	525
Depreciation	253	318	354	420	679
Taxes (excludes payroll, sales and excise taxes)	39	146	149	(105)	5
Wages, salaries and employee benefits (7)	1,578	1,572	1,732	2,141	2,846
Employees as of year end					
- in the U.S.	8,350	9,600	10,630	12,800	14,200
- worldwide	17,100	18,800	20,250	24,400	26,900

(footnotes on next page)

(footnotes for previous page)

* Historical results are not indicative of future results due to the chapter 11 filing.

(1) Includes pre-tax goodwill impairment charges of $13 million; pre-tax restructuring charges of $133 million; $80 million of income related to gains on assets sales; Corporate pension costs of $28 million, and $3 million of income related to reversals of value-added tax reserves. These items increased net loss from continuing operations by $36 million.

(2) Includes a pre-tax goodwill impairment charge of $626 million; pre-tax restructuring charges of $78 million; a $102 million loss on early extinguishment of debt; $7 million of income related to gains on assets sales; $19 million of income related to legal contingencies and settlements; $6 million of charges related to foreign contingencies; and a net benefit of $109 million related to other discrete tax items. These items increased net loss from continuing operations by $698 million.

(3) Includes pre-tax restructuring and rationalization charges of $258 million; a $5 million charge related to a legal settlement; $94 million of income related to gains on asset sales; $7 million of income related to the reversal of negative goodwill; $10 million of income related to reversals of value-added tax reserves; and a $6 million asset impairment charge. These items increased net loss from continuing operations by $138 million.

(4) Includes a pre-tax goodwill impairment charge of $785 million; pre-tax restructuring and rationalization charges of $149 million, net of reversals; $21 million of income related to gains on sales of assets and businesses; $3 million of charges related to asset impairments; $41 million of charges for legal contingencies and settlements; $10 million of charges for support of an educational institution; $94 million of income related to postemployment benefit plans; $3 million of income for a foreign export contingency; $270 million of income related to an IRS refund; and charges of $27 million related to other discrete tax items. These items increased net loss from continuing operations by $610 million.

(5) Includes pre-tax restructuring charges of $662 million, net of reversals; $157 million of income related to property and asset sales; $57 million of charges related to asset impairments; $6 million of charges for the establishment of a loan reserve; $9 million of charges for a foreign export contingency; and tax adjustments of $14 million. These items increased net loss from continuing operations by $464 million.

(6) Refer to Note 23, “Discontinued Operations” in the Notes to Financial Statements for a discussion regarding the earnings from discontinued operations.

(7) Amounts for 2007 have not been adjusted to remove wages, salaries and employee benefits associated with the Health Group.

(8) Includes revenues from non-recurring intellectual property licensing agreements of $82 million in 2011, $838 million in 2010, $435 million in 2009, $227 million in 2008, and $236 million in 2007.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act 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 the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, with participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the fiscal year covered by this Annual Report on Form 10-K. The Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, the Company'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 the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company'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. The Company'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 the Company; (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 the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company'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 the Company's internal control over financial reporting as of December 31, 2010. 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." Based on management's assessment using the COSO criteria, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2011. The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report which appears on page 54 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

In connection with the evaluation of disclosure controls and procedures described above, there was no change identified in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 regarding executive officers is contained in Part I under the caption "Executive Officers of the Registrant" on page 20. The remainder of the information required by Item 10 will be provided to this Form 10-K when finalized.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be provided to this Form 10-K when finalized.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

"Stock Options and SARs Outstanding under Shareholder and Non-Shareholder Approved Plans" is shown below:

STOCK OPTIONS AND SARS OUTSTANDING UNDER SHAREHOLDER AND NON-SHAREHOLDER APPROVED PLANS

As required by Item 201(d) of Regulation S-K, the Company's total options outstanding of 13,631,469, including total SARs outstanding of 21,082, have been granted under equity compensation plans that have been approved by security holders and that have not been approved by security holders as follows:

Plan Category	Number of Securities to be issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	13,624,887	$18.88	13,083,409
Equity compensation plans not approved by security holders (2)	6,582	36.72	-
Total	13,631,469	$18.89	13,083,409

(1) The Company's equity compensation plans approved by security holders include the 2005 Omnibus Long-Term Compensation Plan, the 2000 Omnibus Long-Term Compensation Plan, and the Eastman Kodak Company 1995 Omnibus Long-Term Compensation Plan.

(2) The Company's equity compensation plans not approved by security holders include the Eastman Kodak Company 1997 Stock Option Plan and the Kodak Stock Option Plan.

The 1997 Stock Option Plan, a plan formerly maintained by the Company for the purpose of attracting and retaining senior executive officers, became effective on February 13, 1997, and expired on December 31, 2003. The Compensation Committee administered this plan and continues to administer these plan awards that remain outstanding. The plan permitted awards to be granted in the form of stock options, shares of common stock and restricted shares of common stock. The maximum number of shares that were available for grant under the plan was 3,380,000. The plan required all stock option awards to be non-qualified, have an exercise price not less than 100% of fair market value of the Company’s stock on the date of the option's grant and expire on the tenth anniversary of the date of grant. Awards issued in the form of shares of common stock or restricted shares of common stock were subject to such terms, conditions and restrictions as the Compensation Committee deemed appropriate.

The Kodak Stock Option Plan, an "all employee stock option plan" which the Company formerly maintained, became effective on March 13, 1998, and terminated on March 12, 2003. The plan was used in 1998 to grant an award of 100 non-qualified stock options or, in those countries where the grant of stock options was not possible, 100 freestanding stock appreciation rights, to almost all full-time and part-time employees of the Company and many of its domestic and foreign subsidiaries. In March of 2000, the Company made essentially an identical grant under the plan to generally the same category of employees. The Compensation Committee administered this plan and continues to administer these plan awards that remain outstanding. A total of 16,600,000 shares were available for grant under the plan. All awards granted under the plan generally contained the following features: 1) a grant price equal to the fair market value of the Company's common stock on the date of grant; 2) a two-year vesting period; and 3) a term of 10 years.

On December 31, 2011, the equity overhang, or the percentage of outstanding shares (plus shares that could be issued pursuant to plans represented by all stock incentives granted and available for future grant under all plans) was 11.5%.

The remainder of the information required by Item 12 will be provided to this Form 10-K when finalized.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be provided to this Form 10-K when finalized.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 will be provided to this Form 10-K when finalized.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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/ Antonio M. Perez
Antonio M. Perez
Chairman & Chief Executive Officer
February 29, 2012

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: /s/ Antonio M. Perez Antonio M. Perez (Principal Executive Officer)	Chief Executive Officer and Director
By: /s/ Antoinette P. McCorvey Antoinette P. McCorvey	Chief Financial Officer and Senior Vice President (Principal Financial Officer)
By: /s/ Eric H. Samuels Eric H. Samuels	Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)
By: /s/ Richard S. Braddock Richard S. Braddock	Director
By: /s/ Timothy M. Donahue Timothy M. Donahue	Director
By: /s/ Michael J. Hawley Michael J. Hawley	Director
By: /s/ William H. Hernandez William H. Hernandez	Director
By: /s/ Douglas R. Lebda Douglas R. Lebda	Director
By: /s/ Kyle Prechtl Legg Kyle Prechtl Legg	Director

By: /s/ Delano E. Lewis
Delano E. Lewis — Director

By: /s/ William G. Parrett
William G. Parrett — Director

By: /s/ Joel Seligman
Joel Seligman — Director

By: /s/ Dennis F. Strigl
Dennis F. Strigl — Director

Date: February 29, 2012

Schedule II

Eastman Kodak Company
Valuation and Qualifying Accounts

(in millions)	Balance at Beginning Of Period	Charges to Earnings and Equity	Amounts Written Off	Balance at End of Period
Year ended December 31, 2011				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 63	$ 10	$ 34	$ 39
Reserve for loss on returns and allowances	14	22	24	12
Total	$ 77	$ 32	$ 58	$ 51
From Deferred Tax Assets:				
Valuation allowance	$ 2,335	$ 505	$ 280	$ 2,560
Year ended December 31, 2010				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 79	$ 19	$ 35	$ 63
Reserve for loss on returns and allowances	19	24	29	14
Total	$ 98	$ 43	$ 64	$ 77
From Deferred Tax Assets:				
Valuation allowance	$ 2,092	$ 460	$ 217	$ 2,335
Year ended December 31, 2009				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 90	$ 23	$ 34	$ 79
Reserve for loss on returns and allowances	23	25	29	19
Total	$ 113	$ 48	$ 63	$ 98
From Deferred Tax Assets:				
Valuation allowance	$ 1,665	$ 633	$ 206	$ 2,092

Eastman Kodak Company
Index to Exhibits

Exhibit Number	
(3.1)	Certificate of Incorporation, as amended and restated May 11, 2005. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 3.)
(3.2)	By-laws, as amended and restated October 19, 2010. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, Exhibit 3.2.)
(3.3)	Certificate of Designations for Eastman Kodak Company Series A Junior Participating Preferred Stock. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date August 1, 2011, as filed on August 1, 2011, Exhibit 3.1.)
(4.1)	Indenture dated as of January 1, 1988 between Eastman Kodak Company and The Bank of New York as Trustee. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 25, 1988, Exhibit 4.)
(4.2)	First Supplemental Indenture dated as of September 6, 1991 and Second Supplemental Indenture dated as of September 20, 1991, each between Eastman Kodak Company and The Bank of New York as Trustee, supplementing the Indenture described in (4.1). (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1991, Exhibit 4.)
(4.3)	Third Supplemental Indenture dated as of January 26, 1993, between Eastman Kodak Company and The Bank of New York as Trustee, supplementing the Indenture described in (4.1). (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Exhibit 4.)
(4.4)	Fourth Supplemental Indenture dated as of March 1, 1993, between Eastman Kodak Company and The Bank of New York as Trustee, supplementing the Indenture described in (4.1). (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1993, Exhibit 4.)
(4.5)	Form of the 7.25% Senior Notes due 2013. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date October 10, 2003 as filed on October 10, 2003, Exhibit 4.)
(4.7)	Fifth Supplemental Indenture, dated October 10, 2003, between Eastman Kodak Company and The Bank of New York, as Trustee. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date October 10, 2003 as filed on October 10, 2003, Exhibit 4.)
(4.8)	Secured Credit Agreement, dated as of October 18, 2005, among Eastman Kodak Company and Kodak Graphic Communications Canada Company, the banks named therein, Citigroup Global Markets Inc., as lead arranger and bookrunner, Lloyds TSB Bank PLC, as syndication agent, Credit Suisse, Cayman Islands Branch, Bank of America, N. A. and The CIT Group/Business Credit, Inc., as co-documentation agents, and Citicorp USA, Inc., as agent for the lenders. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on October 24, 2005, Exhibit 4.1.)

Exhibit Number	
	Amendment No. 1 to the Credit Agreement (including Exhibit A – Amended and Restated Credit Agreement), dated as of March 31, 2009, among Eastman Kodak Company, Kodak Graphic Communications Canada Company, and Kodak Canada Inc., the lenders party thereto, and Citicorp USA, Inc. as agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 31, 2009, as filed on April 3, 2009, Exhibit 4.8.)
	Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of September 17, 2009. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 17, 2009, as filed on September 18, 2009, Exhibit 10.1.)
	Amendment No. 2 to the Amended and Restated Credit Agreement, dated as of February 10, 2010, among Eastman Kodak Company, Kodak Canada Inc., the lenders party thereto and Citicorp USA, Inc., as Agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date February 10, 2010, as filed on February 12, 2010, Exhibit 10.1.)
(4.9)	Security Agreement, dated as of October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 31, 2009, as filed on April 3, 2009, Exhibit 4.9.)
	Amendment No. 1 to the Security Agreement, dated October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, as filed on April 29, 2010, Exhibit 4.9 a.)
	Amendment No. 2 to the Security Agreement, dated October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, as filed on April 29, 2010, Exhibit 4.9 b.)
(4.10)	Canadian Security Agreement, dated October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 31, 2009, as filed on April 3, 2009, Exhibit 4.10.)
	Amendment No. 1 to the Canadian Security Agreement, dated October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, as filed on April 29, 2010, Exhibit 4.10 a.)
	Amendment No. 2 to the Canadian Security Agreement, dated October 18, 2005, amended and restated as of March 31, 2009, from the grantors party thereto to Citicorp USA, Inc. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, as filed on April 29, 2010, Exhibit 4.10 b.)

Exhibit Number	
(4.11)	Indenture, dated as of September 23, 2009, between Eastman Kodak Company and The Bank of New York Mellon, as trustee. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 23, 2009, as filed on September 23, 2009, Exhibit 4.1.)
(4.12)	Indenture, dated as of September 29, 2009, between Eastman Kodak Company and The Bank of New York Mellon, as trustee. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 29, 2009, as filed on September 30, 2009, Exhibit 4.1.)
(4.13)	Form of Warrant (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 29, 2009, as filed on September 30, 2009, Exhibit 10.2.)
(4.14)	Registration Rights Agreement, dated as of September 29, 2009. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 29, 2009, as filed on September 30, 2009, Exhibit 10.3.)
(4.15)	Purchase Agreement, dated as of September 16, 2009. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date September 29, 2009, as filed on September 30, 2009, Exhibit 10.1.)
(4.16)	Indenture, dated as of March 5, 2010, by and among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 5, 2010, as filed on March 10, 2010, Exhibit 4.1.)
(4.17)	Security Agreement, dated as of March 5, 2010, by and among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as collateral agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 5, 2010, as filed on March 10, 2010, Exhibit 10.1.)
(4.18)	Collateral Trust Agreement, dated as of March 5, 2010, by and among the Company, the Subsidiary Guarantors and the Bank of New York Mellon, as collateral agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 5, 2010, as filed on March 10, 2010, Exhibit 10.2.)
(4.19)	Indenture dated March 15, 2011, by and among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date March 15, 2011, as filed on March 31, 2011, Exhibit 4.1.)
(4.20)	Second Amended and Restated Credit Agreement, dated as of April 26, 2011, among Eastman Kodak Company, Kodak Canada Inc., the lenders party thereto, and Bank of America, N.A., as agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date April 26, 2011, as filed on April 27, 2011, Exhibit 4.1.)

Exhibit Number

(4.21) Rights Agreement, dated as of August 1, 2011, between Eastman Kodak Company and Computershare Trust Company, N.A., which includes the form of Certificate of Designations of Series A Junior Participating Preferred Stock as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date August 1, 2011, as filed on August 1, 2011, Exhibit 4.2.)

(4.22) Debtor-In-Possession Credit Agreement, dated as of January 20, 2012.

(4.23) Amendment No. 1 to Debtor-In-Possession Credit Agreement, dated as of January 25, 2012.

(4.24) U.S. Security Agreement, dated January 20, 2012.

(4.25) Canadian Security Agreement, dated January 20, 2012.

(4.26) Intercreditor Agreement, dated as of January 20, 2012.

Eastman Kodak Company and certain subsidiaries are parties to instruments defining the rights of holders of long-term debt that was not registered under the Securities Act of 1933. Eastman Kodak Company has undertaken to furnish a copy of these instruments to the Securities and Exchange Commission upon request.

(10.1) Philip J. Faraci Agreement dated November 3, 2004.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2005, Exhibit 10.)

Amendment, dated February 28, 2007, to Philip J. Faraci Letter Agreement dated November 3, 2004.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on March 1, 2007, Exhibit 99.2.)

Second Amendment, dated December 9, 2008, to Philip J. Faraci Letter Agreement Dated November 3, 2004.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.1.)

(10.2) Eastman Kodak Company Deferred Compensation Plan for Directors, as amended and restated effective January 1, 2009.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.2.)

(10.3) Eastman Kodak Company Non-Employee Director Annual Compensation Program. The equity portion of the retainer became effective December 11, 2007; the cash portion of the retainer became effective January 1, 2008.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2007, Exhibit 10.)

(10.4) 1982 Eastman Kodak Company Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.4.)

(10.5) Eastman Kodak Company 2005 Omnibus Long-Term Compensation Plan, as amended and restated January 1, 2011.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, Exhibit 10.4.)

Form of Notice of Award of Non-Qualified Stock Options pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005, Exhibit 10.2.)

Form of Notice of Award of Restricted Stock, pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005, Exhibit 10.3.)

Exhibit Number	
	Form of Notice of Award of Restricted Stock with a Deferral Feature, pursuant to the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 10.)
	Form of Administrative Guide for Annual Officer Stock Options Grant under the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)
	Form of Award Notice for Annual Director Stock Option Grant under the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)
	Form of Award Notice for Annual Director Restricted Stock Grant under the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)
	Form of Administrative Guide for Leadership Stock Program under the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008, Exhibit 10.)
(10.6)	Administrative Guide for the 2010 Performance Stock Unit Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan, Granted to Antonio M. Perez. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, Exhibit 10.6.)
(10.8)	Administrative Guide for the 20__ Performance Cycle of the Leadership Stock Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, Exhibit 10.6.)
(10.9)	Administrative Guide for September 16, 2008 Restricted Stock Unit Grant under the 2005 Omnibus Long-term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.9.)
(10.10)	Form of Administrative Guide for Restricted Stock Unit Grant under the 2005 Omnibus Long-term Compensation Plan. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.10.)

Exhibit Number

(10.12) Eastman Kodak Company 1995 Omnibus Long-Term Compensation Plan, as amended, effective as of November 12, 2001.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1996, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998, the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998, the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999, the Annual Report on Form 10-K for the fiscal year ended December 31, 1999, and the Annual Report on Form 10-K for the fiscal year ended December 31, 2001, Exhibit 10.)

(10.13) Kodak Executive Financial Counseling Program.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Exhibit 10.)

(10.14) Personal Umbrella Liability Insurance Coverage.
Eastman Kodak Company provides $5,000,000 personal umbrella liability insurance coverage to its approximately 160 key executives. The coverage, which is insured through The Mayflower Insurance Company, Ltd., supplements participants' personal coverage. The Company pays the cost of this insurance. Income is imputed to participants.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1995, Exhibit 10.)

(10.15) Offer of employment for Pradeep Jotwani dated September 24, 2010.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, Exhibit 10.15.)

(10.16) Kodak Stock Option Plan, as amended and restated August 26, 2002.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2002, Exhibit 10.)

(10.17) Eastman Kodak Company 1997 Stock Option Plan, as amended effective as of March 13, 2001.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and the Quarterly Report on Form 10-Q for thequarterly period ended March 31, 2001, Exhibit 10.)

(10.18) Eastman Kodak Company 2000 Omnibus Long-Term Compensation Plan, as amended, effective January 1, 2009.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.18.)

Form of Notice of Award of Non-Qualified Stock Options Granted To _____, Pursuant to the 2000 Omnibus Long-Term Compensation Plan; andForm of Notice of Award of Restricted Stock Granted To _____, Pursuant to the 2000 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2004, Exhibit 10.)

Exhibit Number

(10.19) Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Program under Article 12 of the 2000 Omnibus Long-Term Compensation Plan, as amended January 1, 2009.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.19.)

(10.20) Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Program under Section 13 of the 2000 Omnibus Plan, as amended January 1, 2009.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.20.)

(10.21) Eastman Kodak Company Executive Compensation for Excellence and Leadership Plan, as amended and restated January 1, 2010.
(Incorporated by reference to the Eastman Kodak Company Notice of 2010 Annual Meeting and Proxy Statement, Exhibit II.)

(10.22) Eastman Kodak Company Executive Protection Plan, as amended December 21, 2010, effective December 23, 2010.

(10.23) Eastman Kodak Company Estate Enhancement Plan, as adopted effective March 6, 2000.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Exhibit 10.)

(10.24) Antonio M. Perez Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, Exhibit 10 Z.)

Letter dated May 10, 2005, from the Chair, Executive Compensation and Development Committee, to Antonio M. Perez.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005, Exhibit 10.2.)

Notice of Award of Restricted Stock with a Deferral Feature Granted to Antonio M. Perez, effective June 1, 2005, pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 10 CC.)

Amendment, dated February 27, 2007, to Antonio M. Perez Letter Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on March 1, 2007, Exhibit 99.1.)

Second Amendment, dated December 9, 2008, to Antonio M. Perez Letter Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 10.24.)

Amendment, dated September 28, 2009, to Antonio M. Perez Letter Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.)

Exhibit Number	
(10.25)	Antoinette P. McCorvey Waiver Letter Re: Eastman Kodak Company Executive Protection Plan dated October 11, 2010. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2010, Exhibit 10.)
(10.26)	Asset Purchase Agreement between Eastman Kodak Company and Onex Healthcare Holdings, Inc., dated as of January 9, 2007. Amendment No. 1 To the Asset Purchase Agreement. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2007, Exhibit 10 CC.)
(10.27)	Administrative Guide For September 28, 2009 Restricted Stock Unit (RSU) Grant under the 2005 Omnibus Long-Term Compensation Plan (For Executives). (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.)
(10.28)	Administrative Guide For September 28, 2009 Restricted Stock Unit (RSU) Grant under the 2005 Omnibus Long-Term Compensation Plan (For Executive Council and Operations Council Members). (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.)
(10.29)	Administrative Guide For September 28, 2009 Restricted Stock Unit (RSU) Grant under the 2005 Omnibus Long-Term Compensation Plan (Hold Until Retirement Provision). (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.)
(10.30)	Administrative Guide for the 2011 Performance Stock Unit Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan, Granted to Antonio M. Perez. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011.)
(10.32)	Laura G, Quatela Waiver Letter Re: Eastman Kodak Company Executive Protection Plan dated November 8, 2010. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2010, Exhibit 10.)
(10.33)	Gustavo Oviedo Waiver Letter Re: Eastman Kodak Company Executive Protection Plan dated December 13, 2010. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2010, Exhibit 10.)
(10.34)	Note Purchase Agreement, dated as of February 24, 2010, by and among Eastman Kodak Company and KKR et al. (Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, Exhibit 4.16.)

Exhibit Number	
(10.35)	Joyce P. Haag Separation Agreement dated November 11, 2010. (Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2010, Exhibit 10.)
(10.38)	Second Amended and Restated U.S. Security Agreement, dated as of April 26, 2011, from the grantors party thereto to Bank of America, N.A., as agent. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date April 26, 2011, as filed on April 27, 2011, Exhibit 10.1.)
(10.39)	Second Amended and Restated Canadian Security Agreement, dated as of April 26, 2011, from the grantors party thereto to Bank of America, N.A. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date April 26, 2011, as filed on April 27, 2011, Exhibit 10.2.)
(10.40)	Notice, Joinder and Amendment to Intercreditor Agreement, dated as of April 26, 2011, by and among Eastman Kodak Company for itself and the other Grantors, Citicorp USA, Inc., as Initial First Lien Representative, The Bank of New York Mellon, as Second Lien Representative, and Bank of America, N.A., as New First Lien Representative. (Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date April 26, 2011, as filed on April 27, 2011, Exhibit 10.3.)
(10.41)	Laura Quatela Agreement, dated October 31, 2011.
(10.42)	Robert Berman Letter Agreement, dated December 8, 2011.

(12)	Statement Re Computation of Ratio of Earnings to Fixed Charges.
(21)	Subsidiaries of Eastman Kodak Company.
(23)	Consent of Independent Registered Public Accounting Firm.
(31.1)	Certification.
(31.2)	Certification.
(32.1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	
(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 Schema Linkbase
(101.DEF*)	XBRL Taxonomy Extension Definition Linkbase

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement of prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

Exhibit (4.22)

EXECUTION COPY

DEBTOR-IN-POSSESSION CREDIT AGREEMENT

Dated as of January 20, 2012

Among

EASTMAN KODAK COMPANY,
a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code,

and

KODAK CANADA INC.,

as Borrowers,

THE U.S. SUBSIDIARIES OF EASTMAN KODAK COMPANY PARTY HERETO,
each a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code,

as U.S. Subsidiary Guarantors,

and

THE SUBSIDIARIES OF KODAK CANADA INC. PARTY HERETO,

as Canadian Subsidiary Guarantors,

and

THE LENDERS NAMED HEREIN,

as Lenders,

and

CITICORP NORTH AMERICA, INC.,

as Agent and Collateral Agent

and

CITICORP NORTH AMERICA, INC.,

as Syndication Agent

CITIGROUP GLOBAL MARKETS INC.,

as Sole Lead Arranger and Bookrunner

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DEBTOR-IN-POSSESSION CREDIT AGREEMENT

Dated as of January 20, 2012

EASTMAN KODAK COMPANY, a New Jersey corporation and a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code (the "Company"), KODAK CANADA INC., a corporation continued under the laws of the province of Ontario, Canada ("Kodak Canada" and, together with the Company, the "Borrowers" and each, a "Borrower"), the US Subsidiaries of the Company party hereto, each a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code, as US Subsidiary Guarantors, the Subsidiaries of Kodak Canada party hereto, as Canadian Subsidiary Guarantors, the banks, financial institutions and other institutional lenders (the "Lenders") and issuers of letters of credit from time to time party hereto, CITIGROUP GLOBAL MARKETS INC., as sole lead arranger and sole bookrunner, CITICORP NORTH AMERICA, INC., as syndication agent, and CITICORP NORTH AMERICA, INC., as administrative agent and collateral agent for the Lenders, agree as follows:

INTRODUCTORY STATEMENT

On January 19, 2012 (the "Petition Date"), the Company (such term and each other capitalized term used but not otherwise defined herein having the meaning assigned to it in Section 1.01) and each of the US Subsidiary Guarantors (collectively, the "Debtors") filed voluntary petitions with the Bankruptcy Court initiating their respective cases that are pending under Chapter 11 of the Bankruptcy Code (the cases of the Company and the US Subsidiary Guarantors, each a "Case" and collectively, the "Cases") and have continued in the possession of their assets and in the management of their business pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

The Company and Kodak Canada have requested that the Lenders provide them with (i) a revolving credit and letter of credit facility in an aggregate principal amount not to exceed $250,000,000, of which $225,000,000 will be available to the Company and $25,000,000 will be available to Kodak Canada and (ii) a term loan facility in an aggregate principal amount not to exceed $700,000,000 (the "Term Facility"), which will be available only to the Company. All of the Company's obligations under the Facilities are to be guaranteed by the US Subsidiary Guarantors, and all of Kodak Canada's obligations under the Facilities are to be guaranteed by the Company, the US Subsidiary Guarantors and the Canadian Subsidiary Guarantors. The Lenders are willing to extend or continue, as the case may be, such credit to the Borrowers on the terms and subject to the conditions set forth herein.

The respective priorities of the Facilities with respect to the Collateral of the Debtors shall be as set forth in the Interim Order and the Final Order, in each case upon entry thereof by the Bankruptcy Court, and in the Intercreditor Agreement.

All of the claims and the Liens granted under the Orders and the Loan Documents by the Debtors to the Agent and the Lenders in respect of the Facilities shall be subject to the Carve-Out.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"13-Week Projection" means a projected statement of sources and uses of cash for the Company and its Subsidiaries on a weekly basis for the following 13 calendar weeks, including the anticipated uses of the Revolving Credit Facility and the Term Facility for each week during such period, in substantially the form of Exhibit H. As used herein, "13-Week Projection" shall initially refer to the "Budget" delivered to the Agent in connection with the initial borrowings under the Facilities authorized by the Interim Order and dated not more than 5 days prior to the Petition Date and, thereafter, the most recent 13-Week Projection delivered by the Borrowers in accordance with Section 5.01(h)(ix).

"Acceptable Reorganization Plan" shall mean a Reorganization Plan that provides for the termination of the Commitments and the payment in full in cash of the Obligations under the Loan Documents (other than contingent indemnification obligations not yet due and payable) on the Consummation Date of such Reorganization Plan.

"Account Debtor" means a Person obligated on an Account.

"Account" has the meaning specified in the UCC or the PPSA, as the context may require.

"ACH" means automated clearinghouse transfers.

"Activities" has the meaning specified in Section 8.02(b).

"Adequate Assurance Account" means a newly-created, segregated, interest-bearing bank account in which the Debtors may deposit an amount equal to the cost of two weeks' worth of the estimated aggregate annual amount of utility services provided to all the Debtors (and not any other amounts) in order to provide adequate assurance to the Debtors' utility providers.

"Administrative Questionnaire" means an Administrative Questionnaire in the form approved by the Agent.

"Adjusted EBITDA" means, for any period, net earnings (or net loss) plus, without duplication and to the extent reflected as a charge in the Consolidated statement of earnings, the sum of (a) interest expense, (b) income tax expense (benefit), (c) depreciation expense, (d) amortization expense, (e) any extraordinary expenses or losses, (f) any other non-cash charges (provided, that to the extent any such non-cash charges represent an accrual or reserve for potential cash items in any future period, any cash payment made in respect thereof in a future period shall be subtracted from Adjusted EBITDA for such future period to such extent), (g) pension and other post-employment benefits expense, (h) loss on foreign exchange, (i) costs and expenses (including legal, financial and other advisors) incurred in connection with the Cases and any related Reorganization Plan or any transaction related thereto, (j) any non-cash (loss) relating to hedging activities (including any non-cash ASC 815 (loss)) and (k) corporate restructuring charges (including severance, plant closure costs and business optimization expenses) in an

aggregate amount not to exceed $125,000,000 for all periods, minus, to the extent included in net earnings on the Consolidated statement of earnings, (i) interest income, (ii) revenues from IP licensing transactions effected in connection with IP Settlement Agreements, (iii) pension and other post-employment benefits income, (iv) gains on foreign exchange, (v) any extraordinary income or gains, (vii) any non-cash gain relating to hedging activities (including any non-cash ASC 815 gain) and (viii) any other non-cash income (other than the accrual of revenue in the ordinary course of business), in each case determined in accordance with GAAP for such period.

"Affected Lender" has the meaning specified in Section 2.20.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or executive officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent" means Citicorp North America, Inc., in its capacity as administrative agent under the Loan Documents, or any successor administrative agent appointed in accordance with Section 8.07. The Agent may from time to time designate one or more of its Affiliates or branches (including, without limitation, its Canada branch) to perform the functions of the Agent in connection with the Canadian Revolving Credit Facility, in which case references herein to the "Agent" shall, in connection with the Canadian Revolving Credit Facility, mean any Affiliate or branch so designated.

"Agent Parties" has the meaning specified in Section 9.02(d).

"Agent's Account" means the account of the Agent maintained by the Agent at its office as set forth on Schedule 9.02.

"Agent's Group" has the meaning specified in Section 8.02(b).

"Agent Sweep Account" has the meaning specified in Section 2.18(b).

"Agreement" means this Debtor-in-Possession Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Loan and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Loan.

"Applicable Margin" means (i) 3.25% per annum, in the case of Eurodollar Rate Revolving Loans, (ii) 2.25% per annum, in the case of Base Rate Revolving Loans, (iii) 8.50% per annum, in the case of Eurodollar Rate Term Loans and (iv) 7.50%, in the case of Base Rate Term Loans.

"Applicable Percentage" means, 0.50% per annum.

"Applicable Prepayment Percentage" means (i) prior to the Term Facility Termination Date, solely with respect to IP Settlement Proceeds and Other Proceeds, 75% and (ii) in all other cases, 100%, provided that aggregate amount of Net Cash Proceeds which are not required to be applied pursuant to Section 2.10(b) by reason of clause (i) may not exceed $150,000,000.

"Appropriate Lender" means (i) in respect of the US Revolving Credit Facility, each US Revolving Lender, (ii) in respect of the Canadian Revolving Credit Facility, each Canadian Revolving Lender and (iii) in respect of the Term Facility, each Term Lender.

"Approved Canadian Case" means proceedings commenced under the CCAA in the Canadian Court, after consultation with the Agent and subject to the consent (or non-objection) of the Required Canadian Revolving Lenders, in respect of Kodak Canada or any Canadian Subsidiary Guarantor whereby (i) in connection therewith, the Canadian Revolving Credit Facility hereunder is restructured as a debtor-in-possession facility on terms and conditions and pursuant to documentation reasonably acceptable to the Agent and the Required Canadian Revolving Lenders in all respects; (ii) the initial order under the CCAA granting protection to the applicable Canadian Loan Parties (a) is on terms and conditions reasonably satisfactory to the Agent, (b) grants a superpriority charge and Lien securing any obligations of the applicable Canadian Loan Parties under such debtor-in-possession facility and related guarantees, subject only to, (I) an administration charge securing payment of professional fees of the applicable Canadian Loan Parties' counsel, the court appointed monitor and counsel to the court appointed monitor, and (II) such other Liens as may be consented in writing by the Agent and Required Canadian Revolving Lenders, (c) provides that the Lenders shall be treated as "unaffected creditors" in respect of the Canadian Revolving Credit Facility and such debtor-in-possession financing under any plan of compromise or arrangement, and (d) appoints a monitor, reasonably satisfactory to the Agent and the Required Canadian Revolving Lenders; and (iii) the Agent and the Required Canadian Revolving Lenders are reasonably satisfied with all court approvals, terms, conditions and other documentation relating to such debtor-in-possession financing as are customary in debtor-in-possession facilities in Canada (as determined by the Agent and its counsel) or as the Agent or the Required Canadian Revolving Lenders may reasonably request.

"Approved Fund" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Citigroup Global Markets Inc. in its capacity as sole lead arranger and sole bookrunner.

"Asset Sale" means any Disposition of property or series of related Dispositions of property excluding (i) any such Disposition permitted by any clause of Section 5.02(e) (other than clause (ii), (iii) or (vi) thereof) and (ii) any other Disposition or series of related Dispositions so long as, except in the case of any Disposition or series of Dispositions of or with respect to (x) the Digital Imaging Patent Portfolio prior to the Term Facility Termination Date or (y) any Revolving Credit Facility Collateral included in the determination of the Borrowing Base, the Net Cash Proceeds received by the Company and its Subsidiaries therefrom (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) do not exceed (x) $5,000,000 for any single Disposition or series of related Dispositions and (y) $25,000,000 in any fiscal year for all Dispositions and series of related Dispositions excluded pursuant to subclause (x) of this clause (ii).

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Available Amount" of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

"Avoidance Actions" means the Debtors' claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code and the proceeds thereof and property received thereby whether by judgment, settlement, or otherwise.

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York or any other court having jurisdiction over the Cases from time to time.

"Bankruptcy Law" means any proceeding of the type referred to in Section 6.01(e) of this Agreement or Title 11, U.S. Code, or any similar foreign, federal, provincial or state law for the relief of debtors, including, without limitation, the CCAA and the Bankruptcy and Insolvency Act (Canada).

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Agent as its "prime rate" or "base rate" (or in the case of Canadian Revolving Loans, as its Canada branch's "base rate" for loans in Dollars made in Canada) and (c) the Eurodollar Rate for a one-month Interest Period (with respect to Term Loans, after giving effect to the proviso to the definition of Eurodollar Base Rate) on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%. The "prime rate" and the "base rate" is a rate set by the Agent based upon various factors including the Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate or base rate announced by the Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Base Rate Revolving Loan or a Base Rate Term Loan.

"Base Rate Revolving Loan" means a Revolving Loan that bears interest as provided in Section 2.07(a)(i).

"Base Rate Term Loan" means a Term Loan that bears interest as provided in Section 2.07(a)(iii).

"Bid Procedures" has the meaning specified in Section 5.01(r).

"Blocked Account Agreement" has the meaning specified in Section 2.18(a).

"Borrower Information" has the meaning specified in Section 8.08.

"Borrowing" means a Canadian Revolving Borrowing, a US Revolving Borrowing and/or a Term Borrowing, as the context may require.

"Borrowing Base" means the Canadian Borrowing Base and/or the US Borrowing Base, as the context may require.

"Borrowing Base Certificate" means a certificate in substantially the form of Exhibit G hereto (with such changes therein as may be required by the Agent to reflect the components of, and Reserves against, the Borrowing Base as provided for hereunder from time to time), executed and certified as accurate and complete by a Responsible Officer of the Company, which shall include detailed calculations as to the Borrowing Base as reasonably requested by the Agent.

"Borrowing Base Deficiency" means, at any time and as to each Borrower, the failure of (a) the Borrowing Base of such Borrower at such time to equal or exceed (b) the Canadian Revolving Credit Facility Usage or the US Revolving Credit Facility Usage, as the context may require.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, with respect to Canadian Revolving Loans, Toronto, Ontario and, if the applicable Business Day relates to any Eurodollar Rate Loans, on which dealings are carried on in the London interbank market.

"Canadian Borrowing Base" means, at any time, as to the Canadian Loan Parties, the Dollar Equivalent of (a) the Canadian Loan Value less (b) applicable Reserves at such time.

"Canadian Collateral" means all "Collateral" of the Canadian Loan Parties referred to in the Canadian Security Agreement and the other Collateral Documents relating to security under the Canadian Revolving Credit Facility, and all other property of the Canadian Loan Parties that is or is intended to be subject to any Lien in favor of the Agent for the benefit of the Canadian Secured Parties pursuant to the terms of the Collateral Documents.

"Canadian Court" means the Ontario Superior Court of Justice (commercial list) or any other court having jurisdiction over an Approved Canadian Case.

"Canadian Dollars" or "Cdn $" means the lawful money of Canada.

"Canadian Excess Availability" means, at any time, (1) the Canadian Line Cap minus (2) the Canadian Revolving Credit Facility Usage at such time.

"Canadian Guaranteed Obligations" has the meaning specified in Section 6.05(a)(ii).

"Canadian Line Cap" means at any time, (x) the lesser of (i) the Canadian Borrowing Base and (ii) the Canadian Revolving Credit Commitments minus (y) the Canadian Other Secured Obligations Amount.

"Canadian Loan Party" means Kodak Canada and each Canadian Subsidiary Guarantor.

"Canadian Loan Value" means, at any time of determination, an amount (calculated based on the most recent Borrowing Base certificate delivered to the Agent in accordance with the Agreement) equal to (a) with respect to Eligible Receivables of the Canadian Loan Parties, 85% of Eligible Receivables less the applicable Dilution Reserve plus (b) with respect to Eligible

Inventory of the Canadian Loan Parties, the lesser of (i) 65% of Eligible Inventory and (ii) 85% of the Net Orderly Liquidation Value of Eligible Inventory (based on the then most recent independent inventory appraisal) on any date of determination.

"Canadian Obligations" means all liabilities and obligations of every nature of each Canadian Loan Party from time to time owed to the Agent, the Collateral Agent, the Lenders, the other Canadian Secured Parties or any of them, under (x) the Loan Documents relating to the Canadian Revolving Credit Facility and (y) subject to Section 7.13, the Canadian Secured Agreements, whether for principal, interest (including interest which, but for the filing of a petition or other proceeding in a bankruptcy or insolvency proceeding with respect to such Canadian Loan Party, would have accrued on any Obligation, whether or not a claim is allowed against such Loan Party for such interest in the related bankruptcy or insolvency proceeding), fees, expenses, indemnification or otherwise and whether primary, secondary, direct, indirect, contingent, fixed or otherwise.

"Canadian Other Secured Obligations Amount" means, at any time, the sum of all Designated Amounts in respect of Canadian Secured Agreements constituting Obligations at such time.

"Canadian Pension Plans" means each plan, program or arrangement which is required to be registered as a pension plan under any applicable pension benefits standards or tax statute or regulation in Canada (or any province or territory thereof) maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Canadian Loan Party or its Subsidiaries in respect of its Canadian employees or former employees.

"Canadian Priority Payables" means, at any time the Dollar Equivalent of:

(a) the amount past due and owing by Kodak Canada and any other Canadian Loan Party, or the accrued amount for which each of Kodak Canada and any other Canadian Loan Party has an obligation to remit to a governmental authority or other Person pursuant to any applicable law, in respect of (i) pension fund obligations; (ii) employment insurance; (iii) goods and services taxes, sales taxes, harmonized taxes, excise taxes, value added taxes, employee income taxes and other taxes or governmental royalties payable or to be remitted or withheld; (iv) workers' compensation; (v) wages, vacation pay and amounts payable under the *Wage Earner Protection Program Act (Canada)* or secured by Section 81.3 or 81.4 of the *Bankruptcy and Insolvency Act (Canada)*; and (vi) other like charges and demands; in each case, in respect of which any governmental authority or other Person may claim a security interest, hypothec, prior claim, lien, trust (statutory or deemed) or other claim or Lien ranking or capable of ranking in priority to or *pari passu* with one or more of the Liens granted in the Collateral Documents; and

(b) the aggregate amount of any other liabilities of Kodak Canada and any other Canadian Loan Parties (i) in respect of which a trust has been or may be imposed on any Collateral of any Canadian Loan Party to provide for payment or (ii) which are secured by a security interest, hypothec, prior claim, pledge, lien, charge, right, or claim or other Lien on any Collateral of any Canadian Loan Party, in each case, pursuant to any applicable law and which trust, security interest, hypothec, prior claim, pledge, lien, charge, right, claim or Lien ranks or is capable of ranking in priority to or *pari passu* with one or more of the Liens granted in the Collateral Documents.

"Canadian Priority Payables Reserve" means, on any date of determination for the Canadian Borrowing Base, a reserve established from time to time by the Agent in its reasonable

discretion in such amount as the Agent may determine reflects the unpaid or unremitted Canadian Priority Payables of the Canadian Loan Parties, which would give rise to a Lien under applicable laws with priority over, or *pari passu* with, the Liens of the Agent for the benefit of the Canadian Secured Parties.

"Canadian Protective Revolving Loans" has the meaning specified in Section 2.01(c).

"Canadian Qualified Lender" means a financial institution that is not prohibited by law, including under the *Bank Act (Canada)*, from having a Canadian Revolving Credit Commitment or making any Canadian Revolving Loans to Kodak Canada hereunder, and if such financial institution is not resident in Canada and is not deemed to be resident in Canada for purposes of the *Income Tax Act (Canada)*, that financial institution deals at arm's length with Kodak Canada and the other Canadian Loan Parties for purposes of the *Income Tax Act (Canada)*.

"Canadian Revolving Borrowing" means a borrowing consisting of simultaneous Revolving Loans of the same Type made by each of the Canadian Revolving Lenders pursuant to Section 2.01(a)(ii).

"Canadian Revolving Credit Commitment" means as to any Revolving Lender (a) the amount set forth opposite such Lender's name on Schedule I hereto as such Lender's "Canadian Revolving Credit Commitment", which shall be designated as a Commitment under the Revolving Credit Facility, or (b) if such Lender has entered into an Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(g), as such amount may be reduced pursuant to Section 2.05.

"Canadian Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Lenders' Canadian Revolving Credit Commitments at such time.

"Canadian Revolving Credit Facility Usage" means, at any time, the aggregate outstanding principal amount of all Canadian Revolving Loans made by the Revolving Lenders.

"Canadian Revolving Lender" means, at any time, a Lender that has a Canadian Revolving Credit Commitment at such time.

"Canadian Revolving Loan" means an advance by a Revolving Lender as part of a Canadian Revolving Borrowing and refers to a Base Rate Revolving Loan or a Eurodollar Rate Revolving Loan and shall be deemed to include any Canadian Protective Revolving Loan made hereunder.

"Canadian Secured Agreements" means any Secured Agreement that is entered into by and between any Canadian Loan Party or any of its Subsidiaries and any Lender (or Affiliate thereof) (regardless of whether such Lender subsequently ceases to be a Lender for any reason).

"Canadian Secured Obligations" means the "Secured Obligations", as defined in the Canadian Security Agreement.

"Canadian Secured Parties" means, collectively, the Agent, the Collateral Agent, each Canadian Revolving Lender and each Lender or Affiliate of a Lender in its capacity as a counterparty to a Canadian Secured Agreement (regardless of whether such Lender subsequently ceases to be a Lender for any reason).

"Canadian Security Agreement" means the Canadian Security Agreement, dated as of the Effective Date, from the Canadian Loan Parties party thereto, as grantors, to the Agent, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Canadian Subsidiary" means any direct or indirect Subsidiary of Kodak Canada organized under the laws of Canada or any province or territory thereof.

"Canadian Subsidiary Guarantors" means the direct and indirect wholly-owned (other than directors' qualifying shares or similar holdings under applicable law) Subsidiaries of Kodak Canada organized under the laws of Canada or a province or territory thereof listed on Part B of Schedule II hereto and each other Subsidiary of Kodak Canada that shall be required to execute and deliver a guaranty pursuant to Section 5.01(h).

"Canadian Unused Revolving Credit Commitment" means, with respect to each Lender at any time, (a) such Lender's Canadian Revolving Credit Commitment at such time minus (b) the aggregate principal amount of all Canadian Revolving Loans made by such Lender (in its capacity as a Lender) and outstanding at such time.

"Carve-Out" means (i) all fees and interest required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to section 1930(a) of title 28 of the United States Code and section 3717 of title 31 of the United States Code, (ii) all reasonable fees and expenses incurred by a trustee under Section 726(b) of the Bankruptcy Code in an amount not exceeding $100,000, (iii) any and all allowed and unpaid claims of any professional of the Debtors or the statutory committee of unsecured creditors appointed in the Cases (the "Creditors' Committee") whose retention is approved by the Bankruptcy Court during the Cases pursuant to Sections 327 and 1103 of the Bankruptcy Code for unpaid fees and expenses (and the reimbursement of out-of-pocket expenses allowed by the Bankruptcy Court incurred by any members of the Creditors' Committee (but excluding fees and expenses of third party professionals employed by such members of the Creditors' Committee)) incurred, subject to the terms of the Orders, (A) prior to the occurrence of an Event of Default and (B) at any time after the occurrence and during the continuance of an Event of Default in an aggregate amount not exceeding $10,000,000, provided that (x) the dollar limitation in this clause (iii) on fees and expenses shall neither be reduced nor increased by the amount of any compensation or reimbursement of expenses incurred, awarded or paid prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked or by any fees, expenses, indemnities or other amounts paid to the Agent or any Lender or any of the foregoing's respective attorneys, advisors and agents, (y) nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement or compensation described in clauses (A) and (B) above and (z) cash or other amounts on deposit in the L/C Cash Deposit Account shall not be subject to the Carve-Out.

"Carve-Out Reserve" means, at any time, a reserve in an amount equal to $10,000,000.

"Case" or "Cases" has the meaning specified in the Introductory Statement.

"Cash Collateral" has the meaning specified in the Interim Order or the Final Order, as applicable.

"Cash Collateral Account" means a cash deposit account established and maintained at the Agent and over which the Agent has sole dominion and control, upon terms as may be reasonably satisfactory to the Agent.

"Cash Collateralize" means, in respect of an obligation, provide and pledge (as a first priority perfected security interest) cash collateral in Dollars, at a location and pursuant to documentation in form and substance reasonably satisfactory to the Agent (and "Cash Collateralization" has a corresponding meaning).

"Cash Equivalents" means any of the following having a maturity of not greater than 12 months from the date of issuance thereof: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) certificates of deposit of or time deposits with any commercial bank that is a Lender or a member of the Federal Reserve System that issues (or the parent of which issues) commercial paper rated as described in clause (c), is organized under the laws of the United States or any state thereof and has combined capital and surplus of at least $500,000,000, (c) commercial paper in an aggregate amount of no more than $10,000,000 per issuer outstanding at any time, issued by any corporation organized under the laws of any state of the United States and rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A 1" (or the then equivalent grade) by S&P or (d) Investments, classified in accordance with GAAP, as current assets of the Company or any of its Subsidiaries, in money market investment funds having the highest rating obtainable from either Moody's or S&P, (e) offshore overnight interest bearing deposits in foreign branches of the Agent, any Lender or an Affiliate of a Lender, or (f) solely with respect to any Subsidiaries of the Company not domiciled in the United States, substantially similar investments as described in clauses (a) through (e) above (including as to credit quality and maturity), denominated in the currency of any jurisdiction in which any such Subsidiary conducts business.

"Casualty Event" shall mean any event that gives rise to the receipt by the Company or any Subsidiary of any insurance proceeds or condemnation awards in respect of any assets or properties.

"CCAA" means the Companies' Creditors Arrangement Act (Canada).

"CFC" means an entity that is a "controlled foreign corporation" of the Company under Section 957 of the Code or an entity all or substantially all of the assets of which are CFCs, and any entity which would be a "controlled foreign corporation" except for any alternate classification under Treasury Regulation 301.7701-3, or any successor provisions to the foregoing.

"Chief Restructuring Officer" has the meaning specified in Section 3.01(q).

"Citi Existing Letters of Credit" means the letters of credit issued by Citibank, N.A. before the Effective Date and set forth on Schedule 2.01(b).

"Class" means (i) with respect to any Loans, whether such Loans are US Revolving Loans, Canadian Revolving Loans or Term Loans, (ii) with respect to any Commitments, whether such Commitments are US Revolving Credit Commitments, Canadian Revolving Credit Commitments or Term Commitments and (iii) with respect to any Lenders, whether such Lenders are US Revolving Lenders, Canadian Revolving Lenders or Term Lenders.

"Class Required Lenders" means the Required Term Lenders, the Required US Revolving Lenders or the Required Canadian Revolving Lenders, as the context requires.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Collateral" means all "Collateral" referred to in the Collateral Documents and in the Orders and all other property that is or is intended to be subject to any Lien in favor of the Agent for the benefit of the Secured Parties pursuant to the terms of the Collateral Documents and the Orders.

"Collateral Agent" means Citicorp North America, Inc., in its capacity as collateral agent for the Lenders under the Loan Documents.

"Collateral Documents" means the US Security Agreement, the Canadian Security Agreement and each of the collateral documents, instruments and agreements delivered pursuant to Section 5.01(h) or (i). The Collateral Documents shall supplement, and shall not limit, the grant of Collateral pursuant to the Orders.

"Collection Account" has the meaning specified in Section 2.18(a).

"Commitment" means a Letter of Credit Commitment, a Revolving Credit Commitment and/or a Term Commitment, as the context may require.

"Comprehensive Guaranteed Obligations" has the meaning specified in Section 6.05(a)(i).

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Consolidated Subsidiary" means any Person whose accounts are consolidated with the accounts of the Company in accordance with GAAP.

"Consummation Date" means the date of the substantial consummation (as defined in Section 1101 of the Bankruptcy Code and which for purposes of this Agreement shall be no later than the effective date) of a Reorganization Plan that is confirmed pursuant to an order of the Bankruptcy Court.

"Convert", "Conversion" and "Converted" each refers to a conversion of Revolving Loans of one Type into Revolving Loans of the other Type, or a conversion of Term Loans of one Type into Term Loans of the other Type, in each case pursuant to Section 2.08 or 2.09.

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money (including, without limitation, pursuant to securitization transactions), (b) to the extent such obligations would appear as a liability of such Person in accordance with GAAP, all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) the face or maximum amount of all obligations of such Person which have been or may be drawn upon under acceptances, letters of credit or similar extensions of credit, (g) all Hedge Agreement Obligations of such Person, (h) all

payment obligations of other Persons whose financial statements are not Consolidated with those of such Person (collectively, "Guaranteed Debt") guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, expressly for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor of such other Person against loss, and (i) all Debt of the type referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Debt for Borrowed Money" of any Person means all items that, in accordance with GAAP, would be classified as short term borrowings and long term debt on a Consolidated statement of financial position of such Person.

"Debtors" has the meaning specified in the Introductory Statement.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Interest" has the meaning specified in Section 2.07(b).

"Defaulted Amount" means, with respect to any Lender at any time, any amount required to be paid by such Lender to the Agent or any other Lender hereunder or under any other Loan Document at or prior to such time which has not been so paid as of such time, including, without limitation, any amount required to be paid by such Lender to (a) any Issuing Bank pursuant to Section 2.03(b) to purchase a participation in a Letter of Credit, (b) the Agent pursuant to Section 2.02(d) to reimburse the Agent for the amount of any Revolving Loan made by the Agent for the account of such Lender, (c) any other Lender pursuant to Section 2.15 to purchase any participation in Revolving Loans owing to such other Lender and (d) the Agent or any Issuing Bank pursuant to Section 7.05 to reimburse the Agent or such Issuing Bank for such Lender's ratable share of any amount required to be paid by the Lenders to the Agent or such Issuing Bank as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.19(b), the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be paid hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

"Defaulted Loan" means, with respect to any Lender at any time, the portion of any Loan required to be made by such Lender to a Borrower pursuant to Section 2.01 or 2.02 at or prior to such time which has not been made by such Lender or by the Agent for the account of such Lender pursuant to Section 2.02(d) as of such time. In the event that a portion of a Defaulted Revolving Loan shall be deemed made pursuant to Section 2.19(a), the remaining portion of such Defaulted Revolving Loan shall be considered a Defaulted Revolving Loan originally required to be made pursuant to Section 2.01 on the same date as the Defaulted Revolving Loan so deemed made in part.

"Defaulting Lender" means, at any time, a Lender as to which the Agent has notified the Company that (i) such Lender has failed for three or more Business Days to comply with its obligations under this Agreement to make a Loan or make a payment to an Issuing Bank in respect of an Issuance (each a "funding obligation"), (ii) such Lender has notified the Agent, or has stated publicly, that it will not comply with any such funding obligation hereunder, or has defaulted on its funding obligations under any other loan agreement or credit agreement or other similar financing agreement, (iii) such Lender has, for three or more Business Days, failed to confirm in writing to the Agent, in response to a written request of the Agent, that it will comply with its funding obligations hereunder, or (iv) a Lender Insolvency Event has occurred and is continuing with respect to such Lender. Any determination that a Lender is a Defaulting Lender under clauses (i) through (iv) above will be made by the Agent in its sole discretion acting in good faith. The Agent will promptly send to all parties hereto a copy of any notice to the Company provided for in this definition.

"Deposit Accounts" means any checking or other demand deposit account maintained by a Loan Party.

"Designated Amount" has the meaning specified in Section 7.13.

"Digital Imaging Patent Portfolio" means the portfolio of approximately 1,100 issued U.S. digital imaging patents, 250 pending U.S. digital imaging patent applications, 580 foreign counterparts and 400 related foreign patent applications, which the Company has publicly announced its intention to sell.

"Digital Imaging Patent Portfolio Disposition" means any Disposition in respect of all or any portion of the Digital Imaging Patent Portfolio.

"Digital Imaging Patent Portfolio Disposition Cash Collateral Account" has the meaning specified in Section 5.01(n).

"Dilution" means, as of any date, a percentage, based upon the experience of the twelve-month period ending as of the last day of the immediately preceding fiscal month, which is the result of dividing the Dollar amount of (i) bad debt write-downs, discounts, advertising allowances, profit sharing deductions or other non-cash credits with respect to a Loan Party's Accounts during such period determined consistently with the applicable Loan Party's accounting practices, by (ii) such Loan Party's gross sales with respect to Accounts for such Loan Party during such period.

"Dilution Reserve" means, as of any date, an amount sufficient to reduce the advance rate against Eligible Receivables by one percentage point for each percentage point by which Dilution is in excess of 5.0%.

"Disposition" means, with respect to any property, any sale, lease, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings. For the avoidance of doubt, a non-exclusive license of Intellectual Property in the ordinary course of business does not constitute a Disposition.

"Dollar" or "$" means the lawful currency of the United States.

"Dollar Equivalent" means at any time, (i) with respect to any amount denominated in Dollars, such amount, and (ii) with respect to any amount denominated in any other currency, the

amount of Dollars that the Agent determines (which determination shall be conclusive and binding absent manifest error) would be necessary to be sold on such date at the applicable Exchange Rate to obtain the stated amount of the other currency.

"Domestic Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrowers and the Agent.

"DPP Appraisal" means that certain IP Due Diligence and Valuation Analysis in respect of the Digital Imaging Patent Portfolio, prepared by the DPP Appraiser and dated October 14, 2011.

"DPP Appraiser" means 284 Partners, LLC.

"Effective Date" means the first date on which all of the conditions precedent in Article III are satisfied or waived in accordance with Article III.

"Eligible Assignee" means (a) with respect to the Revolving Credit Facility (i) a Revolving Lender; (ii) an Affiliate or branch of a Revolving Lender or an Approved Fund with respect to a Revolving Lender; and (iii) any other Person approved by (x) the Agent, (y) each Issuing Bank and (z) unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 8.07, the Company, in each case, such approval not to be unreasonably withheld or delayed (it being understood that a proposed assignee's status as other than a financial institution, or as a competitor to any of the Debtors or their Affiliates or an IP Litigation Party, shall be a reasonable basis for the Company to withhold its consent), provided that the Company shall be deemed to have consented to such Person if the Company has not responded within five Business Days of a request for such approval and (b) with respect to the Term Facility (i) a Lender; (ii) an Affiliate or branch of a Lender or an Approved Fund with respect to a Lender; and (iii) any other Person approved by the Agent, such approval not to be unreasonably withheld or delayed; provided, however, that neither any Loan Party nor an Affiliate of a Loan Party shall qualify as an Eligible Assignee, and provided further that if such Person is to hold any Canadian Revolving Credit Commitments, such Person is at all times other than during any Event of Default, a Canadian Qualified Lender.

"Eligible Equipment" means Equipment of the Company and its Subsidiaries subject to the Lien of the Collateral Documents, the value of which shall be determined based upon its Net Orderly Liquidation Value. Criteria and eligibility standards used in determining Eligible Equipment may be fixed and revised from time to time by the Agent in its reasonable discretion. Unless otherwise from time to time approved in writing by the Agent, no Equipment shall be deemed Eligible Equipment if, without duplication:

(i) any such Equipment is located on leaseholds and is subject to landlord Liens or other Liens arising by operation of law, unless one of the following applies: (i) the lessor has entered into a Landlord Lien Waiver or (ii) a Rent Reserve has been taken with respect to such Equipment or, in the case of any third party premises, a Reserve has been taken by the Agent in the exercise of its reasonable discretion; or

(ii) such Equipment is Equipment for which appraisals have not been completed by the Agent or a qualified independent appraiser reasonably acceptable to the Agent utilizing procedures and criteria reasonably acceptable to the Agent for determining the value of such Equipment; or

such Equipment is Equipment in respect of which the Collateral Documents, after giving effect to the related filings of financing statements that have then been made, if any, do not or have ceased to create a valid and perfected first priority Lien or security interest (subject only to any Liens securing Canadian Priority Payables) in favor of the Agent, on behalf of the Secured Parties, securing the Secured Obligations; or

(iii) a Loan Party does not have good, valid and unencumbered title thereto, subject only to Liens permitted under clause (a) or (b) of the definition of Permitted Liens or Liens granted pursuant to any of the Loan Documents ("Permitted Collateral Liens"); or

(iv) Equipment that is subject to a voluntary or mandatory recall or is otherwise subject to any similar action that renders it unsaleable.

"Eligible Inventory" means, at the time of any determination thereof, without duplication, the Inventory Value of the Loan Parties at such time that is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (i) through (xiii) below. Criteria and eligibility standards used in determining Eligible Inventory may be fixed and revised from time to time by the Agent in its reasonable discretion (including, without limitation, criteria and eligibility standards to account for dispositions of Intellectual Property Collateral (as defined in the Security Agreements) that is material to the value or saleability of any Inventory). Unless otherwise from time to time approved in writing by the Agent, no Inventory shall be deemed Eligible Inventory if, without duplication:

(i) a Loan Party does not have good, valid and unencumbered title thereto, subject only to Permitted Collateral Liens; or

(ii) it is not located in the United States (in the case of the Company and the US Subsidiary Guarantors) or Canada (in the case of Kodak Canada and the Canadian Subsidiary Guarantors); provided that in the case of Inventory located in Canada, the Company shall provide evidence reasonably satisfactory to the Agent that there is an enforceable, perfected first priority security interest (subject only to any Liens securing Canadian Priority Payables) in such Inventory in favor of the Agent under the laws of the applicable foreign jurisdiction; or

(iii) it is either (i) a service part in the possession of or held by field engineers or (ii) located at third party premises or (except in the case of consigned Inventory, which is covered by clause (f) below) in another location not owned by a Loan Party, and is subject to landlord or warehousemen Liens or other Liens arising by operation of law, unless one of the following applies: (A) the premises is covered by a Landlord Lien Waiver or (B) a Rent Reserve has been taken with respect to such Inventory or, in the case of any third party premises, a Reserve has been taken by the Agent in the exercise of its reasonable discretion; or

(iv) it is operating supplies, labels, packaging or shipping materials, cartons, repair parts, labels, miscellaneous spare parts and other such materials not held for sale, in each case to the extent not considered used for sale in the ordinary course of business of the Loan Parties by the Agent in its reasonable discretion from time to time; or

(v) it is not subject to a valid and perfected first priority Lien (subject only to any Liens securing Canadian Priority Payables) in favor of the Agent; or

(vi) it is consigned at a customer, supplier or contractor location but still accounted for in the Loan Party's inventory balance, unless (i) if such Inventory is subject to landlord or consignee Liens or other Liens arising by operation of law, then such location is the subject of a

Landlord Lien Waiver, (ii) the Agent is reasonably satisfied with the controls and reporting applicable to such Inventory and (iii) the aggregate amount of such Inventory does not exceed $100,000 at any location at any time; or

(vii) it is Inventory that is in-transit to or from a location not leased or owned by a Loan Party other than any such in-transit Inventory to a Loan Party or between Loan Parties, that is physically in-transit within the United States (in the case of the Company and the US Subsidiary Guarantors) or Canada (in the case of Kodak Canada and the Canadian Subsidiary Guarantors) and as to which a Reserve has been taken by the Agent if required in the exercise of its reasonable discretion; or

(viii) it is obsolete, slow-moving, nonconforming or unmerchantable or is identified as a write-off, overstock or excess by a Loan Party (as determined in accordance with the Company's policies which shall be substantially consistent those in effect on the Petition Date), or does not otherwise conform to the representations and warranties contained in this Agreement and the other Loan Documents applicable to Inventory; or

(ix) it is Inventory used as a sample or prototype, display or display item; or

(x) any Inventory that is damaged, defective or marked for return to vendor, has been deemed by a Loan Party to require rework or is being held for quality control purposes; or

(xi) such Inventory does not meet all material applicable standards imposed by any governmental authority having regulatory authority over it; or

(xii) any Inventory for which field audits and appraisals have not been completed by the Agent or a qualified independent appraiser reasonably acceptable to the Agent utilizing procedures and criteria acceptable to the Agent for determining the value of such Inventory; or

(xiii) Inventory that is subject to a voluntary or mandatory recall or is otherwise subject to any similar action that renders it unsaleable.

"Eligible Receivables" means, at the time of any determination thereof, each Account of each Loan Party that satisfies the following criteria: such Account (i) has been invoiced to, and represents the bona fide amounts due to a Loan Party from, the purchaser of goods or services, in each case originated in the ordinary course of business of such Loan Party, and (ii) is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (i) through (xviii) below. In determining the amount to be so included, the face amount of an Account shall be reduced by, without duplication and to the extent not included in Reserves, to the extent not reflected in such face amount; (A) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that a Loan Party may be obligated to rebate to a customer pursuant to the terms of any written agreement or understanding), (B) the aggregate amount of all limits and deductions provided for in this definition and elsewhere in this Agreement, if any, and (C) the aggregate amount of all cash received in respect of such Account but not yet applied by a Loan Party to reduce the amount of such Account. Criteria and eligibility standards used in determining Eligible Receivables may be fixed and revised from time to time by the Agent in its reasonable discretion. Unless otherwise approved from time to time in writing by the Agent, no Account shall be an Eligible Receivable if, without duplication:

(i) (A) a Loan Party does not have sole lawful and absolute and unencumbered title to such Account subject only to Permitted Collateral Liens, or (B) the goods sold with respect to such Account have been sold under a purchase order or pursuant to the terms of a contract or

other written agreement or understanding that indicates that any Person other than a Loan Party has or has purported to have an ownership interest in such goods; or

(ii) (i) it is unpaid for more than 60 days from the original due date or (ii) it arises as a result of a sale with original payment terms in excess of 90 days; or

(iii) more than 50% in face amount of all Accounts of the same Account Debtor are ineligible pursuant to clause (ii) above; or

(iv) the Account Debtor is insolvent or the subject of any bankruptcy or insolvency case or proceeding of any kind (other than postpetition accounts payable of an Account Debtor that is a debtor-in-possession under the Bankruptcy Law and reasonably acceptable to the Agent); or

(v) (i) the Account is not payable in Dollars or Canadian Dollars or other currency as to which a Reserve has been taken by the Agent in the exercise of its reasonable discretion or (ii) the Account Debtor is either not organized under the laws of the United States of America, any state thereof, or the District of Columbia, or Canada or any province or territory thereof or is located outside or has its principal place of business or substantially all of its assets outside the United States or Canada, unless such Account is supported by a letter of credit from an institution and in form and substance satisfactory to the Agent in its sole discretion; or

(vi) the Account Debtor is (i) the United States of America or (ii) the government of Canada or any province or territory thereof, or in each case any department, agency or instrumentality thereof, unless the relevant Loan Party duly assigns its rights to payment of such Account to the Agent pursuant to the Assignment of Claims Act of 1940, the *Financial Administration Act (Canada)* or similar applicable law, each as amended, which assignment and related documents and filings shall be in form and substance reasonably satisfactory to the Agent; or

(vii) to the extent of any security deposit, progress payment, retainage or other similar advance made by or for the benefit of the applicable Account Debtor, that portion of the Account as to which the applicable Loan Party has received any security deposit (to the extent received from the applicable Account Debtor), progress payment, retainage or other similar advance made by or for the benefit of the applicable Account Debtor; or

(viii) (i) it is not subject to a valid and perfected first priority Lien (subject only to any Liens securing Canadian Priority Payables) in favor of the Agent or (ii) it does not otherwise conform in all material respects to the representations and warranties contained in this Agreement and the other Loan Documents relating to Accounts; or

(ix) (i) such Account was invoiced in advance of goods being shipped or services being provided, (ii) such Account was invoiced twice or more, or (iii) the associated revenue has not been earned; or

(x) the sale to the Account Debtor is on a bill-and-hold, guaranteed sale, sale-and-return, ship-and-return, sale on approval or consignment or other similar basis or made pursuant to any other agreement providing for repurchases or return of any merchandise which has been claimed to be defective or otherwise unsatisfactory, which shall not include customary product warranties; or

(xi) the goods giving rise to such Account have not been shipped and/or title has not been transferred to the Account Debtor, or the Account represents a progress-billing or otherwise

does not represent a complete sale; for purposes hereof, "progress-billing" means any invoice for goods sold or leased or services rendered under a contract or agreement pursuant to which the Account Debtor's obligation to pay such invoice is conditioned upon the completion by a Loan Party of any further performance under the contract or agreement; or

(xii) it arises out of a sale made by a Loan Party to an employee, officer, agent, director, Subsidiary or Affiliate of a Loan Party; or

(xiii) such Account was not paid in full, and a Loan Party created a new receivable for the unpaid portion of the Account without the agreement of the Account Debtor, and other Accounts constituting chargebacks, debit memos and other adjustments for unauthorized deductions or put back on the aging until resolved by the credit department of the Company; or

(xiv) (A) the Account Debtor (i) has or has asserted a right of set-off, offset, deduction, defense, dispute, or counterclaim against a Loan Party (unless such Account Debtor has entered into a written agreement reasonably satisfactory to the Agent to waive such set-off, offset, deduction, defense, dispute, or counterclaim rights), (ii) has disputed its liability (whether by chargeback or otherwise) or made any claim with respect to the Account or any other Account of a Loan Party which has not been resolved, in each case of clause (i) and (ii), without duplication, only to the extent of the amount of such actual or asserted right of set-off, or the amount of such dispute or claim, as the case may be or (iii) is also a creditor or supplier of the Loan Party (but only to the extent of such Loan Party's obligations to such Account Debtor from time to time) or (B) the Account is contingent in any respect or for any reason; or

(xv) the Account does not comply in all material respects with the requirements of all applicable laws and regulations, whether federal, state, provincial, municipal, local or foreign including without limitation, the Federal Consumer Credit Protection Act, Federal Truth in Lending Act and Regulation Z; or

(xvi) as to any Account, to the extent that (i) a check, promissory note, draft, trade acceptance or other instrument for the payment of money has been received, presented for payment and returned uncollected for any reason or (ii) such Account is otherwise classified as a note receivable and the obligation with respect thereto is evidenced by a promissory note or other debt instrument or agreement; or

(xvii) the Account is created in cash on delivery terms; or

(xviii) the amount of any net credit balances relating to such Account is unused by the Account Debtor within 60 days from the date the net credit balance was created.

Notwithstanding the foregoing, all Accounts of any single Account Debtor and its Affiliates which, in the aggregate, exceed (i) in respect of any Account Debtor whose Public Debt Rating is not less than BBB- by S&P and Baa3 by Moody's, 20% of all Eligible Receivables and (ii) in respect of any other Account Debtor, 10% of all Eligible Receivables, shall not be Eligible Receivables.

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating to any Environmental Law, Environmental Permit or arising from alleged injury or threat of injury to health or safety from Hazardous Materials or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any

governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, provincial, municipal, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health and safety as it relates to any Hazardous Materials or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

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

"Equipment" has the meaning specified in the UCC or the PPSA, as the context may require.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person that for purposes of Title IV of ERISA is a member of the controlled group of any Loan Party, or under common control with any Loan Party, within the meaning of Section 414 of the Code.

"ERISA Event" means (a)(i) the occurrence of a reportable event, as described in 29 CFR § 4043, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in 29 CFR § 4043.62 through 68 is reasonably expected to occur with respect to such Plan within the following 30 days; provided that for purposes of this clause (a), a reportable event shall not include the events set forth in §4043.35(a); (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of any Loan Party or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by any Loan Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan; (g) a determination that any Plan is in "at risk" status (within the meaning of Section 303 of ERISA); or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA.

"Eurodollar Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrowers and the Agent.

"Eurodollar Rate" means for any Interest Period with respect to a Eurodollar Rate Loan, a rate per annum determined by the Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

"Eurodollar Base Rate" means, for such Interest Period, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters on Screen LIBOR01 (or other commercially available source providing quotations of BBA LIBOR as designated by the Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "Eurodollar Base Rate" for such Interest Period shall be the rate per annum determined by the Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by the Agent and with a term equivalent to such Interest Period would be offered by the Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; provided, that the Eurodollar Base Rate with respect to the Term Loans shall be not less than 1.50%.

"Eurodollar Rate Loan" means a Eurodollar Rate Revolving Loan or a Eurodollar Rate Term Loan.

"Eurodollar Rate Revolving Loan" means a Revolving Loan that bears interest as provided in Section 2.07(a)(i).

"Eurodollar Rate Term Loan" means a Term Loan that bears interest as provided in Section 2.07(a)(iii).

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Events of Default" has the meaning specified in Section 6.01.

"Excess Availability" means the sum of the Canadian Excess Availability and the US Excess Availability.

"Exchange Rate" means on any date, (i) with respect to Canadian Dollars in relation to Dollars, the spot rate as quoted by the Agent at its noon spot rate at which Dollars are offered on such date for Canadian Dollars, and (ii) with respect to Dollars in relation to Canadian Dollars, the spot rate as quoted by the Agent at its noon spot rate at which Canadian Dollars are offered on such date for such Dollars.

"Excluded Account" means (i) any deposit or concentration accounts funded in the ordinary course of business, the deposits in which shall not aggregate more than $2,000,000 and (ii) any payroll, trust and tax withholding accounts funded in the ordinary course of business or required by applicable law.

"Excluded Taxes" has the meaning specified in Section 2.14(a).

"Existing Credit Agreement" means that certain Second Amended and Restated Credit Agreement, dated as of April 26, 2011, among Eastman Kodak Company and Kodak Canada, Inc., as borrowers, the lenders named therein and Bank of America, N.A., as administrative agent and co-collateral agent, and Citicorp USA, Inc., as co-collateral agent, and the other agents, arrangers and bookrunners party thereto.

"Existing Debt" has the meaning set forth in Section 5.02(d)(ii).

"Existing Intercreditor Agreement" means the Intercreditor Agreement, dated as of March 5, 2010, as amended, among Bank of America, N.A., (as successor to Citicorp USA, Inc.), as first lien representative, The Bank of New York Mellon, as second lien representative, the Company and the Subsidiaries of the Company party thereto, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Existing Second Lien Debt" means (a) the Company's 9.75% Senior Secured Notes due 2018 outstanding on the Petition Date and (b) the Company's 10.625% Senior Secured Notes due 2019 outstanding on the Petition Date.

"Existing Secured Agreements" means the agreements set forth on Schedule 1.01(a).

"Facilities" means, the Revolving Credit Facility, the Letter of Credit Facility and the Term Facility, and "Facility" means any of them.

"FATCA" means Sections 1471-1474 of the Code in effect as of the date hereof and Treasury regulations issued thereunder.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Agent on such day on such transactions as determined by the Agent.

"Final Order" has the meaning specified in Section 3.02(b).

"Final Order Entry Date" means the date on which the Final Order is entered by the Bankruptcy Court.

"First Day Orders" means all orders entered by the Bankruptcy Court on, or within five days of, the Petition Date or based on motions filed on or about the Petition Date.

"First Lien Cap" has the meaning specified in the Existing Intercreditor Agreement.

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

"Fund" means any Person (other than an individual) that is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

"GAAP" has the meaning specified in Section 1.03.

"Guaranteed Obligations" means the Comprehensive Guaranteed Obligations and/or the Canadian Guaranteed Obligations, as the context may require.

"Guarantors" means the Company, the US Subsidiary Guarantors and the Canadian Subsidiary Guarantors.

"Guaranty" means the guaranty of each Guarantor set forth in Article VII.

"Guaranty Supplement" has the meaning specified in Section 6.09.

"Hazardous Materials" means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Hedge Agreement Obligations" means the aggregate net liabilities, on a mark-to-market basis as determined in accordance with GAAP, for all Hedge Agreements of a Person calculated as of the end of the most recent month.

"Hedge Agreements" means interest rate, currency or commodity swap, cap or collar agreements, interest rate, currency or commodity future or option contracts and other similar agreements.

"HMRC" means Her Majesty's Revenue & Customs.

"Indenture" means the Indenture dated as of January 1, 1988 between the Company and The Bank of New York, as trustee, as amended from time to time.

"Initial Issuing Banks" means each Lender (or an Affiliate thereof) with a Letter of Credit Commitment on the Effective Date.

"Initial Lender" means Citicorp North America, Inc.

"Insufficiency" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Intellectual Property" has the meaning specified in Section 4.01(i).

"Intellectual Property Security Agreement" means a "short form" intellectual property security agreement substantially in the form of Exhibit A to the US Security Agreement or Exhibit A to the Canadian Security Agreement, as applicable.

"Intercreditor Agreement" means the Intercreditor Agreement among Citicorp North America, Inc., dated as of the Effective Date (or such later date as is contemplated by the paragraph immediately following Section 3.01(d)(vi)) as administrative agent for the Revolving

Lenders and for the Term Lenders under this Agreement, and the US Loan Parties, substantially in the form of Exhibit I.

"Interest Period" means, for each Eurodollar Rate Loan comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Loan or the date of the Conversion of any Base Rate Loan into such Eurodollar Rate Loan and ending on the last day of the period selected by the applicable Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by such Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the applicable Borrower may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) no Borrower may select any Interest Period that ends after the Termination Date;

(ii) Interest Periods commencing on the same date for Eurodollar Rate Loans comprising part of the same Borrowing shall be of the same duration;

(iii) [reserved];

(iv) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(v) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Interim Order" means an interim order of the Bankruptcy Court, satisfactory in form and substance to the Initial Lenders entered by the Bankruptcy Court, (a) authorizing extensions of credit in respect of (x) the Revolving Credit Facility in an aggregate amount of up to $250,000,000 and (y) the Term Facility in an aggregate amount of up to $400,000,000, (b) approving the transactions contemplated by this Agreement and the other Loan Documents, (c) granting the Superpriority Claims and Liens described in Section 2.24, (d) authorizing and directing the indefeasible repayment of any obligations under the Existing Credit Agreement, which repayment shall not be subject to any future challenge by any Person, and, upon such repayment, terminating and releasing all security interests and Liens granted by the Debtors pursuant to the Collateral Documents (as defined in the Existing Credit Agreement), (e) approving the payment by the Company of all of the fees and expenses that are required to be paid in connection with the Facilities and (f) covering other customary matters.

"Interim Order Entry Date" means the date on which the Interim Order is entered by the Bankruptcy Court.

"Inventory" has the meaning specified in the UCC or the PPSA, as the context may require.

"Inventory Value" means with respect to any Inventory of a Loan Party at the time of any determination thereof, the standard cost determined on a first in first out basis and carried on the general ledger or inventory system of such Loan Party stated on a basis consistent with its current and historical accounting practices, in Dollars, determined in accordance with the standard cost method of accounting less, without duplication, (i) any markup on Inventory from an Affiliate and (ii) in the event variances under the standard cost method are expensed, a Reserve reasonably determined by the Agent as appropriate in order to adjust the standard cost of Eligible Inventory to approximate actual cost.

"Investment" in any Person means any loan or advance to such Person, any purchase or other acquisition of any equity interests or Debt or the assets comprising a division or business unit or a substantial part or all of the business of such Person, any capital contribution to such Person or any other direct or indirect investment in such Person, including, without limitation, any acquisition by way of a merger or consolidation (or similar transaction) and any arrangement pursuant to which the investor incurs Debt of the types referred to in clause (h) or (i) of the definition of "Debt" in respect of such Person.

"IP Consideration" means consideration received from any Digital Imaging Patent Portfolio Disposition or IP Settlement Agreement in the form of (i) cash or Cash Equivalents, (ii) indemnities, representations and warranties, covenants, non-compete provisions and similar provisions customary for Dispositions similar to any Digital Imaging Patent Portfolio Disposition or IP Settlement Agreement, (iii) any lease or license of Intellectual Property to the Company or any of its Subsidiaries, (iv) any renewal of any existing license of Intellectual Property by any third party, and/or (v) any lease or license of Intellectual Property of any third party to the Company or any of its Subsidiaries consisting of Intellectual Property to use within the same or substantially similar field as, or, if not a field of use lease or license, for the same or similar systems, methods, products and/or services of, the Digital Imaging Patent Portfolio.

"IP License" means any lease, license or covenant not to sue, entered into with respect to any Intellectual Property outside the ordinary course of business; provided, that any license entered into in connection with an IP Settlement Agreement and any exclusive license of Intellectual Property shall be deemed to be outside the ordinary course of business.

"IP Litigation Party" means a party and its affiliates to any action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental instrumentality adverse to the Debtors or their affiliates.

"IP Sale Proceeds" means all payments received in cash or Cash Equivalents by the Company or any of its Subsidiaries in respect of any Digital Imaging Patent Portfolio Disposition that do not constitute IP Settlement Proceeds.

"IP Settlement Agreement" means any agreement entered into by the Company or any its Subsidiaries with any other Person (other than a Subsidiary of the Company) relating to any assets included in the Digital Imaging Patent Portfolio (but not involving the sale of such assets) and pursuant to which such other Person shall agree to provide consideration (including, without limitation, pursuant to an IP License) to the Company or such Subsidiary in exchange for the settlement of, or agreement not to pursue, litigation with respect to such assets.

"IP Settlement Proceeds" means proceeds in the form of cash and Cash Equivalents received by the Company or any its Subsidiaries pursuant to an IP Settlement Agreement (including, if applicable, pursuant to an IP License entered into in connection therewith).

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

"Issuance" with respect to any Letter of Credit means the issuance, amendment, renewal or extension of such Letter of Credit.

"Issuing Bank" means an Initial Issuing Bank, any Eligible Assignee to which a portion of the Letter of Credit Commitment hereunder has been assigned pursuant to Section 9.08 or any other Lender (or an Affiliate thereof) so long as such Eligible Assignee or Lender (or Affiliate thereof) expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as an Issuing Bank and notifies the Agent of its Applicable Lending Office (which information shall be recorded by the Agent in the Register), for so long as such Initial Issuing Bank, Eligible Assignee or Lender (or Affiliate thereof), as the case may be, shall have a Letter of Credit Commitment.

"Kodak Limited" means Kodak Limited, a company with limited liability organized under the laws of England and Wales.

"Landlord Lien Waiver" means a written agreement that is reasonably acceptable to the Agent, pursuant to which a Person shall waive or subordinate its rights (if any, that are or would be prior to the Liens granted to the Agent for the benefit of the Lenders under the Loan Documents or the Orders) and claims as landlord, warehouseman or consignee, as applicable in any Inventory or Equipment of a Loan Party for unpaid rents and other charges, grant access to the Agent for the repossession and sale of such Inventory or Equipment and make other customary agreements relative thereto.

"L/C Cash Deposit Account" means an interest bearing cash deposit account to be established and maintained by the Agent, over which the Agent, as provided in Section 6.03, shall have sole dominion and control, upon terms as may be satisfactory to the Agent.

"L/C Related Documents" has the meaning specified in Section 2.06(b)(i).

"Lender Insolvency Event" means that (i) a Lender or its Parent Company is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors, or (ii) such Lender or its Parent Company is the subject of a bankruptcy, insolvency, reorganization, liquidation, winding up or similar proceeding, or a receiver, interim receiver, trustee, conservator, intervenor or sequestrator or the like has been appointed for such Lender or its Parent Company, or such Lender or its Parent Company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment.

"Lenders" has the meaning in the introductory paragraph hereto, and shall include each Issuing Bank and each Person that shall become a party hereto pursuant to Section 8.07.

"Letter of Credit" means a US Letter of Credit.

"Letter of Credit Agreement" has the meaning specified in Section 2.03(a).

"Letter of Credit Commitment" means a US Letter of Credit Commitment.

"Letter of Credit Facility" means the US Letter of Credit Facility.

"Letter of Credit Obligations" means the US Letter of Credit Obligations.

"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. Solely for the avoidance of doubt, the filing of a UCC financing statement that is a precautionary filing in respect of an operating lease that does not constitute a security interest in the leased property or otherwise give rise to a security interest does not constitute a Lien solely on account of being filed in a public office.

"Line Cap" means the sum of the Canadian Line Cap and the US Line Cap.

"Loan Documents" means (i) this Agreement, (ii) the Notes, (iii) Collateral Documents, (iv) the Intercreditor Agreement and (v) each Letter of Credit Agreement, in each case as amended, restated, supplemented or otherwise modified from time to time.

"Loan Parties" means the Borrowers and the Guarantors.

"Loan Value" means the Canadian Loan Value and/or the US Loan Value, as the context may require.

"Loans" means the Revolving Loans and the Term Loans.

"Material Adverse Effect" means a material adverse change, or any event or occurrence which could reasonably be expected to result in a material adverse change, in (i) the business, condition (financial or otherwise), operations, performance, properties or liabilities of the Company and its Subsidiaries, taken as a whole, other than as customarily occurs as a result of events leading up to and following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code, Chapter 15 of the Bankruptcy Code and/or proceedings commenced under the CCAA by a Canadian Loan Party in connection with an Approved Canadian Case, and/or the commencement of the Cases or an Approved Canadian Case, (ii) the ability of the Loan Parties to perform their respective material obligations under the Loan Documents or (iii) the ability of the Agent, the Collateral Agent and/or the Lenders to enforce the Loan Documents.

"Material Real Property" means each real property owned in fee by a Loan Party that has a fair market value (as determined by the Company in good faith) (i) in the case of a Loan Party incorporated in the United States or any state or subdivision thereof, of not less than $25,000,000 and (ii) in the case of a Loan Party incorporated in Canada or any province, territory or, in each case, subdivision thereof, of not less than $5,000,000.

"Material Subsidiary" means each Subsidiary of the Company that, for the most recently completed fiscal year of the Company for which audited financial statements are available, either (i) has, together with its Subsidiaries, assets that exceed 5% of the total assets shown on the Consolidated statement of financial condition of the Company as of the last day of such period or (ii) has, together with its Subsidiaries, net sales that exceed 5% of the Consolidated net sales of the Company for such period.

"Maturity Date" means July 20, 2013.

"Maximum Rate" has the meaning specified in Section 2.08(i).

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions, but excluding any Canadian Pension Plans.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and at least one Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Net Cash Proceeds" means, with respect to any Disposition or IP License by the Company or any of its Subsidiaries or Casualty Event affecting the Company or any of its Subsidiaries, in each case, after the Petition Date, the aggregate amount of cash actually received from time to time (whether as initial consideration or through payment or disposition of deferred consideration, and if received in a currency other than Dollars, determined after the conversion of such cash into Dollars using the prevailing exchange rate in effect on the date such local currency cash is received) by or on behalf of such Person in connection with such transaction or Casualty Event, in each case, after deducting therefrom only (without duplication) (a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal and accounting fees and expenses, filing fees, finder's fees, success fees and any other similar fees and commissions and other expenses of the transaction, (b) the amount of taxes payable in connection with or as a result of such transaction or (c) the amount of any Debt (other than the Existing Second Lien Debt) secured by a Lien on such asset that, by the terms of the agreement or instrument governing such Debt, is required to be repaid upon such disposition, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash (or, in the case of taxes, within 12 months of the time of receipt of such cash), actually paid to a Person that is not an Affiliate of the Company and are properly attributable to such transaction or to the asset that is the subject thereof, provided, however, that Net Cash Proceeds shall include any IP Consideration received in the form of cash; provided, that, at any time following the Term Facility Termination Date, if no Event of Default is continuing at such time and the Company shall have delivered a certificate of a Responsible Officer of the Company to the Agent promptly following receipt of such proceeds setting forth the Company's intention to use all or any portion of such proceeds, to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business or otherwise invest in the business of the Company and its Subsidiaries, in each case within 6 months of such receipt (and provided that, if the assets subject to the loss, damage, destruction, condemnation, sale, transfer or other disposition constituted Collateral, the assets to be acquired shall constitute Collateral), such portion of such proceeds shall not constitute Net Cash Proceeds except to the extent (1) not so used within such 6-month period or (2) not contracted to be so used within such 6 month period and not thereafter so used within 12 months of such receipt.

"Net Orderly Liquidation Value" means, with respect to Eligible Equipment and Eligible Inventory, as the case may be, the orderly liquidation value with respect to such Equipment or Inventory, net of expenses estimated to be incurred in connection with such liquidation, based on the most recent third party appraisal in form and substance, and by an independent appraisal firm, reasonably satisfactory to the Agent.

"Non-Defaulting Lender" means, at any time, a Lender that is not a Defaulting Lender or a Potential Defaulting Lender.

"Non-US Subsidiary" means any direct or indirect Subsidiary of the Company that is not a US Subsidiary.

"Note" means a promissory note of the applicable Borrower payable to the order of any Revolving Lender or Term Lender, delivered pursuant to a request made under Section 2.16 in substantially the form of Exhibit A-1 or Exhibit A-2 hereto, as applicable, evidencing the aggregate indebtedness of the applicable Borrower to such Lender resulting from the Loans made by such Lender.

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Issuance" has the meaning specified in Section 2.03(a).

"Obligations" means the Canadian Obligations and/or the US Obligations, as the context may require.

"Operating Forecast" means a consolidated business plan and projected operating budget substantially in the form of the budget dated January 16, 2012, previously delivered to the Agent.

"Orders" means, collectively, the Interim Order and the Final Order.

"Other Existing Letters of Credit" means the letters of credit set forth on Schedule 1.01(b).

"Other Proceeds" means the Net Cash Proceeds of any Asset Sale or Casualty Event that results from the sale, casualty or other disposition of, or payment or licensing agreement (including an IP License except to the extent constituting IP Settlement Proceeds) with respect to, any other assets (including without limitation the Term Facility Collateral and the Canadian Collateral, but excluding (x) Accounts, Inventory, Equipment or machinery that in each case constitutes Collateral and (y) any Digital Imaging Patent Portfolio Disposition to the extent the Net Cash Proceeds thereof have been deposited to a Digital Imaging Patent Portfolio Disposition Cash Collateral Account in accordance with Section 5.01(n) (to the extent required by such Section 5.01(n)).

"Other Taxes" has the meaning specified in Section 2.14(b).

"Outstandings" means (x) with respect to any Revolving Lender at any time, the sum of (i) the outstanding principal amount of such Lender's Revolving Loans plus (ii) such Lender's Ratable Share of (A) the aggregate Available Amount of all US Letters of Credit outstanding at such time and (B) the aggregate principal amount of all US Revolving Loans made by each Issuing Bank pursuant to Section 2.03(c) that have not been ratably funded by such Lender and outstanding at such time and (y) with respect to any Term Lender at any time, the outstanding principal amount of such Lender's Term Loans at such time.

"Parent Company" means, with respect to a Lender, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

"Participant Register" has the meaning specified in Section 8.07(k).

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Permitted Collateral Liens" has the meaning specified in the definition of "Eligible Equipment".

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for (i) pre-petition taxes, assessments and governmental charges or levies that were not yet due on the Petition Date or that are being contested in good faith by appropriate proceedings and (ii) Liens for post-petition taxes, assessments and governmental charges or levies not yet due or that are being contested in good faith by appropriate proceedings; provided that with respect to both pre-petition and post-petition taxes, adequate reserves are maintained on the books of the Company or its Subsidiaries, as the case may be, in conformity with GAAP; (b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business; (c) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations or to secure the performance of bids, performance bonds, tenders, trade contracts or leases (other than leases constituting Debt) in the ordinary course of business; (d) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable, were not incurred in connection with and do not secure Debt and do not materially adversely affect the use of such property for its present purposes; (e) Liens or other conveyances of property in favor of any governmental department, agency or instrumentality to secure partial, progress or advance or other payments (other than in respect of borrowed money) pursuant to any contract or statute; and (f) Liens in favor of the applicable utility providers on the Adequate Assurance Account.

"Permitted Refinancing" means, with respect to any Person, any modification, refinancing, refunding, renewal, replacement, exchange or extension of any Debt of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Debt so modified, refinanced, refunded, renewed, replaced, exchanged or extended except by an amount equal to accrued and unpaid interest and a reasonable premium thereon plus other reasonable and customary amounts paid, and customary fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal, replacement, exchange or extension and by an amount equal to any existing commitments unutilized thereunder; (b) such modification, refinancing, refunding, renewal, replacement, exchange or extension (i) has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Debt being modified, refinanced, refunded, renewed, replaced, exchanged or extended and (ii) has no scheduled amortization or payments of principal prior to 181 days after the Termination Date or, if the Debt being modified, amended, restated, amended and restated, refinanced, refunded, renewed or extended is subject to scheduled amortization or payments of principal, prior to any such scheduled amortization or payments of principal; (c) if the Debt being modified, refinanced, refunded, renewed, replaced, exchanged or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal, replacement, exchange or

extension is subordinated in right of payment to the Obligations on terms as favorable in all material respects to the Lenders as those contained in the documentation governing the Debt being modified, refinanced, refunded, renewed, replaced, exchanged or extended; (d) the terms and conditions (including, if applicable, as to collateral) of any such modified, refinanced, refunded, renewed, replaced, exchanged or extended Debt are, (A) either (i) customary for similar debt securities in light of then-prevailing market conditions (it being understood that such Debt shall not include any financial maintenance covenants and that any negative covenants shall be incurrence-based) or (ii) not materially less favorable to the Loan Parties or the Lenders, taken as a whole, than the terms and conditions of the Debt being modified, refinanced, refunded, renewed, replaced, exchanged or extended and (B) when taken as a whole (other than interest rate and redemption premiums), not more restrictive to the Company and its Subsidiaries than those set forth in this Agreement (provided that a certificate of a Responsible Officer of the Company delivered to the Agent in good faith at least five Business Days prior to the incurrence of such Debt, together with a reasonably detailed description of the material terms and conditions of such Debt or drafts of the documentation relating thereto, stating that the Company has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (d), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Agent provides notice to the Company of its objection during such five Business Day period); (e) any such modification, refinancing, refunding, renewal, replacement, exchange or extension is incurred by the Person who is the obligor or guarantor, or a successor to the obligor or guarantor, on the Debt being modified, refinanced, refunded, renewed, replaced or extended; (f) any such modification, refinancing, refunding, renewal, replacement, exchange or extension of Existing Second Lien Debt shall be subject to (and the holders of, and agents and/or trustees in respect of, any such Debt shall be bound by) the Existing Intercreditor Agreement; and (g) at the time thereof, no Event of Default shall have occurred and be continuing.

"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.

"Petition Date" has the meaning specified in the Introductory Statement.

"Plan" means a Single Employer Plan or a Multiple Employer Plan, but excluding any Canadian Pension Plan.

"Potential Defaulting Lender" means, at any time, a Lender (i) as to which the Agent has notified the Company that an event of the kind referred to in the definition of "Lender Insolvency Event" has occurred and is continuing in respect of any financial institution affiliate of such Lender, (ii) as to which the Agent or, in the case of a Revolving Lender, the Issuing Banks have in good faith reasonably determined and notified the Company that such Lender or its Parent Company or a financial institution affiliate thereof has notified the Agent, or has stated publicly, that it will not comply with its funding obligations under any other loan agreement or credit agreement or other similar/other financing agreement or (iii) that has, or whose Parent Company has, a rating for any class of its long-term senior unsecured debt lower than BBB- by S&P and Baa3 by Moody's. Any determination that a Lender is a Potential Defaulting Lender under any of clauses (i) through (iii) above will be made by the Agent or, in the case of clause (ii), the Issuing Banks, as the case may be, in their sole discretion acting in good faith and upon consultation with the Company. The Agent will promptly send to all parties hereto a copy of any notice to the Company provided for in this definition.

"PPSA" means the Personal Property Security Act of Ontario; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or by the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Prepayment Date" means (i) the date that is 30 days after the Interim Order Entry Date if the Final Order has not been entered by the Bankruptcy Court prior to such date (provided, however, that such date shall be 45 days after the Interim Order Entry Date if entry of the Final Order is delayed by any requirements as a result of an evidentiary hearing or similar hearing or process associated with objections being made to entry of the Interim Order or the Final Order) or (ii) such later date as approved by the Required Lenders.

"Pre-Petition Debt" means, collectively, the Debt of each Debtor outstanding and unpaid on the date on which such Person becomes a Debtor.

"Pre-Petition Payment" means a payment (by way of adequate protection or otherwise) of principal or interest or otherwise on account of any (i) Pre-Petition Debt, (ii) "critical or foreign vendor payments" or (iii) trade payables (including, without limitation, in respect of reclamation claims), or other pre-petition claims against any Debtor.

"Protective Revolving Loan" has the meaning specified in Section 2.01(c).

"Public Debt Rating" means, as of any date, for any Person the rating that has been most recently announced by either S&P or Moody's, as the case may be, for any class of long-term senior secured debt issued by such Person or, if any such rating agency shall have issued more than one such rating, the lowest such rating issued by such rating agency. If S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Ratable Share" of any amount means, (a) with respect to any US Revolving Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's US Revolving Credit Commitment at such time (or, if the US Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, such Lender's US Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the aggregate amount of all US Revolving Credit Commitments at such time (or, if the US Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, the aggregate amount of all US Revolving Credit Commitments as in effect immediately prior to such termination), (b) with respect to any Canadian Revolving Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Canadian Revolving Credit Commitment at such time (or, if the Canadian Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, such Lender's Canadian Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the aggregate amount of all Canadian Revolving Credit Commitments at such time (or, if the Canadian Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, the aggregate amount of all Canadian Revolving Credit Commitments as in effect immediately prior to such termination) and (c) with respect to any Term Lender at any time, the product of such amount times a fraction the numerator of which is the sum of (i) the amount of such Lender's unused Term Commitment (if any) at such time plus

(ii) the outstanding principal amount of such Lender's Term Loans at such time and the denominator of which is the sum of (i) the aggregate amount of all unused Term Commitments (if any) at such time plus (ii) the aggregate outstanding principal amount of all Term Loans at such time.

"Register" has the meaning specified in Section 8.07(g).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents, trustees, partners and advisors of such Person and such Person's Affiliates.

"Rent Reserve" means, with respect to any plant, warehouse, distribution center or other operating facility where any Eligible Inventory or Eligible Equipment subject to landlords' or warehousemen's Liens or other Liens arising by operation of law is located, and with respect to which no Landlord Lien Waiver has been delivered to Agent, a reserve equal to three month's rent at such plant, warehouse, distribution center, or other operating facility, and such other reserve amounts that may be determined by the Agent in its reasonable discretion.

"Reorganization Plan" means a plan of reorganization in any or all of the Cases of the Debtors.

"Replacement Lender" has the meaning specified in Section 2.20.

"Required Canadian Revolving Lenders" means at any time Lenders holding at least a majority in interest of the sum of (a) the aggregate unpaid principal amount of the Canadian Revolving Loans outstanding at such time and (b) the aggregate Canadian Unused Revolving Credit Commitments at such time.

"Required Lenders" means at any time Lenders holding (i) at least a majority in interest of the sum of (a) the aggregate unpaid principal amount of the Revolving Loans outstanding at such time, (b) the aggregate Unused Revolving Credit Commitments at such time and (c) the aggregate Letter of Credit Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in Letter of Credit Obligations being deemed held by such Lender for purposes of this definition) and (ii) at least a majority in interest of the aggregate unpaid principal amount of the Term Loans outstanding at such time; provided, however, that if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required Lenders at such time (A) the aggregate principal amount of the Term Loans and Revolving Loans owing to such Lender (in its capacity as a Lender) and outstanding at such time, (B) the Unused Revolving Credit Commitment of such Lender at such time and (C) the Letter of Credit Obligations held or deemed held by such Lender at such time.

"Required Revolving Lenders" means at any time Lenders that would constitute the Required Lenders without giving regard to clause (ii) of the definition thereof.

"Required Term Lenders" means at any time Lenders that would constitute the Required Lenders without giving regard to clause (i) of the definition thereof.

"Required US Revolving Lenders" means at any time US Revolving Lenders holding at least a majority in interest of the sum of (a) the aggregate unpaid principal amount of the US Revolving Loans outstanding at such time, (b) the aggregate US Unused Revolving Credit Commitments at such time and (c) the aggregate US Letter of Credit Obligations at such time

(with the aggregate amount of each Lender's risk participation and funded participation in US Letter of Credit Obligations being deemed held by such Lender for purposes of this definition); provided, however, that if any US Revolving Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required US Revolving Lenders at such time (A) the aggregate principal amount of the US Revolving Loans owing to such Lender (in its capacity as a Lender) and outstanding at such time, (B) the US Unused Revolving Credit Commitment of such Lender at such time and (C) the Letter of Credit Obligations held or deemed held by such Lender at such time.

"Reserves" means, at any time of determination and without duplication, (a) any Rent Reserves, (b) as regards the Canadian Loan Parties, any Canadian Priority Payables Reserves, (c) as regards the US Loan Parties, the Carve-Out Reserve and (d) such other reserves as determined from time to time in the reasonable discretion of the Agent to preserve and protect the value of the Collateral.

"Responsible Officer" means the chief executive officer, president, chief financial officer, secretary, assistant secretary, treasurer, assistant treasurer or controller of a Loan Party (or for purposes of Section 5.01(g)(xiv), the Company or any of its Subsidiaries). Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Revolving Credit Commitment" means a Canadian Revolving Credit Commitment and/or a US Revolving Credit Commitment, as the context may require.

"Revolving Credit Facility" means the Canadian Revolving Credit Facility and/or the US Revolving Credit Facility, as the context may require.

"Revolving Credit Facility Collateral" means (i) in respect of any US Loan Party, all Collateral consisting of pre- and post-petition property of such Loan Party consisting of (a) cash and Cash Collateral (other than cash proceeds of property that was Term Facility Collateral when such cash proceeds arose to the extent such cash proceeds are held in a segregated Cash Collateral Account), and any investment of such cash and Cash Collateral, (b) deposit accounts (other than any deposit account (including any Cash Collateral Account) that contains solely the cash proceeds of property that was Term Facility Collateral when such cash proceeds arose), (c) Inventory, (d) machinery and equipment, (e) accounts, chattel paper and other related rights to payment, (f) to the extent evidencing, governing, securing or otherwise related to the items referred to in the preceding clauses (a) through (e), and (ii) in respect of any Canadian Loan Party, all Collateral of such Canadian Loan Party. Terms used in the foregoing definition which are defined in the UCC and not otherwise defined in this Agreement have the meanings specified in the UCC; provided, that the Revolving Credit Facility Collateral of the US Loan Parties and the Term Facility Collateral shall include the proceeds of Avoidance Actions on an equal and ratable basis.

"Revolving Credit Facility Usage" means, at any time, the sum of the Canadian Revolving Credit Facility Usage and the US Revolving Credit Facility Usage at such time.

"Revolving Lender" means each Canadian Revolving Lender and each US Revolving Lender.

"Revolving Loan" means a Canadian Revolving Loan and/or a US Revolving Loan, as the context may require.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Secured Agreements" means, to the extent designated as such by the Company in writing to the Agent from time to time in accordance with Section 7.13, (a) all agreements and other documents relating to any treasury management services, clearing, corporate credit card and related services provided to the Company or any of its Subsidiaries and entered into by the Company or any of its Subsidiaries with any Lender or any of its Affiliates (regardless of whether such Lender subsequently ceases to be a Lender for any reason), (b) all letters of credit issued by a Lender or any its Affiliates (regardless of whether such Lender subsequently ceases to be a Lender for any reason) for the benefit of the Company or any of its Subsidiaries (other than Letters of Credit issued hereunder), (c) all agreements evidencing any other obligations of the Company and any of its Subsidiaries owing to any Lender and its Affiliates, (d) all Hedge Agreements entered into with the Company or any of its Subsidiaries by any Lender or any of its Affiliates (regardless of whether such Lender subsequently ceases to be a Lender for any reason) and (e) each agreement or instrument delivered by any Loan Party or Subsidiary of the Company pursuant to any of the foregoing, as the same may be amended from time to time in accordance with the provisions thereof.

"Secured Obligations" means the Canadian Secured Obligations and/or the US Secured Obligations, as the context may require.

"Secured Parties" means the Canadian Secured Parties and/or the US Secured Parties, as the context may require.

"Security Agreements" means the Canadian Security Agreement and/or the US Security Agreement, as the context may require.

"Single Class Default" means (i) an Event of Default resulting from a failure to perform the covenants set forth in Section 5.01(n) or 5.01(p), as to which the applicable Class of Lenders is the Term Lenders, (ii) an Event of Default resulting from a failure to perform the covenants set forth in Section 2.18, 5.01(d)(iii), 5.01(g)(ix), 5.01(k) or 5.01(m), as to which the applicable Class of Lenders is either or both the US Revolving Lenders and the Canadian Revolving Lenders, as the context may require and (iii) an Event of Default arising under Section 6.02(e) that relates solely to a Canadian Loan Party, as to which the applicable Class of Lenders is the Canadian Revolving Lenders, provided that any such Event of Default shall cease to be a Single Class Default immediately upon the exercise of remedies pursuant to Section 6.01 by the Lenders of the applicable Class.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Specified Business Units" means the Company's "Consumer" business segment, the Company's "Commercial" business segment and such other businesses of the Company as are agreed by the Agent and the Company.

"Specified Collateral" has the meaning specified in the US Security Agreement and in the Canadian Security 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.

"Supermajority Revolving Lenders" means, at any time, Lenders owed or holding more than 75% in interest of the sum of (a) the aggregate principal amount of the Revolving Credit Loans outstanding at such time, (b) the aggregate Unused Revolving Credit Commitment at such time and (c) the aggregate Letter of Credit Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in Letter or Credit Obligations being deemed held by such Lender for purposes of this definition); provided, however, that if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Supermajority Revolving Lenders at such time (A) the aggregate principal amount of the Revolving Loans owing to such Lender (in its capacity as a Lender) and outstanding at such time, (B) the Unused Revolving Credit Commitment of such Lender at such time and (C) the Letter of Credit Obligations held or deemed held by such Lender at such time.

"Superpriority Claim" means a claim against any Debtor in any of the Cases which is an administrative expense claim having priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

"Taxes" has meaning specified in Section 2.14(a).

"Term Borrowing" means a borrowing consisting of simultaneous Term Loans of the same Type made by the Term Lenders pursuant to Section 2.01(d).

"Term Commitment" means as to any Term Lender (a) the amount set forth opposite such Lender's name on Schedule I hereto as such Lender's "Term Commitment" or (b) if such Lender has entered into an Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(e), as such amount may be reduced pursuant to Section 2.05.

"Term Facility" has the meaning specified in the Introductory Statement.

"Term Facility Collateral" means all Collateral of the US Loan Parties other than the Revolving Credit Facility Collateral; provided that the Term Facility Collateral and the Revolving Credit Facility Collateral of the US Loan Parties shall include the proceeds of Avoidance Actions on an equal and ratable basis.

"Term Facility Termination Date" means the date on which all Obligations in respect of the Term Facility (other than contingent indemnification obligations for which no claim has been made) have been paid in full in cash and no Term Commitments are in effect.

"Term Lender" means, at any time, a Lender with an outstanding Term Loan or a Term Commitment at such time.

"Term Loan" has the meaning specified in Section 2.01(d).

"Termination Date" means the earliest of (a) the Maturity Date, (b) the date of termination in whole of the Commitments pursuant to Section 2.05, 6.01 or 8.13(b), (c) the Prepayment Date and (d) the Consummation Date.

"Termination Event" means (a) the filing of a notice of intent to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; (b) the institution of proceedings by any governmental or regulatory authority to terminate in whole or in part or have a trustee or third party administrator appointed to administer a Canadian Pension Plan; and (c) for the purposes of Section 5.01(g)(x) only, any other event or condition which would be reasonably likely to constitute grounds for the termination of, winding up or partial termination or winding up of, or the appointment of a trustee or third party administrator to administer, any Canadian Pension Plan.

"Total Outstandings" means at any time the aggregate Outstandings of all Lenders at such time.

"Type" refers to the distinction between Loans bearing interest at the Base Rate and Loans bearing interest at the Eurodollar Rate.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"UK Pensions Regulator" means the Pensions Regulator established in the United Kingdom pursuant to the Pensions Act of 2004.

"UK Pension Scheme" means the retirement benefits scheme known as the Kodak Pension Plan.

"Unissued Letter of Credit Commitment" means the US Unissued Letter of Credit Commitment.

"United States" and "US" mean the United States of America.

"Unused Revolving Credit Commitment" means the Canadian Unused Revolving Credit Commitment and/or the US Unused Revolving Credit Commitment, as the context may require.

"US Availability Block" means an amount equal to $25,000,000.

"US Borrowing Base" means, at any time, as to the Company and the US Guarantors, (a) the US Loan Value less (b) applicable Reserves at such time.

"US Collateral" means all "Collateral" referred to in the US Security Agreement and the other Collateral Documents and in the Interim Order and the Final Order relating to security under the US Revolving Credit Facility and the Term Facility; and all other property of the Company and the other US Loan Parties that is or is intended to be subject to any Lien in favor of the Agent for the benefit of the US Secured Parties pursuant to the terms of the Collateral Documents, the Interim Order or the Final Order.

"US Excess Availability" means, at any time, (1) the US Line Cap minus (2) the US Revolving Credit Facility Usage at such time.

"US Guarantor" means the Company and each US Subsidiary Guarantor.

"US Issuing Bank" means any Issuing Bank with outstanding US Letter of Credit Commitments.

"US Letter of Credit" means any standby letter of credit or commercial letter of credit issued under the US Letter of Credit Facility.

"US Letter of Credit Commitment" means, with respect to each Issuing Bank, the obligation of such Issuing Bank to issue Letters of Credit for the account of the Company and its Subsidiaries in (a) the amount set forth opposite such Issuing Bank's name on Schedule I hereto under the caption "US Letter of Credit Commitment" or (b) if such Issuing Bank has entered into one or more Assignment and Acceptances or is a Lender that has become an Issuing Bank after the Effective Date in accordance with the definition of "Issuing Bank", the amount set forth for such Issuing Bank in the Register maintained by the Agent pursuant to Section 8.07(g) as such Issuing Bank's "US Letter of Credit Commitment", in each case as such amount may be reduced prior to such time pursuant to Section 2.05.

"US Letter of Credit Facility" means, at any time, an amount equal to the least of (a) the aggregate amount of the Issuing Banks' US Letter of Credit Commitments at such time, (b) $200,000,000 and (c) the aggregate amount of the US Revolving Credit Commitments, as such amount may be reduced at or prior to such time pursuant to Section 2.05.

"US Letter of Credit Obligations" means, at any time, the sum of (i) the Available Amount of all US Letters of Credit issued and outstanding and (ii) the aggregate amount of all amounts drawn under US Letters of Credit that have not been reimbursed by the Company or converted to US Revolving Loans.

"US Line Cap" means, at any time, (x) the lesser of (i) the US Borrowing Base and (ii) the US Revolving Credit Commitments minus (y) the US Availability Block minus (z) the US Other Secured Obligations Amount.

"US Liquidity" means, on any date of determination, the sum of (A) the aggregate amount of Cash Equivalents owned by the US Loan Parties free and clear of all Liens (other than Liens created under the Collateral Documents and Liens securing the Existing Second Lien Debt) on such date plus (B) US Excess Availability on such date.

"US Loan Value" means, at any time of determination, an amount (calculated based on the most recent Borrowing Base certificate delivered to the Agent in accordance with this Agreement) equal to (a) with respect to Eligible Receivables of the US Loan Parties, 85% of Eligible Receivables less the applicable Dilution Reserve plus (b) with respect to Eligible

Inventory of the US Loan Parties, the lesser of (i) 65% of Eligible Inventory and (ii) 85% of the Net Orderly Liquidation Value of Eligible Inventory (based on the then most recent independent inventory appraisal) on any date of determination plus (c) the lesser of (x) $35,000,000 and (y) 75% of the Net Orderly Liquidation Value of Eligible Equipment of the US Loan Parties.

"US Loan Party" means the Company and each US Subsidiary Guarantor.

"US Obligations" means all liabilities and obligations of every nature of each US Loan Party from time to time owed to the Agent, the Collateral Agent, the Lenders, the other US Secured Parties or any of them, under (x) the Loan Documents relating to the US Revolving Credit Facility and the Term Facility and (y) subject to Section 7.13, the US Secured Agreements, whether for principal, interest (including interest which, but for the filing of a petition or other proceeding in a bankruptcy or insolvency proceeding with respect to such US Loan Party, would have accrued on any Obligation, whether or not a claim is allowed against such Loan Party for such interest in the related bankruptcy or insolvency proceeding), fees, expenses, indemnification or otherwise and whether primary, secondary, direct, indirect, contingent, fixed or otherwise.

"US Other Secured Obligations Amount" means, at any time, the sum of all Designated Amounts in respect of US Secured Agreements constituting Obligations at such time.

"US Protective Revolving Loan" has the meaning specified in Section 2.01(c).

"US Revolving Borrowing" means a borrowing consisting of simultaneous Revolving Loans of the same Type made by each of the US Revolving Lenders pursuant to Section 2.01(a)(i).

"US Revolving Credit Commitment" means as to any Revolving Lender (a) the amount set forth opposite such Lender's name on Schedule I hereto as such Lender's "US Revolving Credit Commitment", which shall be designated as a Commitment under the Revolving Credit Facility or (b) if such Lender has entered into an Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(g), as such amount may be reduced pursuant to Section 2.05.

"US Revolving Credit Exposure" means, with respect to any Revolving Lender at any time, such Lender's Ratable Share of the US Revolving Credit Facility Usage at such time.

"US Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Lenders' US Revolving Credit Commitments at such time.

"US Revolving Credit Facility Usage" means, at any time, the amount obtained by adding (i) the aggregate outstanding principal amount of all US Revolving Loans made by the Revolving Lenders and (ii) the aggregate outstanding US Letter of Credit Obligations.

"US Revolving Lender" means, at any time, a Lender that has a US Revolving Credit Commitment at such time.

"US Revolving Loan" means an advance by a Revolving Lender as part of a US Revolving Borrowing and refers to a Base Rate Revolving Loan or a Eurodollar Rate Revolving Loan and shall be deemed to include any US Protective Revolving Loan made hereunder.

"US Secured Agreements" means any Secured Agreement that is entered into by and between the Company or any of its Subsidiaries and any Lender (or Affiliate thereof) (regardless of whether such Lender subsequently ceases to be a Lender for any reason).

"US Secured Obligations" means the "Secured Obligations", as defined in the US Security Agreement.

"US Secured Parties" means, collectively, the Agent, the Collateral Agent, each US Revolving Lender, each Issuing Bank and each Lender or Affiliate of a Lender in its capacity as a counterparty to a US Secured Agreement (regardless of whether such Lender subsequently ceases to be a Lender for any reason).

"US Security Agreement" means the US Security Agreement, dated as of the Effective Date, from the US Loan Parties party thereto, as grantors, to the Agent, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"US Subsidiary" means any direct or indirect Subsidiary of the Company organized under the laws of the United States, any state thereof or the District of Columbia.

"US Subsidiary Guarantor" means the direct and indirect wholly-owned (other than directors' qualifying shares or similar holdings under applicable law) US Subsidiaries of the Company listed on Part A of Schedule II hereto and each other Subsidiary of the Company that shall be required to execute and deliver a guaranty pursuant to Section 5.01(h).

"US Unissued Letter of Credit Commitment" means, with respect to any Issuing Bank, the obligation of such Issuing Bank to issue US Letters of Credit for the account of the Company or its Subsidiaries in an amount equal to the excess of (a) the amount of its US Letter of Credit Commitment over (b) the aggregate US Letter of Credit Obligations outstanding to such Issuing Bank.

"US Unused Revolving Credit Commitment" means, with respect to each Revolving Lender at any time, (a) such Lender's US Revolving Credit Commitment at such time minus (b) the sum of (i) the aggregate principal amount of all US Revolving Loans made by such Lender (in its capacity as a Lender) and outstanding at such time, plus (ii) such Lender's Ratable Share of (A) the aggregate Available Amount of all US Letters of Credit outstanding at such time and (B) the aggregate principal amount of all US Revolving Loans made by each Issuing Bank pursuant to Section 2.03(c) that have not been ratably funded by such Lender and outstanding at such time.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"Weighted Average Life to Maturity" means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Debt.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP"). If at any time any change in GAAP or the application thereof would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Required Lenders shall so request, the Agent and the Company shall negotiate in good faith to amend such ratio or requirement (an "Accounting Change") to preserve the original intent thereof in light of such change in GAAP or the application thereof; provided that, until so amended, (i) such ratio or requirement shall be made as if such Accounting Change had not been effected and on a basis consistent with how GAAP or the rules promulgated pursuant thereto that are the subject of such Accounting Change were calculated in the most recent financial statements delivered by the Borrowers to the Lenders as to which no such objection shall have been made and (ii) the Borrowers shall provide to the Agent financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP or the application thereof.

SECTION 1.04. Reserves. When any Reserve is to be established or a change in any amount, percentage, reserve, eligibility criteria or other item in the definitions of the terms "Borrowing Base", "Eligible Inventory", "Eligible Receivables", "Eligible Equipment" and "Rent Reserve" is to be determined in each case in the Agent's "reasonable discretion", such Reserve shall be implemented or such change shall become effective on the Business Day immediately following delivery of a written notice thereof to the Borrower, or immediately, without prior written notice, during the continuance of a Default.

SECTION 1.05. Letter of Credit Amount. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any L/C Related Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

SECTION 1.06. Currency Equivalents Generally. Any amount specified in this Agreement (other than in Article II) or in any other Loan Document to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars to the extent necessary to give effect to the intent, where applicable, that this Agreement apply to Kodak Canada and the other Canadian Loan Parties, such equivalent amount thereof in the applicable currency to be determined by the Agent at such time on the basis of the Exchange Rate for the purchase of such currency with Dollars.

SECTION 1.07. Permitted Liens. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The term "including" is by way of example and not limitation (i.e., "including" shall be deemed to mean "including, without limitation").

(b) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

ARTICLE II

AMOUNTS AND TERMS OF THE LOANS AND LETTERS OF CREDIT

SECTION 2.01. The Loans and Letters of Credit. (a) Revolving Credit Facility.

(i) US Revolving Borrowings. Each US Revolving Lender severally agrees, on the terms and conditions set forth herein and in the Orders, to make US Revolving Loans in Dollars to the Company from time to time on any Business Day during the period from the Effective Date until the Termination Date, in each case (A) in an amount for each such US Revolving Loan not to exceed such US Revolving Lender's US Unused Revolving Credit Commitment at such time and (B) in an aggregate amount for all such US Revolving Loans not to exceed such US Revolving Lender's ratable portion (based on the aggregate amount of the US Unused Revolving Credit Commitments at such time) of the US Line Cap at such time. Each US Revolving Borrowing shall be in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof (or such lesser amount as may be applied and reborrowed in accordance with Section 2.18) and shall consist of Revolving Loans of the same Type made on the same day by the US Revolving Lenders ratably according to their respective US Revolving Credit Commitments. Within the limits of each US Revolving Lender's US Revolving Credit Commitment, the Company may borrow under this Section 2.01(a), prepay pursuant to Section 2.10 and reborrow under this Section 2.01(a).

(ii) Canadian Revolving Borrowings. Each Canadian Revolving Lender severally agrees, on the terms and conditions set forth herein (and in the Orders, to the extent applicable), to make Canadian Revolving Loans in Dollars to Kodak Canada from time to time on any Business Day during the period from the Effective Date until the Termination Date, in each case (A) in an amount for each such Canadian Revolving Loan not to exceed such Canadian Revolving Lender's Canadian Unused Revolving Credit Commitment at such time and (B) in an aggregate amount for all such Canadian Revolving Loans not to exceed such Canadian Revolving Lender's ratable portion (based on the aggregate amount of the Canadian Unused Revolving Credit Commitments at such time) of the Canadian Line Cap at such time. Each Canadian Revolving Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof (or such lesser amount as may be applied and reborrowed in accordance with Section 2.18) and shall consist of Revolving Loans of the same Type made on the same day by the Canadian Revolving Lenders ratably according to their respective Canadian Revolving Credit Commitments. Within the limits of each Canadian Revolving Lender's Canadian Revolving Credit Commitment, Kodak Canada may borrow under this Section 2.01(a), prepay pursuant to Section 2.10 and reborrow under this Section 2.01(a).

(b) Letters of Credit. Each Issuing Bank agrees, on the terms and conditions set forth herein and in the Orders, and in reliance upon the agreements of the other Lenders set forth in this Agreement, to issue or continue US Letters of Credit for the account of the Company and its Subsidiaries

from time to time on any Business Day during the period from the Effective Date until 30 days before the Termination Date in an aggregate Available Amount not to exceed (i) for all US Letters of Credit at any time the US Letter of Credit Facility at such time, (ii) for all US Letters of Credit issued by each Issuing Bank at any time such Issuing Bank's US Letter of Credit Commitment at such time and (iii) for each such US Letter of Credit an amount equal to the US Unused Revolving Credit Commitments of the Lenders at such time. No US Letter of Credit shall have an expiration date (including all rights of the Company or the beneficiary to require renewal) later than 10 Business Days before the Termination Date. Within the limits referred to above, the Company may from time to time request the Issuance of US Letters of Credit under this Section 2.01(b). Each of the Citi Existing Letters of Credit shall be deemed to constitute a US Letter of Credit issued hereunder.

(c) Protective Revolving Loans. The Agent shall be authorized, in its discretion, at any time that any conditions in Section 3.02 are not satisfied, to make US Revolving Loans in Dollars that are Base Rate Revolving Loans (any such US Revolving Loans made pursuant to this Section 2.01(c), "US Protective Revolving Loans") or Canadian Revolving Loans in Dollars that are Base Rate Revolving Loans (any such Canadian Revolving Loans made pursuant to this Section 2.01(c), "Canadian Protective Revolving Loans" and, together with the US Protective Revolving Loans, the "Protective Revolving Loans") in an aggregate amount not to exceed $15,000,000 at any time outstanding, if the Agent reasonably deems such Revolving Loans necessary or desirable to preserve or protect Collateral, or to enhance the collectability or repayment of Obligations; provided that no Protective Revolving Loan shall continue for more than 90 consecutive days (and no further Protective Revolving Loan may be made for at least five consecutive days after the repayment by the applicable Borrower of any outstanding Protective Revolving Loans). Protective Revolving Loans shall constitute Obligations secured by the Collateral and shall be entitled to all of the benefits of the Loan Documents. Immediately upon the making of a Protective Revolving Loan, each applicable Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Agent a risk participation in such Protective Revolving Loan in an amount equal to the product of such applicable Lender's Ratable Share times the amount of such Protective Revolving Loan. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Revolving Loan purchased hereunder, the Agent shall promptly distribute to such Lender, such Lender's Ratable Share of all payments of principal and interest and all proceeds of Collateral received by the Agent in respect of such Protective Revolving Loan (and prior to such date, all payments on account of the Protective Revolving Loans shall be payable to Agent solely for its own account). The Supermajority Revolving Lenders may at any time revoke the Agent's authority to make further Protective Revolving Loans by written notice to the Agent. Absent such revocation, the Agent's determination that funding of a Protective Revolving Loan is appropriate shall be conclusive. In no event shall Protective Revolving Loans cause the aggregate outstanding amount of the Revolving Loans of any Revolving Lender, plus such Lender's Ratable Share of the outstanding amount of all Letter of Credit Obligations to exceed such Lender's Revolving Credit Commitment. Protective Revolving Loans shall be payable by the applicable Borrower on demand.

(d) Term Borrowings. Subject to the terms and conditions set forth herein and in the Orders, each Term Lender agrees, severally and not jointly, to make term loans (each a "Term Loan") in Dollars to the Company from time to time on any Business Day on or after the Effective Date and prior to the date that is two Business Days following the Final Order Entry Date in not more than two draws in an aggregate principal amount not to exceed its respective Term Commitment. For the avoidance of doubt, any unused Term Commitments shall terminate on the date that is three Business Days following the Final Order Entry Date (or, if earlier, the Termination Date). Each Term Borrowing shall be in an aggregate amount of $100,000,000 or an integral multiple of $50,000,000 in excess thereof and shall consist of Term Loans of the same Type made on the same day by the Term Lenders ratably according to their respective Term Commitments; provided, that (x) the first Borrowing of Term Loans shall be in the full amount authorized by the Bankruptcy Court in the Interim Order and (y) the second Borrowing of Term Loans shall be in an amount equal to the difference between the full amount authorized by the

Bankruptcy Court in the Final Order and the full amount authorized by the Bankruptcy Court in the Interim Order. Term Loans prepaid or repaid may not be reborrowed.

SECTION 2.02. Making the Loans. (a) Except as otherwise provided in Section 2.03(c), each Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Loans or (y) 11:00 A.M. (New York City time) on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Loans, by the applicable Borrower to the Agent, which shall give to each applicable Lender prompt notice thereof by telecopier or any other electronic means agreed to by the Agent. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telephone, confirmed promptly in writing, or by telecopier (or any other electronic means agreed to by the Agent), in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) whether such Borrowing is a US Revolving Borrowing, a Canadian Revolving Borrowing or a Term Borrowing, (iii) Type of Loans comprising such Borrowing, (iv) aggregate amount of such Borrowing and (v) in the case of a Borrowing consisting of Eurodollar Rate Loans, the initial Interest Period for each such Loan. Each applicable Lender shall, before 1:00 P.M. (New York City time) on the date of such Borrowing make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's Ratable Share of such Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the applicable Borrower at the Agent's address referred to in Section 8.02(a).

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrowers may not select Eurodollar Rate Loans for any Borrowing if the aggregate amount of such Borrowing is less than $10,000,000 (or $5,000,000, in the case of Canadian Revolving Borrowings) or if the obligation of the Lenders to make Eurodollar Rate Loans shall then be suspended pursuant to Section 2.08 or 2.12 and (ii) the Eurodollar Rate Loans may not be outstanding as part of more than eighteen separate Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower delivering such notice. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Loans, the applicable Borrower shall indemnify each applicable Lender against any loss, cost or expense incurred by such Lender as a result of any failure of such Borrower to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Loan to be made by such Lender as part of such Borrowing when such Loan, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02, as applicable, and the Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the applicable Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Agent, at (i) in the case of a Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

(e) Each Revolving Lender may, at its option, make any Revolving Loan available to Kodak Canada by causing any foreign or domestic branch or Affiliate of such Lender to make such Revolving Loan; provided that any exercise of such option shall not affect the obligation of Kodak Canada to repay such Revolving Loan in accordance with the terms of this Agreement.

SECTION 2.03. Issuance of and Drawings and Reimbursement Under Letters of Credit

(a) Request for Issuance. (i) Each Letter of Credit shall be issued upon notice, given not later than 11:00 A.M. (New York City time) on the fifth Business Day prior to the date of the proposed Issuance of such Letter of Credit (or on such shorter notice as the applicable Issuing Bank may agree), by the Company to any Issuing Bank, and such Issuing Bank shall give the Agent, prompt notice thereof. Each such notice by the Company of Issuance of a Letter of Credit (a "Notice of Issuance") shall be by telephone, confirmed promptly in writing, or by telecopier (or any other electronic means agreed to by the Agent), specifying therein the requested (A) date of such Issuance (which shall be a Business Day), (B) Available Amount of such Letter of Credit, (C) expiration date of such Letter of Credit (which shall not be later than 10 Business Days before the Termination Date), (D) name and address of the beneficiary of such Letter of Credit, (E) form of such Letter of Credit, such Letter of Credit shall be issued pursuant to such application and agreement for letter of credit as such Issuing Bank and the Company shall agree for use in connection with such requested Letter of Credit (a "Letter of Credit Agreement") and (F) such other matters as the applicable Issuing Bank may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Notice of Issuance shall specify in form and detail satisfactory to the applicable Issuing Bank, (A) the Letter of Credit to be amended, (B) the proposed date of amendment thereof (which shall be a Business Day), (C) the nature of the proposed amendment and (D) such other matters as the applicable Issuing Bank may require. Additionally, the Company shall furnish to the applicable Issuing Bank and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, as such Issuing Bank or the Agent may require. If the requested form of such Letter of Credit is acceptable to the applicable Issuing Bank in its reasonable discretion (it being understood that any such form shall have only explicit documentary conditions to draw and shall not include discretionary conditions), such Issuing Bank will, upon fulfillment of the applicable conditions set forth in Section 8.02, make such Letter of Credit available to the Company at its office referred to in Section 9.02 or as otherwise agreed with the Company in connection with such Issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern.

(ii) No Issuing Bank shall be under any obligation to issue any Letter of Credit if: (A) any order, judgment or decree of any governmental authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing the Letter of Credit, or any law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any governmental authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Bank with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it; (B) except as otherwise agreed by the Agent and such Issuing Bank, the Letter of Credit is in an initial stated amount less than $100,000, in the case of a commercial Letter of Credit, or $500,000, in the case of a standby

Letter of Credit; (C) the Letter of Credit is to be denominated in a currency other than Dollars; (D) any Revolving Lender is at that time a Defaulting Lender, unless such Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) with the Company or such Lender to eliminate such Issuing Bank's actual or potential fronting exposure (after giving effect to Section 2.19(f)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other Letter of Credit Obligations as to which such Issuing Bank has actual or potential fronting exposure, as it may elect in its sole discretion; or (E) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iii) No Issuing Bank shall amend or continue any Letter of Credit if such Issuing Bank would not be permitted at such time to issue the Letter of Credit in its amended or continued form under the terms hereof.

(iv) Each Issuing Bank shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each Issuing Bank shall have all of the benefits and immunities (A) provided to the Agent in Article VIII with respect to any acts taken or omissions suffered by such Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in Article VIII included such Issuing Bank with respect to such acts or omissions, and (B) as additionally provided herein with respect to such Issuing Bank.

(v) No Issuing Bank shall have any obligation to issue any Letter of Credit hereunder if the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension thereof (it being understood that any such Letter of Credit so issued shall be on such terms and conditions as may be specified by the applicable Issuing Bank in its discretion, including with respect to expiry date and any automatic renewal features).

(b) Participations. By the Issuance of a US Letter of Credit (or an amendment to a US Letter of Credit increasing or decreasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each US Revolving Lender, and each US Revolving Lender hereby acquires from such Issuing Bank, a participation in such US Letter of Credit equal to such US Revolving Lender's Ratable Share of the Available Amount of such US Letter of Credit. The Company hereby agrees to each such participation. In consideration and in furtherance of the foregoing, each US Revolving Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of such Issuing Bank, such US Revolving Lender's Ratable Share of each drawing made under a US Letter of Credit funded by such Issuing Bank and not reimbursed by the Company on the date funded, or of any reimbursement payment required to be refunded to the Company for any reason, which amount will be advanced, and deemed to be a US Revolving Loan hereunder, regardless of the satisfaction of the conditions set forth in Section 3.02. Each US Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of US Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any US Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the US Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each US Revolving Lender further acknowledges and agrees that its participation in each US Letter of Credit will be automatically adjusted to reflect such Lender's Ratable Share of the Available Amount of such US Letter of Credit at each time such Lender's US Revolving Credit Commitment is amended pursuant to an assignment in accordance with Section 8.07 or otherwise pursuant to this Agreement.

Drawing and Reimbursement. The payment by an Issuing Bank of a draft drawn under any Letter of Credit which is not reimbursed by the Company on the date funded shall constitute for all purposes of this Agreement the making by any such Issuing Bank of a Revolving Loan under the US Revolving Credit Facility which shall be a Base Rate Revolving Loan, in the amount of such draft, without regard to whether the making of such a Revolving Loan would exceed such Issuing Bank's US Unused Revolving Credit Commitment. Each Issuing Bank shall give prompt notice to the Company and the Agent of each drawing under any Letter of Credit issued by it. Upon written demand by such Issuing Bank, with a copy of such demand to the Agent and the Company, each applicable Revolving Lender shall pay to the Agent such Lender's Ratable Share of such outstanding Revolving Loan pursuant to Section 2.03(b). Each applicable Revolving Lender acknowledges and agrees that its obligation to make Revolving Loans pursuant to this paragraph (c) in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Promptly after receipt thereof, the Agent shall transfer such funds to such Issuing Bank. Each Revolving Lender agrees to fund its Ratable Share of an outstanding Revolving Loan on (i) the Business Day on which demand therefor is made by such Issuing Bank, provided that notice of such demand is given not later than 11:00 A.M. (New York City time) on such Business Day, or (ii) the first Business Day next succeeding such demand if notice of such demand is given after such time. If and to the extent that any Lender shall not have so made the amount of such Revolving Loan available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by any such Issuing Bank until the date such amount is paid to the Agent, at the Federal Funds Rate for its account or the account of such Issuing Bank, as applicable. If such Lender shall pay to the Agent such amount for the account of any such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Revolving Loan made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Revolving Loan made by such Issuing Bank shall be reduced by such amount on such Business Day.

(c) Letter of Credit Reports. Each Issuing Bank shall furnish (i) to the Agent (with a copy to the Company) on the first Business Day of each month a written report summarizing Issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the preceding month and drawings during such month under all Letters of Credit and (ii) to the Agent (with a copy to the Company) on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit issued by such Issuing Bank.

(d) Applicability of ISP and UCP. Unless otherwise expressly agreed by the applicable Issuing Bank and the Company when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit.

(e) Failure to Make Revolving Loans. The failure of any Lender to make the Revolving Loan to be made by it on the date specified in Section 2.03(c) shall not relieve any other Lender of its obligation hereunder to make its Revolving Loan on such date, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Loan to be made by such other Lender on such date. No failure by any Lender to make such Revolving Loans shall limit or restrict the availability of any Letter of Credit to the Company.

Letters of Credit Issued for Subsidiaries

. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Company shall be obligated to reimburse the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Company hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Company, and that the Company's business derives substantial benefits from the businesses of such Subsidiaries.

SECTION 2.04. Fees. (a) Commitment Fee. The Borrowers agree to pay to the Agent for the account of each applicable Revolving Lender a commitment fee on the aggregate amount of such Lender's Unused Revolving Credit Commitment from the Effective Date until the Termination Date calculated by multiplying such Lender's Unused Revolving Credit Commitment by the Applicable Percentage, payable in arrears quarterly on the last day of each January, April, July and October and on the Termination Date; provided, however, that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) Letter of Credit Fees. (i) The Company shall pay to the Agent for the account of each applicable Revolving Lender (other than a Defaulting Lender) a commission on such Lender's Ratable Share of the average daily aggregate Available Amount of all Letters of Credit issued and outstanding from time to time at a rate per annum equal to the Applicable Margin for Eurodollar Rate Revolving Loans in effect from time to time during such calendar quarter, payable in arrears quarterly on the last day of each January, April, July and October, and on the Termination Date; provided that the Applicable Margin shall be 2% above the Applicable Margin in effect if the Company is required to pay default interest pursuant to Section 2.07(b).

(ii) The Company shall pay to each Issuing Bank, for its own account, a fronting fee (which shall accrue at a rate of 0.25% per annum on the daily amount available to be drawn on each Letter of Credit issued by such Issuing Bank) and such other commissions, issuance fees, transfer fees and other fees and charges in connection with the Issuance or administration of each Letter of Credit issued by such Issuing Bank as the Company and such Issuing Bank shall agree.

(c) Other Fees. The Company shall pay to the Agent (or to the Affiliate(s) of the Agent so designated by the Agent) the fees set forth in the fee letter dated January 17, 2012 between the Company and Citigroup Global Markets Inc. ("CGMI"), as such fee letter may from time to time be amended by the Company and CGMI, as and when such fees are due and payable pursuant to the terms thereof.

SECTION 2.05. Termination or Reduction of the Commitments. (a) Optional. The Borrowers shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or permanently reduce in part the Unissued Letter of Credit Commitments and the Unused Revolving Credit Commitments; provided, however, that each partial reduction of a Facility (i) shall be in an aggregate amount of $5,000,000 and an integral multiple of $1,000,000 in excess thereof and (ii) if made under any Revolving Credit Facility, shall be made ratably among the Lenders in accordance with their Revolving Credit Commitments in respect of such Revolving Credit Facility.

(b) Mandatory. The US Letter of Credit Facility shall be permanently reduced from time to time on the date of each reduction in the US Revolving Credit Facility by the amount, if any, by which the amount of such Letter of Credit Facility exceeds the US Revolving Credit Facility after giving effect to such reduction of the US Revolving Credit Facility.

SECTION 2.06. Repayment of Loans. (a) Revolving Credit Facility. The applicable Borrower shall repay to the Agent for the ratable account of each applicable Lender on the Termination

Date the aggregate principal amount of the Revolving Loans made by such Lender to such Borrower then outstanding.

(b) Letter of Credit Drawings. The obligations of the Company under any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including, without limitation, the following circumstances (it being understood that any such payment by the Company is without prejudice to, and does not constitute a waiver of, any rights the Company might have or might acquire as a result of the payment by any Lender of any draft or the reimbursement by the Company thereof, including, without limitation, pursuant to Section 8.13):

(i) any lack of validity or enforceability of this Agreement or any Note, or of any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (such Letter of Credit Agreement, Letter of Credit and related instruments or instruments being, collectively, the "L/C Related Documents");

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of such Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(iii) the existence of any claim, set-off, defense or other right that such Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), any Issuing Bank, the Agent, any Lender or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(vi) any exchange, release or non-perfection of any Collateral or other collateral, or any release or amendment or waiver of or consent to departure from any guarantee, for all or any of the obligations of the Company in respect of the L/C Related Documents; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company or a Guarantor.

(c) Term Facility. The Company shall repay to the Agent for the ratable account of each applicable Lender on the Termination Date the aggregate principal amount of the Term Loans made by such Lender to the Company then outstanding.

SECTION 2.07. Interest on Loans. (a) Scheduled Interest. Each Borrower shall pay interest on the unpaid principal amount of each Loan owing by such Borrower to the Agent for the account of each applicable Lender from the date of such Loan until such principal amount shall be paid in full, at the following rates per annum:

Base Rate Revolving Loans. During such periods as such Loan is a Base Rate Revolving Loan, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Margin, payable in arrears quarterly on the last day of each January, April, July and October during such periods and on the date such Base Rate Revolving Loan shall be Converted or paid in full.

(i) Eurodollar Rate Revolving Loans. During such periods as such Loan is a Eurodollar Rate Revolving Loan, a rate per annum equal at all times during each Interest Period for such Revolving Loan to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Loan plus (y) the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day of every third month during such Interest Period corresponding to the first day of such Interest Period and on the date such Eurodollar Rate Revolving Loan shall be Converted or paid in full.

(ii) Base Rate Term Loans. During such periods as such Loan is a Base Rate Term Loan, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Margin, payable in arrears quarterly on the last day of each January, April, July and October during such periods and on the date such Base Rate Term Loan shall be Converted or paid in full.

(iii) Eurodollar Rate Term Loans. During such periods as such Loan is a Eurodollar Rate Term Loan, a rate per annum equal at all times during each Interest Period for such Term Loan to the sum of (x) the Eurodollar Rate for such Interest Period for such Term Loan plus (y) the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day of every third month during such Interest Period corresponding to the first day of such Interest Period and on the date such Eurodollar Rate Term Loan shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 6.02(a), the Agent may, and upon the request of the Required Lenders shall, require and notify the Borrowers to pay interest ("Default Interest") on (i) the unpaid principal amount of each Loan owing to each Lender, payable in arrears on the dates referred to in clause (a)(i), (a)(ii), or (a)(iii) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Loan pursuant to clause (a)(i), (a)(ii), or (a)(iii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder in respect of the Loans of any Class that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Loans of such Class pursuant to clause (a)(i) or (a)(ii) above, as applicable, provided, however, that following acceleration of the Loans of any Class pursuant to Section 6.01, Default Interest on the Loans of such Class shall accrue and be payable hereunder whether or not previously required by the Agent.

SECTION 2.08. Interest Rate Determination. (a) The Agent shall give prompt notice to the Company and the applicable Lenders of the applicable interest rates determined by the Agent for purposes of each clause of Section 2.07(a).

(b) If, with respect to any Eurodollar Rate Loans of any Class, Lenders owed at least 50% of the then aggregate principal amount thereof notify the Agent that the Eurodollar Rate for any Interest Period for such Loans will not adequately reflect the cost to such Lenders of making, funding or maintaining their respective Eurodollar Rate Loans for such Interest Period, the Agent shall forthwith so notify the Company and the applicable Lenders, whereupon (i) each Eurodollar Rate Loan of such Class will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Loan of such Class, and (ii) the obligation of the applicable Lenders to make, or to Convert Loans of such

Class into, Eurodollar Rate Loans of such Class shall be suspended until the Agent shall notify the Borrowers and such Lenders that the circumstances causing such suspension no longer exist.

(c) If any Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Loans in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify such Borrower and the Appropriate Lenders and such Loans will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Loans.

(d) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Revolving Loans comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000 (or $5,000,000 in the case of Canadian Revolving Loans), such Revolving Loans shall automatically Convert into Base Rate Revolving Loans.

(e) Upon the occurrence and during the continuance of any Event of Default under Section 6.02(a) or, in the case of and with respect to Revolving Loans, any Borrowing Base Deficiency, (i) each applicable Eurodollar Rate Loan will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Loan and (ii) the obligation of the applicable Lenders to make, or to Convert Loans into, Eurodollar Rate Loans shall be suspended.

(f) If Reuter Screen LIBOR01 is unavailable for determining the Eurodollar Rate for any Eurodollar Rate Loans,

(i) the Agent shall forthwith notify the Borrowers and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Loans,

(ii) with respect to Eurodollar Rate Loans, each such Loan will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Loan (or if such Revolving Loan is then a Base Rate Loan, will continue as a Base Rate Loan), and

(iii) the obligation of the Lenders to make Eurodollar Rate Loans or to Convert Base Rate Loans into Eurodollar Rate Loans shall be suspended until the Agent shall notify the Company and the Lenders that the circumstances causing such suspension no longer exist.

(g) With respect to Revolving Loans made to Kodak Canada, whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the Interest Act (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

(h) With respect to Revolving Loans made to Kodak Canada, the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

(i) Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the applicable Loans or, if it exceeds such unpaid principal, refunded to the Borrowers, as applicable. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or

premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

(j) Notwithstanding any provision of this Agreement, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code (Canada)) payable by Kodak Canada under this Agreement exceed the effective annual rate of interest on the "credit advanced" (as defined in the Section) under this Agreement lawfully permitted by that Section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that Section) is determined to be contrary to the provisions of that Section, such payment, collection or demand shall be deemed to have been made by mutual mistake of Kodak Canada and the Lenders and the amount of such payment or collection shall be refunded to Kodak Canada. For the purposes of this Agreement, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the relevant term and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lenders will be prima facie evidence of such rate.

SECTION 2.09. Optional Conversion of Loans. The applicable Borrower may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any portion of the Revolving Loans or Term Loans made to it of one Type comprising the same Borrowing into Revolving Loans or Term Loans, respectively, of the other Type; provided, however, that any Conversion of Eurodollar Rate Loans into Base Rate Loans shall be made only on the last day of an Interest Period for such Eurodollar Rate Loans, any Conversion of Base Rate Loans into Eurodollar Rate Loans shall be in an amount not less than the minimum amount specified in Section 2.02(b), no Conversion of any Loans shall result in more separate Borrowings than permitted under Section 2.02(b) and each Conversion of Loans comprising part of the same Borrowing shall be made ratably among the applicable Lenders in accordance with their Revolving Credit Commitments (or, in the case of a Conversion of Term Loans, in accordance with the outstanding Term Loans of the applicable Lenders). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Loans to be Converted, and (iii) if such Conversion is into Eurodollar Rate Loans, the duration of the initial Interest Period for each such Loan. Each notice of Conversion shall be irrevocable and binding on the Borrower giving such notice.

SECTION 2.10. Prepayments of Loans. (a) Optional. The applicable Borrower may, upon notice at least three Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Loans, and not later than 11:00 A.M. (New York City time) on the Business Day prior to such prepayment, in the case of Base Rate Loans, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given such Borrower shall, prepay the outstanding principal amount of the Loans of a Class comprising part of the same Borrowing made to it in whole or in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment of the Loans of such Class shall be in an aggregate principal amount of $10,000,000 (or $5,000,000, in the case of the Canadian Revolving Credit Facility), or an integral multiple of $1,000,000 (or $5,000,000 in the case of the Term Facility) in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Loan, such Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

(b) Mandatory. (i) Each Borrower shall, on each Business Day, if applicable, prepay (with no corresponding commitment reduction) an aggregate principal amount of the Revolving Loans owed by such Borrower and comprising part of the same Borrowings in an amount equal to the amount by which (A) the sum of (x) the aggregate principal amount of the Revolving Loans owed by such Borrower and then outstanding plus (y) the aggregate applicable Letter of Credit Obligations then outstanding exceeds (B) the applicable Line Cap (except as a result of Protective Revolving Loans made under Section 2.01(c) and not outstanding for more than 90 consecutive days); provided that in respect of any prepayment under this subsection directly attributable to any adjustment of Reserves, such

prepayment shall be made not later than the Business Day immediately following the date such adjusted Reserves became effective.

(ii) Within three (3) Business Days of receipt by the Company or any of its Subsidiaries of the Net Cash Proceeds of any Asset Sale or Casualty Event that results from the sale or other disposition of Accounts, Inventory, Equipment or machinery that in each case constitutes Collateral, the Company shall apply an amount equal to 100% of such Net Cash Proceeds to prepay the Loans and, unless the conditions set forth in Section 3.02 are at the time satisfied and a Responsible Officer of the Company shall have delivered to the Agent a certificate to such effect (in which case such amounts may be transferred by the Company to a Collection Account and used by the Company and its Subsidiaries for general corporate purposes), to Cash Collateralize the Letter of Credit Obligations in the following order: first to the ratable prepayment of the outstanding Revolving Loans until all such Loans have been prepaid in full, second to Cash Collateralize the Letter of Credit Obligations (if required) and third to the ratable prepayment of the outstanding Term Loans until all such Loans have been prepaid in full.

(iii) On each Business Day, all amounts collected in the Digital Imaging Patent Portfolio Disposition Cash Collateral Account, will be applied to prepay the Loans and, unless the conditions set forth in Section 3.02 are at the time satisfied and a Responsible Officer of the Company shall have delivered to the Agent a certificate to such effect (in which case such amounts may be transferred by the Company to a Collection Account and used by the Company and its Subsidiaries for general corporate purposes), to Cash Collateralize the Letter of Credit Obligations in the following order: first to the ratable prepayment to the outstanding Term Loans until all such Loans have been prepaid in full, second to the ratable prepayment of the outstanding Revolving Loans until all such Loans have been prepaid in full and third to Cash Collateralize the Letter of Credit Obligations (if required).

(iv) Subject to Section 2.10(b)(viii), within three (3) Business Days after the day of receipt by the Company or any of its Subsidiaries of Other Proceeds, the Company shall apply an amount equal to the Applicable Prepayment Percentage of such Other Proceeds to prepay the Loans and to Cash Collateralize the Letter of Credit Obligations in the order set forth in (and, in the case of the Letter of Credit Obligations, to the extent required by) Section 2.10(b)(iii).

(v) Each prepayment of principal pursuant to this Section 2.10(b) shall be applied first to outstanding Base Rate Loans of each applicable Class up to the full amount thereof and then to outstanding Eurodollar Rate Loans of each applicable Class up to the full amount thereof. Each prepayment made pursuant to this Section 2.10(b) shall be made together with any interest accrued to the date of such prepayment on the principal amounts prepaid and, in the case of any prepayment of a Eurodollar Rate Loan on a date other than the last day of an Interest Period or at its maturity, any additional amounts which the applicable Borrower shall be obligated to reimburse to the Lenders in respect thereof pursuant to Section 8.04(c).

(vi) The Agent shall give prompt notice of any prepayment required under this Section 2.10(b) to Lenders.

(vii) No prepayment of Revolving Loans or Cash Collateralization made pursuant to this Section 2.10(b) shall reduce the Revolving Credit Commitments or the Letter of Credit Commitments.

(viii) Notwithstanding any other provisions of this Section 2.10(b) and except with respect to any Digital Imaging Patent Portfolio Disposition or IP Settlement Agreement, and with respect only to any Asset Sale, IP License or Casualty Event described in Section 2.10(b)(iv), to

the extent that applicable law would (x) prohibit or delay the repatriation to the United States of America or Canada of any Net Cash Proceeds received by any Subsidiary that is not a US Subsidiary or a Canadian Subsidiary or (y) impose material adverse tax or legal consequences on the Company and its Subsidiaries if such Net Cash Proceeds were so repatriated, in each case as determined by the Company in good faith, the portion of such Net Cash Proceeds so affected shall be disregarded for purposes of determining the amount of any mandatory prepayment required to be made under Section 2.10(b) so long, but only so long, as applicable local law would prohibit such repatriation (the Company hereby agreeing to promptly take or to cause the applicable Subsidiary to promptly take (as the case may be) all actions required by the applicable local law to permit such repatriation) or impose such material adverse tax consequences, and at such time as such repatriation of any such Net Cash Proceeds becomes permitted under the applicable local law and/or such material adverse tax consequences would no longer exist (and in any event within three Business Days thereafter) (and whether or not any of such Net Cash Proceeds are actually repatriated), the Company shall prepay the Loans and Cash Collateralize the Letter of Credit Obligations pursuant to Section 2.10(b)(iv).

SECTION 2.11. Increased Costs. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Loans (or, in the case of any change in or in the interpretation of any law or regulations with respect to taxes, any Loans) or of agreeing to issue or of issuing or maintaining or participating in Letters of Credit (excluding for purposes of this Section 2.11 any such increased costs resulting from (x) Taxes, Excluded Taxes or Other Taxes (as to which Section 2.14 shall govern) and (y) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the applicable Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Borrowers and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

Notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “change in law”, regardless of the date enacted, adopted or issued.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender’s commitment to lend or to issue or participate in Letters of Credit hereunder and other commitments of such type or the issuance or maintenance of or participation in the Letters of Credit (or similar contingent obligations), then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrowers shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably

determines such increase in capital to be allocable to the existence of such Lender's commitment to lend or to issue or participate in Letters of Credit hereunder or to the issuance or maintenance of or participation in any Letters of Credit. A certificate as to such amounts submitted to the Borrowers and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Loans or to fund or maintain Eurodollar Rate Loans hereunder, (a) each Eurodollar Rate Loan will automatically, upon such demand, Convert into a Base Rate Loan and (ii) the obligation of the Lenders to make, or to Convert Loans into, Eurodollar Rate Loans shall be suspended until the Agent shall notify the Borrowers and the Lenders that the circumstances causing such suspension no longer exist; provided, however, that before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Loans or to continue to fund or maintain Eurodollar Rate Loans and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.13. Payments and Computations. (a) The Borrowers shall make each payment hereunder without condition or deduction for any right of counterclaim, defense, recoupment or set-off, not later than 11:00 A.M. (New York City time) on the day when due in Dollars to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, fees or commissions ratably (other than amounts payable pursuant to Section 2.04, 2.11, 2.14 or 8.04(c)) to the applicable Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) Each Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender but subject to the Carve-Out, to charge from time to time against any or all of such Borrower's accounts with such Lender any amount so due.

(c) Except as otherwise required by Section 2.08(g), all computations of interest and of fees and Letter of Credit commissions shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees or commissions are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest, fee or commission, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Loans to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

Unless the Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Lenders hereunder that such Borrower will not make such payment in full, the Agent may assume that such Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent any Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

(e) Subject to Section 6.04 and to the Intercreditor Agreement, if the Agent receives funds for application to the Obligations of the Borrowers under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify, or the applicable Borrower does not direct, the Loans to which, or the manner in which, such funds are to be applied, the Agent may, but shall not be obligated to, elect to distribute such funds ratably to the outstanding Obligations under the US Revolving Credit Facility, the Canadian Revolving Credit Facility and the Term Facility, in the case of funds received from a Borrower, as applicable to such Borrower, and within each such Facility, first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and, in the case of the US Revolving Credit Facility, unreimbursed amounts drawn under Letters of Credit then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and such Letter of Credit obligations then due to such parties.

SECTION 2.14. Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party to or for the account of any Lender or the Agent hereunder or under the Notes shall be made, in accordance with Section 2.13 or the applicable provisions of such other documents, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, remittances, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent (i) taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or in which its principal executive office is located, or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof, and (ii) any U.S. federal withholding taxes imposed under FATCA that would not have been imposed but for the failure of the Agent or Lender, as applicable, to satisfy the applicable requirements of FATCA (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes" and all such excluded taxes being referred to as "Excluded Taxes"). If any Loan Party or the Agent shall be required by law to deduct, remit or withhold any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Agent, (i) the sum payable by the applicable Loan Party shall be increased as may be necessary so that after all required deductions, remittances or withholdings are made (including deductions applicable to additional sums payable under this Section 2.14), such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Loan Party or the Agent shall make such deductions and (iii) such Loan Party or the Agent shall pay the full amount deducted, remitted or withheld to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Loan Party shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made by such Loan Party hereunder or under any other Loan Documents or from the execution,

delivery or registration of, performing under, or otherwise with respect to, this Agreement or the other Loan Documents (hereinafter referred to as "Other Taxes").

(c) The Loan Parties shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.14) imposed on or paid or remitted by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor with appropriate supporting documentation.

(d) Within 30 days after the date of any payment of Taxes, the appropriate Loan Party shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing such payment to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Agent. In the case of any payment hereunder or under the Notes or any other documents to be delivered hereunder by or on behalf of a Loan Party through an account or branch outside the United States or by or on behalf of a Loan Party by a payor that is not a United States person, if such Loan Party determines that no Taxes are payable in respect thereof, such Loan Party shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel reasonably acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Code.

(e) Each Lender or Agent organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement, on or prior to the designation of any different Applicable Lending Office, on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each Lender that becomes a party hereto pursuant to Section 8.07, on the date such Agent is appointed pursuant to Section 7.07(a) in the case of a successor Agent, and from time to time thereafter as reasonably requested in writing by the Company or the Agent (but only so long as such Lender or the Agent remains lawfully able to do so), shall provide each of the Agent and the Company with two original Internal Revenue Service Forms W-8BEN or (in the case of a Lender or the Agent that is claiming (A) an exemption from, or reduction in the rates of, United States federal withholding tax under an applicable income tax treaty or (B) an exemption from United States federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest" and, in the case of this clause (B), that has certified in writing to the Agent and the Company that it is not (i) a "bank" as defined in Section 881(c)(3)(A) of the Code), (ii) a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of any Loan Party or (iii) a controlled foreign corporation related to any Loan Party (within the meaning of Section 864(d)(4) of the Code (a "Compliance Certificate")) or Internal Revenue Service Forms W-8ECI, Internal Revenue Service Forms W-8IMY, accompanied by Internal Revenue Service Forms W-8ECI, W-8BEN (together with a withholding statement and Compliance Certificates, as appropriate), W-9, and/or other certification documents from each beneficial owner, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender or the Agent is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or any other Loan Document or Internal Revenue Service Forms W-8BEN certifying that such Lender or the Agent is a foreign corporation, partnership, estate or trust. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered Excluded Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered Excluded Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee

becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If a payment made to a Lender hereunder or under the Notes would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Agent as may be necessary for the Company and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.14(e), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. If any form or document referred to in this subsection (e) (other than FATCA documentation) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the Effective Date by Internal Revenue Service Form W-8BEN or W-8ECI or the related certificate described above, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Company and shall not be obligated to include in such form or document such confidential information, except directly to a governmental authority or other Person subject to a reasonable confidentiality agreement. In addition, upon the written request of the Company or the Agent, each Lender or the Agent shall provide any other certification, identification, information, documentation or other reporting requirement if (i) delivery thereof is required by a change in the law, regulation, administrative practice or any applicable tax treaty as a precondition to exemption from or a reduction in the rate of deduction or withholding; (ii) the Agent or Lender, as the case may be, is legally entitled to make delivery of such item; and (iii) delivery of such item will not result in material additional costs unless Borrower shall have agreed in writing to indemnify Lender or the Agent for such costs.

(f) For any period with respect to which a Lender has failed to provide the Company with the appropriate form, certificate or other document described in Section 2.14(e) (other than if such failure is due to a change in law, or in the interpretation or application thereof, occurring subsequent to the date on which a form, certificate or other document originally was required to be provided, or if such form, certificate or other document otherwise is not required under subsection (e) above), taxes imposed by the United States of America or Canada by reason of such failure shall be treated as Excluded Taxes; provided, however, that should a Lender become subject to taxes because of its failure to deliver a form, certificate or other document required hereunder, the Loan Parties, at such Lender's expense, shall take such steps as the Lender shall reasonably request to assist the Lender to recover such taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) If any Lender or the Agent determines, in its sole discretion, that it has actually and finally realized, by reason of a refund, deduction or credit of any Taxes paid or reimbursed by a Loan Party pursuant to subsection (a) or (c) above in respect of payments under this Agreement or the other Loan Documents, a current monetary benefit that it would otherwise not have obtained, and that would result in the total payments under this Section 2.14 exceeding the amount needed to make such Lender or the Agent whole, such Lender or the Agent, as the case may be, shall pay to the applicable Loan Party, with reasonable promptness following the date on which it actually realizes such benefit, an amount equal to the lesser of the amount of such benefit or the amount of such excess, in each case net of all out-of-pocket expenses in securing such refund, deduction or credit; provided, that the Borrowers, upon the request of the Agent or such Lender, agree to repay the amount paid (with interest and penalties) over to

any Loan Party to the Agent or such Lender in the event the Agent or such Lender is required to repay such amount to such governmental authority.

(i) If any Loan Party determines in good faith that a reasonable basis exists for contesting the applicability of any Tax or Other Tax, the Agent or the relevant Lender shall cooperate with such Loan Party, upon the request and at the expense of such Loan Party, in challenging such Tax or Other Tax. Nothing in this Section 2.14(i) or in Section 2.14(h) shall require the Agent or any Lender to disclose the contents of its tax returns or other confidential information to any Person.

(j) Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Taxes or Other Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Taxes and Other Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(i) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of "Taxes" attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant governmental authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 2.14(j). For the avoidance of doubt, except as otherwise provided in Sections 2.14(a), 2.14(b) and 2.14(c), nothing in this Section 2.14(j) shall result in any increase in the liability of any Loan Party to any Lender or the Agent for Taxes or Other Taxes.

SECTION 2.15. Sharing of Payments, Etc. Without expanding the rights of any Lender under this Agreement, if any Appropriate Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Loans owing to it (other than (x) as payment of a Loan made by an Issuing Bank pursuant to the first sentence of Section 2.03(c) or (y) pursuant to Section 2.11, 2.14 or 8.04(c)) in excess of its ratable share (according to the proportion of (i) the amount of such Loans due and payable to such Lender at such time to (ii) the aggregate amount of the Loans due and payable at such time to all Appropriate Lenders hereunder) of payments on account of the Loans obtained by all the Appropriate Lenders, such Lender shall forthwith purchase from the other Appropriate Lenders such participations in the Loans owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Appropriate Lender shall be rescinded and such Appropriate Lender shall repay to the purchasing Lender the purchase price to the extent of such Appropriate Lender's ratable share (according to the proportion of (i) the purchase price paid to such Lender to (ii) the aggregate purchase price paid to all Appropriate Lenders) of such recovery together with an amount equal to such Appropriate Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered; providedfurther that, so long as the applicable Loans shall not have become due and payable pursuant to Section 6.01, any excess payment received by any Appropriate Lender shall be shared on a pro rata basis only with other Appropriate Lenders. The Borrowers agree that any Appropriate Lender so purchasing a participation from another Appropriate Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Loan Parties in the amount of such participation; providedfurther that each Lender shall only purchase participations in Loans (and Letter of

Credit Obligations, if applicable) under the Facilities with respect to which they hold a Commitment or an outstanding Loan.

SECTION 2.16. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of the Loans. Each Borrower agrees that upon notice by any Lender to such Borrower (with a copy of such notice to the Agent) to the effect that a Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Loans owing to, or to be made by, such Lender, such Borrower shall promptly execute and deliver to such Lender a Note, as applicable, properly completed, payable to such Lender and its registered assigns in a principal amount up to the Revolving Credit Commitment of such Lender (in the case of a Revolving Lender), or in an amount equal to the outstanding principal amount of the Term Loans of such Lender (in the case of a Term Lender).

(b) The Register maintained by the Agent pursuant to Section 8.07(e) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Loans comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from each Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from each Borrower to such Lender under this Agreement, absent manifest error; provided, however, that the failure of such Lender to make an entry, or any finding that an entry is incorrect, in such account or accounts shall not limit or otherwise affect the obligations of any Borrower under this Agreement with respect to Loans made and not repaid.

SECTION 2.17. Use of Proceeds. The proceeds of the Loans and the Letters of Credit shall be available (and each Borrower agrees that it shall use such proceeds) solely for general corporate purposes of the Company and its Subsidiaries (including to refinance obligations outstanding under the Existing Credit Agreement).

SECTION 2.18. Cash Management

(a) Within 30 days (or, in the case of Deposit Accounts of the Canadian Loan Parties, 60 days) after the Effective Date (or such later date as the Agent may specify in its sole discretion), and at all times thereafter, the Loan Parties shall enter into and maintain blocked account agreements (each, a "Blocked Account Agreement"), satisfactory in form and substance to the Agent in its reasonable discretion, with respect to each Deposit Account into which payments in respect of Accounts of the Loan Parties are remitted (each such Deposit Account, a "Collection Account"), other than any Collection Account maintained with the Agent. Except as expressly provided herein, no deposits that constitute Term Facility Collateral (or the identifiable cash proceeds thereof) will be made to the Collection Accounts.

(b) Each Blocked Account Agreement shall require, during the continuance of an Event of Default (and delivery of notice thereof to the applicable depositary bank from the Agent) (and the Agent agrees to provide a copy of such notice to the Company), the ACH or wire transfer on each Business Day of all ledger or available, as applicable, cash receipts held in the applicable Collection Account to a concentration account maintained by the Agent (or at an Affiliate of the Agent, if so

specified by the Agent) (an "Agent Sweep Account") located in the United States (in respect of Deposit Accounts of the Company and the US Subsidiary Guarantors) or in Canada (in respect of Deposit Accounts of Kodak Canada and the Canadian Subsidiary Guarantors).

(c) If (i) at any time during the continuance of an Event of Default, any cash or Cash Equivalents owned by a Loan Party are deposited in any account (other than an Excluded Account), or held or invested in any manner (other than (x) in a Collection Account that is subject to the Blocked Account Agreement, (y) in a Collection Account that is maintained with the Agent or (z) a Deposit Account which is swept daily to a Collection Account subject to a Blocked Account Agreement or maintained with the Agent), or (ii) at any time, a Collection Account shall cease to be subject to a Blocked Account Agreement or maintained with the Agent, the applicable Loan Party shall immediately furnish the Agent with written notice thereof and the Agent may require such Loan Party to close such account and have any such funds transferred to a Collection Account which is subject to a Blocked Account Agreement or maintained with the Agent.

(d) A Loan Party may close any Deposit Account or a Collection Account, maintain existing Deposit Accounts or Collection Accounts and/or open new Deposit Accounts or Collection Accounts, subject to the execution and delivery to the Agent of appropriate Blocked Account Agreements with respect to each Collection Account (except with respect to any Collection Account maintained with the Agent) consistent with the provisions of this Section 2.18 and otherwise reasonably satisfactory to the Agent. The applicable Loan Party shall furnish the Agent with prior written notice of its intention to open or close a Collection Account and the Agent shall promptly notify such Loan Party as to whether the Agent shall require a Blocked Account Agreement with the Person with whom such account will be maintained.

(e) Each Agent Sweep Account shall at all times be under the sole dominion and control of the Agent. Each Loan Party hereby acknowledges and agrees that (i) it has no right of withdrawal from the Agent Sweep Account, (ii) the funds on deposit in an Agent Sweep Account shall at all times continue to be collateral security for all of the Secured Obligations, and (iii) the funds on deposit in an Agent Sweep Account shall be applied as provided in Section 2.18(h) of this Agreement and in the US Security Agreement. In the event that, notwithstanding the provisions of this Section 2.18, during the continuance of an Event of Default, a Loan Party receives or otherwise has dominion and control of any such proceeds or collections, such proceeds and collections shall be held in trust by such Loan Party for the Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall promptly be deposited into a Collection Account or dealt with in such other fashion as such Loan Party may be instructed by the Agent.

(f) Any amounts remaining in an Agent Sweep Account (i) at any time when an Event of Default is no longer continuing for purposes of this Agreement or (ii) after application of amounts received in such Agent Sweep Account as set forth in subsection (h) below, shall be remitted to the primary Collection Account of the applicable Borrower designated by the Company in a written notice to the Agent.

(g) The Agent shall promptly (but in any event within two (2) Business Days) furnish written notice to each Person with whom a Collection Account is maintained when an Event of Default is no longer continuing for purposes of this Agreement.

(h) (i) Any amounts received in an Agent Sweep Account in the United States shall be applied to the payment (without a corresponding reduction of Revolving Credit Commitments) of all of the Revolving Loans made to the Company (whether then due or not) and to the payment of all of the other Obligations under the Loan Documents of the Company and the US Subsidiary Guarantors (other than contingent obligations) (whether then due or not) in accordance with Section 6.04 (with all

Revolving Loans deemed due for purposes thereof); (ii) any amounts received in an Agent Sweep Account in Canada shall be applied to the payment (without a corresponding reduction of Revolving Credit Commitments) of all of the Revolving Loans made to Kodak Canada (whether then due or not) and to the payment of all of the other Obligations under the Loan Documents of Kodak Canada and the Canadian Subsidiary Guarantors (other than contingent obligations) (whether then due or not) in accordance with Section 6.04 (with all Revolving Loans deemed due for purposes thereof); and (iii) all payments to be made in accordance with this subsection (h) in respect of Eurodollar Rate Revolving Loans shall be made on the last day of the applicable Interest Period therefor, and shall be held in the applicable Agent Sweep Account pending such payment.

(i) The following shall apply to deposits and payments under and pursuant to this Agreement:

(i) funds shall be deemed to have been deposited to an Agent Sweep Account on the Business Day on which deposited, provided that such deposit is available to the Agent by 2:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. on that Business Day);

(ii) funds paid to the Agent, other than by deposit to an Agent Sweep Account, shall be deemed to have been received on the Business Day when they are good and collected funds, provided that such payment is available to the Agent by 2:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. on that Business Day); and

(iii) if a deposit to an Agent Sweep Account or payment is not available to the Agent until after 2:00 p.m. on a Business Day, such deposit or payment shall be deemed to have been made at 9:00 a.m. on the then next Business Day.

SECTION 2.19. Defaulting Lenders. (a) In the event that, at any time, (1) any Lender shall be a Defaulting Lender, (2) such Defaulting Lender shall owe a Defaulted Loan to a Borrower and (3) such Borrower shall be required to make any payment hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then such Borrower may, to the fullest extent permitted by applicable law, set off and otherwise apply the Obligation of such Borrower to make such payment to or for the account of such Defaulting Lender against the obligation of such Defaulting Lender to make such Defaulted Loan. In the event that, on any date, a Borrower shall so set off and otherwise apply its obligation to make any such payment against the obligation of such Defaulting Lender to make any such Defaulted Loan on or prior to such date, the amount so set off and otherwise applied by such Borrower shall constitute for all purposes of this Agreement and the other Loan Documents a Loan of the applicable Class by such Defaulting Lender made on the date under the applicable Facility pursuant to which such Defaulted Loan was originally required to have been made pursuant to Section 2.01. Such Loan shall be considered, for all purposes of this Agreement, to comprise part of the Borrowing in connection with which such Defaulted Loan was originally required to have been made pursuant to Section 2.01, even if the other Loans comprising such Borrowing shall be Eurodollar Rate Loans on the date such Revolving Loan is deemed to be made pursuant to this subsection (a). A Borrower shall notify the Agent at any time such Borrower exercises its right of set-off pursuant to this subsection (a) and shall set forth in such notice (A) the name of the Defaulting Lender and the Defaulted Loan required to be made by such Defaulting Lender and (B) the amount set off and otherwise applied in respect of such Defaulted Loan pursuant to this subsection (a). Any portion of such payment otherwise required to be made by a Borrower to or for the account of such Defaulting Lender which is paid by such Borrower, after giving effect to the amount set off and otherwise applied by such Borrower pursuant to this subsection (a), shall be applied by the Agent as specified in subsection (b) or (c) of this Section 2.19.

(b) In the event that, at any time, (1) any Lender with respect to a Class of Loans shall be a Defaulting Lender, (2) such Defaulting Lender shall owe a Defaulted Amount to the Agent or other applicable Lenders with respect to such Class and (3) a Borrower shall make any payment

hereunder or under any other Loan Document to the Agent for the account of such Defaulting Lender, then the Agent may, on its behalf or on behalf of such other Lenders and to the fullest extent permitted by applicable law, apply at such time the amount so paid by such Borrower to or for the account of such Defaulting Lender to the payment of each such Defaulted Amount to the extent required to pay such Defaulted Amount. In the event that the Agent shall so apply any such amount to the payment of any such Defaulted Amount on any date, the amount so applied by the Agent shall constitute for all purposes of this Agreement and the other Loan Documents payment, to such extent, of such Defaulted Amount on such date. Any such amount so applied by the Agent shall be retained by the Agent or distributed by the Agent to such other Lenders, ratably in accordance with the respective portions of such Defaulted Amounts payable at such time to the Agent and such other Lenders and, if the amount of such payment made by a Borrower shall at such time be insufficient to pay all Defaulted Amounts owing at such time to the Agent and the other Lenders, in the following order of priority:

(i) *first*, to the Agent for any Defaulted Amount then owing to the Agent in its capacity as Agent; and

(ii) *second*, if such Defaulting Lender is a Revolving Lender, to the Issuing Banks for any Defaulted Amounts then owing to them, in their capacities as such, ratably in accordance with such respective Defaulted Amounts then owing to the Issuing Banks; and

(iii) *third*, to any other applicable Lenders of the applicable Class for any Defaulted Amounts then owing to such other Lenders, ratably in accordance with such respective Defaulted Amounts then owing to such other Lenders.

Any portion of such amount paid by a Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Agent pursuant to this subsection (b), shall be applied by the Agent as specified in subsection (c) of this Section 2.19.

(c) In the event that, at any time, (1) any Lender shall be a Defaulting Lender, (2) such Defaulting Lender shall not owe a Defaulted Loan or a Defaulted Amount and (3) a Borrower, the Agent or any other Lender shall be required to pay or distribute any amount hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then such Borrower or such other Lender shall pay such amount to the Agent to be held by the Agent, to the fullest extent permitted by applicable law, in escrow or the Agent shall, to the fullest extent permitted by applicable law, hold in escrow such amount otherwise held by it. Any funds held by the Agent in escrow under this subsection (c) shall be deposited by the Agent in an account with the Agent, in the name and under the control of the Agent, but subject to the provisions of this subsection (c). The terms applicable to such account, including the rate of interest payable with respect to the credit balance of such account from time to time, shall be the Agent's standard terms applicable to escrow accounts maintained with it. Any interest credited to such account from time to time shall be held by the Agent in escrow under, and applied by the Agent from time to time in accordance with the provisions of, this subsection (c). The Agent shall, to the fullest extent permitted by applicable law, apply all funds so held in escrow from time to time to the extent necessary to make any Loans required to be made by such Defaulting Lender and to pay any amount payable by such Defaulting Lender hereunder and under the other Loan Documents to the Agent or any other Lender, as and when such Loans or amounts are required to be made or paid and, if the amount so held in escrow shall at any time be insufficient to make and pay all such Loans and amounts required to be made or paid at such time, in the following order of priority:

(i) *first*, to the Agent for any amount then due and payable by such Defaulting Lender to the Agent hereunder in its capacity as Agent;

(ii) *second*, if such Defaulting Lender is a Revolving Lender, to the Issuing Banks for any amounts then due and payable to them hereunder, in their capacities as such, by such

Defaulting Lender, ratably in accordance with such respective amounts then due and payable to the Issuing Banks;

(iii) *third*, to any other Lenders for any amount then due and payable by such Defaulting Lender to such other Lenders hereunder, ratably in accordance with such respective amounts then due and payable to such other Lenders; and

(iv) *fourth*, to the Company or Kodak Canada, as applicable for any Loan then required to be made by such Defaulting Lender pursuant to a Commitment of such Defaulting Lender.

In the event that any Lender that is a Defaulting Lender shall, at any time, cease to be a Defaulting Lender, any funds held by the Agent in escrow at such time with respect to such Lender shall be distributed by the Agent to such Lender and applied by such Lender to the Obligations owing to such Lender at such time under this Agreement and the other Loan Documents ratably in accordance with the respective amounts of such Obligations outstanding at such time.

(d) The rights and remedies against a Defaulting Lender under this Section 2.19 are in addition to other rights and remedies that such Borrowers may have against such Defaulting Lender with respect to any Defaulted Loan and that the Agent or any Lender may have against such Defaulting Lender with respect to any Defaulted Amount.

(e) Anything contained herein to the contrary notwithstanding, in the event that (i) any Lender shall become a Defaulting Lender and (ii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within five Business Days after the Company's request that it cure such default, the Company or Kodak Canada, as applicable shall have the right (but not the obligation) to repay such Defaulting Lender in an amount equal to the principal of, and all accrued interest on, all outstanding Loans owing to such Lender, together with all other amounts due and payable to such Lender under the Loan Documents, and such Lender's Commitment hereunder shall be terminated immediately thereafter.

(f) If any Revolving Lender becomes, and during the period it remains, a Defaulting Lender or a Potential Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit pursuant to Section 2.03, the "Ratable Share" of each non-Defaulting Lender under the applicable Revolving Credit Facility shall be computed without giving effect to the Letter of Credit Commitment of that Defaulting Lender; provided, that: (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists; and (ii) the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit under the applicable Revolving Credit Facility shall not exceed the positive difference, if any, of (1) the applicable Revolving Credit Commitment of that non-Defaulting Lender minus (2) the aggregate Revolving Loans of that Lender under such Revolving Credit Facility.

(g) Each Issuing Bank, may, by notice to the Company and such Defaulting Lender or Potential Defaulting Lender through the Agent, require the applicable Borrower to Cash Collateralize the obligations of such Borrower to such Issuing Bank in respect of such Letter of Credit in amount at least equal to the aggregate amount of the unreallocated obligations (contingent or otherwise) of such Defaulting Lender or such Potential Defaulting Lender in respect thereof, or to make other arrangements satisfactory to the Agent, and to the applicable Issuing Bank, in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender or Potential Defaulting Lender.

(h) If either Borrower Cash Collateralizes any portion of a Defaulting Lender's or a Potential Defaulting Lender's exposure with respect to an outstanding Letter of Credit, no Borrower shall

be required to pay any fees under Section 2.04(b)(i) to any Defaulting Lender or Potential Defaulting Lender that is a Lender at any time when the Letter of Credit is so Cash Collateralized.

SECTION 2.20. Replacement of Certain Lenders. In the event a Lender ("Affected Lender") shall have (a) become a Defaulting Lender under Section 2.19, (b) requested compensation from the Borrowers under Section 2.14 with respect to Taxes or Other Taxes or with respect to increased costs or capital or under Section 2.11 or other additional costs incurred by such Lender which, in any case, are not being incurred generally by the other Lenders, (c) has not agreed to any consent, waiver or amendment that requires the agreement of all Lenders or all affected Lenders in accordance with the terms of Section 8.01 and as to which the Required Lenders have agreed, or (d) delivered a notice pursuant to Section 2.12 claiming that such Lender is unable to extend Eurodollar Rate Loans for reasons not generally applicable to the other Lenders, then, in any case, the Company or the Agent may make written demand on such Affected Lender (with a copy to the Agent in the case of a demand by the Company and a copy to the Company in the case of a demand by the Agent) for the Affected Lender to assign at par, and such Affected Lender shall use commercially reasonable efforts to assign pursuant to one or more duly executed Assignments and Acceptances five Business Days after the date of such demand, to one or more financial institutions that comply with the provisions of Section 8.07 which the Company or the Agent, as the case may be, shall have engaged for such purpose ("Replacement Lender"), all of such Affected Lender's rights and obligations under this Agreement and the other Loan Documents (including, without limitation, its Commitment (if any), all Loans owing to it, all of its participation interests (if any) in existing Letters of Credit, and its obligation (if any) to participate in additional Letters of Credit hereunder) in accordance with Section 8.07. The Agent is authorized to execute one or more of such Assignments and Acceptances as attorney-in-fact for any Affected Lender failing to execute and deliver the same within 5 Business Days after the date of such demand. Further, with respect to such assignment, the Affected Lender shall have concurrently received, in cash, all amounts due and owing to the Affected Lender hereunder or under any other Loan Document; provided that upon such Affected Lender's replacement, such Affected Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections , 2.14 and 8.04, as well as to any fees accrued for its account hereunder and not yet paid, and shall continue to be obligated under Section 7.05 with respect to losses, obligations, liabilities, damages, penalties, actions, judgments, costs, expenses or disbursements for matters which occurred prior to the date the Affected Lender is replaced.

SECTION 2.21. Reserved.

SECTION 2.22. Failure to Satisfy Conditions Precedent. If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Agent because the conditions to the applicable Loan set forth in Article III are not satisfied or waived in accordance with the terms hereof, the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

SECTION 2.23. Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment hereunder under.

SECTION 2.24. Priority and Liens. (a) Each of the Loan Parties (other than any Loan Party that is not a Debtor) hereby covenants and agrees that upon the entry of an Interim Order (and when applicable, the Final Order) its obligations hereunder and under the Loan Documents and under the US

Secured Agreements: (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute an allowed Superpriority Claim in the Cases (but excluding a claim on Avoidance Actions and, prior to entry of the Final Order, the proceeds of Avoidance Actions); (ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, shall at all times be secured by a valid, binding, continuing, enforceable perfected first priority Lien (that is subject to the terms of the Intercreditor Agreement) on all of the property of such US Loan Parties, whether now existing or hereafter acquired, that is not subject to valid, perfected, non-voidable liens in existence at the time of commencement of the Cases or to valid, non-voidable liens in existence at the time of such commencement that are perfected subsequent to such commencement as permitted by Section 546(b) of the Bankruptcy Code (limited, in the case of voting equity interests of CFC's, to 65% of such voting equity interests), and on all of its cash maintained in the L/C Cash Deposit Account and any investment of the funds contained therein, provided that amounts in the L/C Cash Deposit Account shall not be subject to the Carve-Out; (iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, shall be secured by a valid, binding, continuing, enforceable perfected junior Lien upon all property of such US Loan Parties, whether now existing or hereafter acquired, that is subject to valid, perfected and non-voidable Liens in existence at the time of the commencement of the Cases or that is subject to valid Liens in existence at the time of the commencement of the Cases that are perfected subsequent to such commencement as permitted by Section 546(b) of the Bankruptcy Code (other than certain property that is subject to the existing Liens that secure obligations in respect of the Existing Second Lien Debt, which liens shall be primed by the liens described in the following clause (iv)); and (iv) pursuant to Section 364(d)(l) of the Bankruptcy Code, shall be secured by a valid, binding, continuing, enforceable perfected first priority senior priming Lien on all of the property of such US Loan Parties that is subject to the existing liens (the "Primed Liens") which secure the Existing Second Lien Debt, all of which Primed Liens shall be primed by and made subject and subordinate to the perfected first priority senior Liens to be granted to the Agent, which senior priming Liens in favor of the Agent shall also prime any Liens granted after the commencement of the Cases to provide adequate protection Liens in respect of any of the Primed Liens (i) through (iv) above, subject in each case to the Carve-Out and as set forth in the Orders.

(b) As to all real property the title to which is held by a US Loan Party (other than any US Loan Party that is not a Debtor) or the possession of which is held by any such US Loan Party pursuant to leasehold interest, such US Loan Parties hereby assign and convey as security, grant a security interest in, hypothecate, mortgage, pledge and set over unto the Agent on behalf of the Lenders all of the right, title and interest of such US Loan Parties in all of such owned real property and in all such leasehold interests, together in each case with all of the right, title and interest of such US Loan Parties in and to all buildings, improvements, and fixtures related thereto, any lease or sublease thereof, all general intangibles relating thereto and all proceeds thereof. Such US Loan Parties acknowledge that, pursuant to the Interim Order (and, when entered, the Final Order), the Liens in favor of the Agent on behalf of the Lenders in all of such real property and leasehold instruments of such US Loan Parties shall be perfected without the recordation of any instruments of mortgage or assignment. Such US Loan Parties further agree that, upon the request of the Agent, in the exercise of its business judgment, such US Loan Parties shall enter into separate fee and leasehold mortgages in recordable form with respect to such properties on terms satisfactory to the Agent and including customary related deliverables, including, without limitation, a Standard Flood Hazard Determination and, to the extent applicable, a notification to the applicable Loan Party that that flood insurance coverage under the National Flood Insurance Program is not available or evidence of flood insurance with respect to such property consistent with the requirements set forth in Section 5.01(c).

(c) The relative priorities of the Liens described in this Section 2.24 with respect to the Revolving Credit Facility Collateral of the Debtors and the Term Facility Collateral of the Debtors shall be as set forth in the Interim Order (and, when entered, the Final Order) and the Intercreditor

Agreement. All of the Liens described in this Section 2.24 shall be effective and perfected upon entry of the Interim Order.

(d) Notwithstanding anything to the contrary herein, not more than 65% of the voting equity interests of any CFC or a Subsidiary of a CFC (unless, with respect to the Canadian Obligations, such voting equity interests are owned by a Canadian Loan Party) shall be pledged in favor of any Lender or the Agent.

SECTION 2.25. No Discharge; Survival of Claims. Each of the Loan Parties agrees that to the extent that its obligations under the Loan Documents have not been satisfied in full in cash, (a) its obligations under the Loan Documents shall not be discharged by the entry of an order confirming a Reorganization Plan (and each of the US Loan Parties, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (b) the Superpriority Claim granted to the Agents and the Lenders pursuant to the Orders and the Liens granted to the Agents and the Lenders pursuant to the Orders shall not be affected in any manner by the entry of an order confirming a Reorganization Plan.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness. The effectiveness of this Agreement and the obligations of the Initial Lenders to make Loans hereunder and of the Initial Issuing Banks to issue Letters of Credit hereunder are, in each case, subject to the satisfaction (or waiver in accordance with Section 8.01) of the following conditions precedent:

(a) The Agent shall have received executed counterparts of this Agreement from each Loan Party and each Initial Lender.

(b) [Reserved.]

(c) The Agent shall have received the following, each dated as of the Effective Date (unless otherwise specified) and in form and substance satisfactory to the Agent:

(i) Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.16.

(ii) Certified copies of the resolutions of the Board of Directors, or Executive or Finance Committee of the Board of Directors, of each Loan Party approving each Loan Document to which it is a party, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to each Loan Document to which it is a party.

(iii) A copy of the charter or other constitutive document of each US Loan Party and each amendment thereto, certified (as of a date reasonably near the Effective Date), if applicable, by the Secretary of State (or similar official) of the jurisdiction of its incorporation or organization, as the case may be, thereof as being a true and correct copy thereof.

(iv) A certificate of the Secretary or an Assistant Secretary (or in the case of a limited liability company, any manager, Secretary or Assistant Secretary) of each Canadian Loan Party, dated as of the Effective Date, certifying that attached thereto is a true and correct copy of such Canadian Loan Party's articles of incorporation (or equivalent organizational documents) and by-laws (or equivalent organizational documents).

A certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign each Loan Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder.

(v) A certificate of good standing from the applicable secretary of state or similar official of the jurisdiction of organization (as of a date reasonably near the Effective Date), and such other organizational documents of each Loan Party as the Agent may reasonably require.

(vi) The US Security Agreement substantially in the form of Exhibit D-1 hereto, duly executed by the Company and each US Subsidiary Guarantor.

(vii) The Canadian Security Agreement substantially in the form of Exhibit D-2 hereto, duly executed by Kodak Canada and each Canadian Subsidiary Guarantor listed on Part B of Schedule II hereto.

(viii) A certificate from a Responsible Officer of the Company as to the matters set forth in Sections 3.01(s) and 3.01(l).

(ix) A favorable opinion of the general counsel of the Loan Parties, in form and substance satisfactory to the Agent.

(x) A favorable opinion of McCarthy Tétrault LLP, Canadian counsel to the Loan Parties, and such local counsel within Canada as may be required by the Agent, in each case in form and substance satisfactory to the Agent.

(xi) A favorable opinion of Sullivan & Cromwell LLP, US counsel for the Loan Parties, in form and substance satisfactory to the Agent.

(xii) A favorable opinion of Day Pitney LLP, special New Jersey counsel for Company, in form and substance satisfactory to the Agent.

(xiii) Proper financing statements under the UCC, PPSA or other applicable law of all US and Canadian jurisdictions that the Agent may reasonably deem necessary in order to perfect and protect the Liens and security interests created or purported to be created under the Interim Order and, to the extent executed and delivered on the Effective Date, the US Security Agreement and the Canadian Security Agreement, covering the Collateral described therein.

(xiv) The Operating Forecast and the initial 13-Week Projection, each of which (in form and substance satisfactory to the Agent) has been received by the Agent prior to the date hereof.

(d) Subject to the paragraph immediately following subsection (vi) below, the Agent shall have received the following, each dated as of (or, in the case of subclauses (i), (ii), (iv), (v) and (vi), delivered on or prior to) the Effective Date and in form and substance satisfactory to the Agent:

(i) Certificates, if any, representing the Initial Pledged Equity referred to therein accompanied by undated stock powers executed in blank and instruments evidencing the Initial Pledged Debt referred to therein, indorsed in blank.

(ii) Certificates, if any, representing the Initial Pledged Equity referred to therein accompanied by undated stock powers executed in blank and instruments evidencing the Initial Pledged Debt referred to therein, indorsed in blank.

(iii) The Intercreditor Agreement, duly executed by each Loan Party.

Intellectual Property Security Agreements covering the registered intellectual property listed on the applicable schedules to the US Security Agreement and the Canadian Security Agreement, duly executed by the Company, Kodak Canada, and each Person that is a US Subsidiary Guarantor or Canadian Subsidiary Guarantor on the Effective Date.

(iv) All documents and instruments required to create and perfect the Agent's first priority security interest in and Lien on the Collateral in the US and Canada (free and clear of all other Liens other than Permitted Collateral Liens and subject to exceptions permitted by Section 5.02(a)) shall have been executed and delivered and, if applicable, be in proper form for filing; provided that the Loan Parties shall not be required to take any action to perfect the Agent's Liens in Collateral under the laws of any province or territory of Canada other than Ontario until such time as the fair market value of the Collateral with respect to which such actions are required exceeds $5,000,000, at which time the Loan Parties shall promptly take such actions to the extent required by Section 5.01(i).

(v) Evidence of all insurance required to be maintained pursuant to Section 5.01(c), and evidence that the Agent shall have been named as an additional insured or loss payee, as applicable, on all insurance policies covering loss or damage to Collateral and on all liability insurance policies as to which the Agent has reasonably requested to be so named.

(vi) Copies of a recent Lien and judgment search in each jurisdiction reasonably requested by the Agent with respect to the Loan Parties.

To the extent that any of the items described in this Section 3.01(d) shall not have been received by the Agent notwithstanding the Company's use of its commercially reasonable efforts (which shall expressly exclude contacting any third party in the case of subclause (d)(vi) above) to provide same, delivery of such items shall not constitute a condition effectiveness of this Agreement and the obligations of each Initial Lender to make Loans hereunder and of each Initial Issuing Bank to issue Letters of Credit hereunder, and the Company shall, instead, cause such items to be delivered to the Agent not later than (i) with respect to Kodak Canada, any subsidiary organized under the laws of Canada or any territory or province thereof, 60 days following the Effective Date (or such later date as the Agent shall agree in its discretion) and (ii) in all other cases, 30 days following the Effective Date (or such later date as the Agent shall agree in its discretion), in each case, together with such corporate resolutions (to the extent necessary), certificates and such other related documents and registrations as shall be reasonably requested by the Agent consistent with the relevant forms and types delivered on the Effective Date or as shall be otherwise reasonably acceptable to the Agent.

(e) The Agent and the Collateral Agent shall have received, in form and substance reasonably satisfactory to the Agent and the Collateral Agent, (i) field examinations and asset appraisals in respect of the Revolving Credit Facility Collateral, it being understood that (A) the most recent report of the field examination conducted, and the machinery and equipment appraisal prepared, on behalf of the agent under the Existing Credit Agreement, each as delivered to the Agent and Collateral Agent prior to the date hereof, and (B) the inventory appraisal report prepared on behalf of the agent under the Existing Credit Agreement dated January 6, 2012 as delivered to the Agent and Collateral Agent prior to the date hereof, are each in form and substance reasonably satisfactory to the Agent and the Collateral Agent and are sufficient to satisfy the foregoing condition, (ii) the DPP Appraisal (each of the Agent and the Collateral Agent hereby confirms that the DPP Appraisal is in form and substance reasonably satisfactory to it) and (iii) confirmation from the DPP Appraiser that it believes that the value of the Digital Imaging Patent Portfolio as of the Effective Date is not materially less than the value set forth in the DPP Appraisal.

The Agent and the Collateral Agent shall have received a Borrowing Base Certificate prepared as of the last day of December 2011.

(f) The Agent shall have received (i) the audited annual consolidated financial statements of the Company for the year ended December 31, 2010 and (ii) interim unaudited quarterly consolidated financial statements of the Company for each completed fiscal quarter ending not less than 45 days prior to the Effective Date.

(g) The Agent shall be satisfied, in its sole discretion, with the cash management arrangements of the Loan Parties (or with the cash management arrangements required to be put in place by the Loan Parties pursuant to Section 2.18), it being understood and agreed that cash management arrangements consistent with Section 2.18 are satisfactory to the Agent.

(h) [Reserved].

(i) The Petition Date shall have occurred, and the Agent and the Initial Lenders shall be reasonably satisfied with the form and substance of the First Day Orders sought by the Company and entered on the Effective Date (including a cash management order).

(j) The Interim Order Entry Date shall have occurred not later than 5 Business Days following the Petition Date.

(k) No trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code or examiner with enlarged powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code shall have been appointed in any of the Cases.

(l) Since September 30, 2011, there shall have been no Material Adverse Effect.

(m) All necessary governmental and third party consents and approvals necessary in connection with the Facilities and the transactions contemplated hereby shall have been obtained (without the imposition of any adverse conditions that are not reasonably acceptable to the Initial Lenders) and shall remain in effect; and no law or regulation shall be applicable in the judgment of the Initial Lenders that restrains, prevents or imposes materially adverse conditions upon the Facilities or the transactions contemplated hereby.

(n) The Agent shall be satisfied in its reasonable judgment that there shall not occur as a result of, and after giving effect to, the initial extension of credit under the Facilities, a default (or any event which with the giving of notice or lapse of time or both would be a default) under any of the Loan Parties' or their respective subsidiaries' debt instruments and other material agreements which, (i) in the case of the US Loan Parties' debt instruments and other material agreements, would permit the counterparty thereto to exercise remedies thereunder on a post-petition basis or (ii) in the case of any other subsidiary, could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) There shall exist no unstayed action, suit, investigation, litigation or proceeding pending or (to the knowledge of the Loan Parties) threatened in any court or before any arbitrator or governmental instrumentality (other than the Cases) that could reasonably be expected to have a Material Adverse Effect.

(p) Concurrently with the initial extension of credit hereunder, the obligations of the Loan Parties and their Subsidiaries (other than contingent indemnification obligations) under the Existing Credit Agreement shall have been paid in full (or, in the case of obligations in respect of outstanding letters of credit and obligations in respect of Existing Secured Agreements, cash collateralized or

otherwise provided for in a manner satisfactory to the applicable issuing bank (in the case of letters of credit) or the holder of such obligations (in the case of obligations in respect of Existing Secured Agreements)) and all Liens and security interests securing such obligations shall be terminated and released, and the Agent shall have received a customary payoff letter and release documentation evidencing same.

(q) The Company shall have hired a chief restructuring officer reasonably satisfactory to the Arranger (the "Chief Restructuring Officer"), reporting to the Company's board of directors and having a scope of duties reasonably satisfactory to the Arranger (it being understood and agreed that the individual listed on Schedule 3.01(r) is reasonably satisfactory to the Arranger and the scope of duties of such individual, as disclosed to the Arranger on January 17, 2012, is reasonably satisfactory to the Arranger).

(r) The Company shall have paid (i) all fees of the Agent, the Arranger and the Lenders accrued and payable on or prior to the Effective Date, and (ii) to the extent invoiced at least one Business Day prior to the Effective Date, all expenses of the Agent (including the accrued fees and expenses of counsel to the Agent).

(s) (i) The representations and warranties of each Borrower and each Loan Party contained in each Loan Document to which it is a party shall be correct in all material respects (except to the extent qualified by materiality, "Material Adverse Effect" or like qualification, in which case such representations and warranties shall be true and correct in all respects) on and as of the Effective Date, before and after giving effect to the effectiveness of this Agreement and the transactions contemplated hereby, as though made on and as of such date and (ii) no event shall have occurred and be continuing, or would result from the effectiveness of this Agreement or the transactions contemplated hereby, that would constitute a Default.

(t) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

SECTION 3.02. Conditions Precedent to Each Borrowing and Issuance. The obligation of each Lender to make a Loan (other than a Revolving Loan made by any Issuing Bank pursuant to Section 2.03(c) or any Lender pursuant to Section 2.03(c)) on the occasion of each Borrowing and the obligation of each Issuing Bank to issue a Letter of Credit shall be subject to the satisfaction (or waiver in accordance with Section 8.01) of the following conditions precedent:

(a) The Effective Date shall have occurred.

(b) The Interim Order shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended in any respect without the written consent of the Agent, provided, that at the time of the making of any Loan or the issuance of any Letter of Credit the aggregate amount of either of which, when added to the Total Outstandings, would exceed the amount under the applicable Facility authorized by the Interim Order (collectively, the "Additional Credit"), the Agent and each of the Lenders shall have received a final copy of an order of the Bankruptcy Court in substantially the form of the Interim Order (with only such modifications thereto as are satisfactory in form and substance to the Agent) and authorizing such Additional Credit (the "Final Order") (provided, that any such final order that limits the aggregate amount of the DIP Facilities to an amount that is less than $900,000,000 shall not be satisfactory to the Administrative Agent), and at the time of the extension of any Additional Credit the Final Order shall be in full force and effect, and shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended in any respect without the written consent of the Agent.

The representations and warranties of each Borrower and each Loan Party contained in each Loan Document to which it is a party shall be true and correct in all material respects (except to the extent qualified by materiality, "Material Adverse Effect" or like qualification, in which case such representations and warranties shall be true and correct in all respects) on and as of such date, before and after giving effect to such Borrowing or such Issuance and to the application of the proceeds therefrom, as though made on and as of such date.

(c) No event shall have occurred and be continuing, or would result from such Borrowing or such Issuance or from the application of the proceeds therefrom, that constitutes a Default.

(d) The making of such Loan (or the issuance of such Letter of Credit) shall not violate any requirement of law and shall not be enjoined, temporarily, preliminarily or permanently.

(e) In the case of any Revolving Loan or Issuance, no Borrowing Base Deficiency will exist after giving effect to such Borrowing, issuance or renewal and to the application of the proceeds therefrom.

Each of the giving of the applicable Notice of Borrowing, Notice of Issuance and the acceptance by the applicable Borrower of the proceeds of such Borrowing or such Issuance shall constitute a representation and warranty by the Company that on the date of such Borrowing or such Issuance the conditions set forth in Sections 3.02(c), 3.02(d), and, if applicable, 3.02(e) are satisfied.

SECTION 3.03. Additional Conditions to Issuances. In addition to the other conditions precedent herein set forth, if any Revolving Lender becomes, and during the period it remains, a Defaulting Lender or a Potential Defaulting Lender, no Issuing Bank will be required to issue any Letter of Credit or to amend any outstanding Letter of Credit to increase the face amount thereof, alter the drawing terms thereunder or extend the expiry date thereof, unless such Issuing Bank is satisfied that any exposure that would result from a Defaulted Revolving Loan of such Defaulting Lender or Potential Defaulting Lender is eliminated or fully covered by the Revolving Credit Commitments of the Revolving Lenders that are Non-Defaulting Lenders or by Cash Collateralization or a combination thereof satisfactory to such Issuing Bank.

SECTION 3.04. Determinations Under this Agreement. For purposes of determining compliance with the conditions specified in this Agreement, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Company, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) Each Loan Party is duly organized, validly existing and, to the extent such concept is applicable, in good standing under the laws of the jurisdiction of its organization.

(b) Subject, in the case of each Loan Party that is a Debtor, to the entry of the Orders and subject to the terms thereof, the execution, delivery and performance by each Loan Party of each

Loan Document to which it is or is to be party, and the consummation of the transactions contemplated hereby and thereby, are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Loan Party's charter or by-laws, (ii) violate any law, rule, regulation (including, without limitation, with respect to the Borrowers, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any material contractual restriction (except in respect of the Existing Second Lien Debt) or, to such Loan Party's knowledge, any other contractual restriction, binding on or affecting such Loan Party or (iv) except for the Liens created under the Loan Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries (except pursuant to the Existing Second Lien Debt or the Indenture).

(c) Subject, in the case of each Loan Party that is a Debtor, to the entry of the Orders, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Loan Party of any Loan Document to which it is or is to be a party, (ii) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (iii) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof to the extent provided for in the Orders and, in the case of Liens created under any Collateral Document to which a Canadian Loan Party is a party, to the extent provided for in such Collateral Document at the time periods required) or (iv) except for any notices that may be required pursuant to Section 6.01 or Section 6.03 or pursuant to the Intercreditor Agreement, the exercise by the Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents.

(d) Subject, in the case of each Loan Party that is a Debtor, to the entry of the Orders, this Agreement has been, and each other Loan Document when delivered hereunder will have been, duly executed and delivered by each Loan Party party thereto. Subject, in the case of each Loan Party that is a Debtor, to the entry of the Orders, this Agreement is, and each other Loan Document when delivered hereunder will be, the legal, valid and binding obligation of each Loan Party party thereto enforceable against such Loan Party in accordance with their respective terms, except as enforceability may be affected by (i) except in the case of each Loan Party that is a Debtor, applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

(e) The audited Consolidated statement of financial position of the Company and its Consolidated Subsidiaries as at December 31, 2010, and the related audited Consolidated statement of earnings and Consolidated statement of cash flows of the Company and its Consolidated Subsidiaries for the fiscal year then ended, accompanied by an opinion of PricewaterhouseCoopers LLP, independent public accountants, copies of which have been furnished to each Lender, fairly present, the Consolidated financial condition of the Company and its Consolidated Subsidiaries as at such date and the Consolidated statement of earnings and Consolidated statement of cash flows of the Company and its Consolidated Subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied. The unaudited Consolidated statement of financial position of the Company and its Consolidated Subsidiaries as at September 30, 2011, and the related unaudited Consolidated statement of earnings and Consolidated statement of cash flows of the Company and its Consolidated Subsidiaries for the nine-months period then ended, fairly present, the Consolidated financial condition of the Company and its Consolidated Subsidiaries as at such date and the Consolidated statement of earnings and Consolidated statement of cash flows of the Company and its Consolidated Subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, subject to normal year-end adjustments and other items, such as footnotes, omitted in interim statements. Since December 31, 2010, there has been no Material Adverse Effect

except as disclosed in filings made with the Securities and Exchange Commission and press releases, in each case prior to the date of this Agreement.

(f) There is no pending or, to the knowledge of the Company, threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect, other than the Cases and as disclosed on Schedule 4.01(f) or publicly filed or furnished on Form 8-K or any periodic report required or permitted to be filed or furnished under the Exchange Act with the Securities Exchange Commission or (ii) purports to affect the legality, validity or enforceability of this Agreement or any other Loan Document or the consummation of the transactions contemplated hereby.

(g) No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) No Borrower is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(i) The Company and each of its Subsidiaries owns, or has the valid and enforceable right to use, all trademarks, service marks, trade names, domain names, goodwill associated with the foregoing, patents, copyrights, trade secrets and know-how (including all registrations and applications for registration of the foregoing) (collectively, "Intellectual Property") necessary for the conduct of its business as currently conducted except where the failure to so own or license could not reasonably be expected to have a Material Adverse Effect. Except as disclosed on Schedule 4.01(f), no claim has been asserted and is pending, or to the knowledge of the Company, threatened, by any Person challenging the use of any such Intellectual Property by the Company or any Subsidiary or the validity or enforceability of any such Intellectual Property or alleging that the conduct of the business of the Company or any of its Subsidiaries infringes, misappropriates or otherwise violates the Intellectual Property rights of any other Person, nor does the Company know of any valid basis for any such claim, except, in each case, for such claims that, individually or in the aggregate, are not reasonably expected to have a Material Adverse Effect. Except as disclosed on Schedule 4.01(f), to the knowledge of the Company, neither the use of such Intellectual Property by the Company or any of its Subsidiaries, nor the conduct of their respective businesses, infringes, misappropriates or otherwise violates the rights of any Person, except for such claims, infringements, misappropriations or violations that, individually or in the aggregate, are not reasonably expected to have a Material Adverse Effect.

(j) (i) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan that has resulted in or that could reasonably expected to have a Material Adverse Effect.

(ii) Neither any Loan Party nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan that in the aggregate could reasonably be expected to have a Material Adverse Effect.

(iii) Neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization, insolvent or has been terminated, within the meaning of Title IV of ERISA, or has been determined to be in "endangered" or "critical" status within the meaning of Section 432 of the Code or Section 305 of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganization, insolvent or to be terminated, within the meaning of Title IV of ERISA or in endangered or critical status.

Except as could not reasonably be expected to have a Material Adverse Effect: (A) the Canadian Pension Plans are duly registered under the *Income Tax Act (Canada)* and all other applicable laws which require registration; (B) all material obligations of each Canadian Loan Party (including funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and any funding agreements therefor have been performed in a timely fashion; and (C) there are no material outstanding disputes involving any Canadian Loan Party or its Affiliates concerning the assets of the Canadian Pension Plans.

(iv) No event comprising (A) the commencement of winding up of the UK Pension Scheme, (B) the cessation of participation in the UK Pension Scheme by any Affiliate of the Company, or (C) the issue of a warning notice by the UK Pensions Regulator that it is considering issuing a financial support direction or contribution notice in relation to the UK Pension Scheme, has occurred, and (to the knowledge of the Company or Kodak Limited) the UK Pensions Regulator has not stated any intention to do so.

(v) No Loan Party nor any Affiliate of any Loan Party has incurred any liability to the UK Pension Scheme as a result of ceasing to participate in the UK Pension Scheme and (to the knowledge of the Company or Kodak Limited) no Affiliate of any Loan Party has stated any intention to cease to participate in the UK Pension Scheme.

(vi) No Loan Party nor any Affiliate of any Loan Party has been notified by the Trustees of the UK Pension Scheme that the UK Pension Scheme is being wound up and (to the knowledge of the Company or Kodak Limited) the Trustees of the UK Pension Scheme have not stated any intention to do so.

(vii) Except as could not reasonably be expected to have a Material Adverse Effect the UK Pension Schemes are duly registered for HMRC tax purposes, all material obligations of each Affiliate required to be performed in connection with the UK Pension Schemes and any funding agreements therefor have been performed in a timely fashion; and there are no material outstanding disputes involving any Affiliates concerning the UK Pension Schemes.

(k) Except as could not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect, (i) each of the Borrowers and their respective Subsidiaries has filed all Federal income tax returns and all other tax returns, domestic and foreign, required to be filed by it and has paid all taxes and assessments payable by them that have become due and payable and (ii) with respect to each of the Borrowers and their Subsidiaries, there are no claims being asserted in writing with respect to any taxes.

(l) Except to the extent such Borrower or Subsidiary has set aside on its books adequate reserves (A) the operations and properties of the Company and each of its Consolidated Subsidiaries comply in all material respects with all applicable Environmental Laws and Environmental Permits, except as could not reasonably be expected to have a Material Adverse Effect, (B) all past non-compliance with such Environmental Laws and Environmental Permits has been or is reasonably expected to be resolved without ongoing obligations or costs that have had or are reasonably expected to have a Material Adverse Effect and (C) no circumstances exist that are reasonably likely to (i) form the basis of an Environmental Action against the Company or any of its Subsidiaries or any of their properties that is reasonably expected to have a Material Adverse Effect or (ii) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law that is reasonably expected to have a Material Adverse Effect.

The Company and each of its Subsidiaries has good and marketable fee simple title to or valid leasehold interests in all of the real property owned or leased by the Company or such Subsidiary and good title to all of their personal property, except where the failure to hold such title or leasehold interests, individually or in the aggregate is not reasonably expected to have a Material Adverse Effect. The Company and its Subsidiaries enjoy peaceful and undisturbed possession under all of their respective leases except where the failure to enjoy such peaceful and undisturbed possession, individually or in the aggregate, is not reasonably expected to have a Material Adverse Effect. As of the Effective Date, each Material Real Property is set forth on Schedule 4.01(m).

(m) All factual information, taken as a whole, furnished by or on behalf of the Company and its Subsidiaries, taken as a whole, in writing to the Agent, the Collateral Agent, the Arranger or any Lender on or prior to the Effective Date, for purposes of this Agreement and all other such factual information taken as a whole, furnished by the Company on behalf of itself and its Subsidiaries, taken as a whole, in writing to the Agent, the Collateral Agent, the Arranger or any Lender pursuant to the terms of this Agreement will be, true and accurate in all material respects on the date as of which such information is dated or furnished and not incomplete by knowingly omitting to state any material fact necessary to make such information, taken as a whole, not misleading at such time, provided, however, that with respect to any projected financial information or forward-looking statements, the Company represents only that such information was prepared in good faith based upon assumptions, and subject to such qualifications, believed to be reasonable at the time.

(n) (i) Subject to the entry of the Orders and (in the case of this clause (i)) to the paragraph following Section 3.01(d)(vi), all filings and other actions necessary to perfect and protect the security interest in the Collateral created (or to be created) under the Collateral Documents to ensure that such security interest remains in full force and effect have been taken, (ii) the Collateral Documents, when executed and delivered (and at all times thereafter), create in favor of the Agent for the benefit of the Secured Parties a valid and, together with such filings and other actions, perfected security interest in (x) the Collateral of the US Loan Parties having the priority set forth in the Orders, the US Security Agreement and the Intercreditor Agreement and (y) the Collateral of the Canadian Loan Parties having the priority set forth in the Canadian Security Agreement, securing the payment of the Secured Obligations (as defined in each Security Agreement), and (iii) except to the extent that a longer period within which to take such actions has been provided for pursuant to the paragraph following Section 3.01(d)(vi) (and only to such extent), all filings and other actions necessary to perfect and protect such security interest have been duly taken. The Loan Parties are the legal and beneficial owners of the Collateral free and clear of any Lien, except for the liens and security interests created or permitted under the Loan Documents and the Orders.

(o) Except to the extent resulting from any Digital Imaging Patent Portfolio Disposition or IP Settlement Agreement following the Petition Date to a Person that is not the Company or any Subsidiary thereof, all or substantially all of the value ascribed in the DPP Appraisal to the Digital Imaging Patent Portfolio is attributable to assets or properties that are (x) owned by US Loan Parties and (y) subject to Liens (including pursuant to the Orders) in favor of the Agent for the benefit of the US Secured Parties.

(p) (i) Set forth on Part A of Schedule II hereto is a complete and accurate list of all direct and indirect Subsidiaries of the Company that are organized under the laws of a state of the United States of America, (ii) set forth on Part B of Schedule II hereto is a complete and accurate list of all direct and indirect Subsidiaries of Kodak Canada that are organized under the laws of Canada or a province or territory thereof and (iii) set forth on Part C of Schedule II hereto is a complete and accurate list of all direct Material Subsidiaries of each Borrower, showing, in each case, as of the Effective Date (as to each such Subsidiary) the jurisdiction of its formation, the number of shares, membership interests or

partnership interests (as applicable) of each class of its equity interests authorized, and the number outstanding, on the Effective Date and the percentage of each such class of its Equity Interests owned (directly or indirectly) by the applicable Loan Party and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the Effective Date. All of the outstanding equity interests in each Loan Party's Subsidiaries have been validly issued, are fully paid and non-assessable and, except as otherwise provided herein, are owned by such Loan Party or one or more of its Subsidiaries, other than director's qualifying shares or similar minority interests required under the laws of the Subsidiary's formation, free and clear of all Liens, except (x) those created under the Collateral Documents, (y) those securing the Existing Second Lien Debt and (z) those securing Canadian Priority Payables that are not past due and payable.

(q) Schedule III sets forth all Deposit Accounts other than Excluded Accounts maintained by the Loan Parties in the United States or Canada, including, with respect to each depository (i) the name and address of such depository, (ii) the account number(s) maintained with such depository and (iii) a contact person at such depository.

ARTICLE V

COVENANTS OF THE COMPANY

SECTION 5.01. Affirmative Covenants. So long as any Loan or any other payment obligation of any Loan Party of which the Company has knowledge under any Loan Document shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Company will:

(a) Compliance with Laws. Except as otherwise excused by the Bankruptcy Code, comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the PATRIOT Act, except where such non-compliance is not reasonably expected to have a Material Adverse Effect.

(b) Payment of Post-Petition Taxes, Etc. In the case of any Debtor, in accordance with the Bankruptcy Code and subject to any required approval by the Bankruptcy Court, pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all material post-petition taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all material post-petition lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the Company nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. (x) Maintain, and cause each of its Subsidiaries to 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 Subsidiary operates; provided, however, that the Company and its Subsidiaries may self-insure to the extent consistent with prudent business practice and (y) if any real property owned by a Loan Party is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (or any amendment or successor act thereto), then such Loan Party shall maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount sufficient to comply with all applicable rules and regulations promulgated pursuant to such Act

Preservation of Corporate Existence. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company and its Subsidiaries may consummate any amalgamation, merger or consolidation permitted under Section 5.02(b) and provided further that neither the Company nor any of its Subsidiaries shall be required to preserve any right or franchise, or in the case of a Subsidiary, its corporate existence, if the Company determines that the preservation or maintenance thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not reasonably expected to have a Material Adverse Effect.

(d) Visitation Rights. (i) At any reasonable time, on reasonable notice and from time to time, permit the Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Company and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants, provided that all such information is subject to the provisions of Section 8.08. At any time prior to the occurrence of a continuing Event of Default, the right of the Agent and any of the Lenders to visit the property of the Company and any of its Subsidiaries shall be subject to reasonable rules and restrictions of the Company for such access, and such visit shall not unreasonably interfere with the ongoing conduct of the business of the Company and its Subsidiaries at such properties.

(ii) At any reasonable time and from time to time (except as may be limited by subsection (iii) below) during regular business hours, upon reasonable notice, permit the Agent or any of the Lenders or any agents or representatives thereof (including any consultants, accountants, lawyers and appraisers retained by the Agent) to visit the properties of the Company and its Subsidiaries to conduct evaluations, appraisals, environmental assessments and ongoing maintenance and monitoring in connection with the Company's computation of the Borrowing Base and the assets included in the Borrowing Base and such other assets and properties of the Company or its Subsidiaries as the Agent or Collateral Agent may reasonably require, and to monitor the Collateral and all related systems.

(iii) Permit the Collateral Agent to conduct, at the sole cost and expense of the Company, field examinations, appraisals of inventory and appraisals of machinery and equipment; provided that such field exams and appraisals may be conducted not more than twice per twelve-month period. Notwithstanding the foregoing, following the occurrence and during the continuation of an Event of Default such field examinations and appraisals may be conducted at the Company's expense as many times as the Collateral Agent shall consider reasonably necessary.

(e) Keeping of Books. Keep and maintain proper books of record and account on a Consolidated basis for Company and its Subsidiaries in conformity with generally accepted accounting principles in effect from time to time.

(f) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve in all material respects, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to so maintain or preserve is not reasonably expected to have a Material Adverse Effect.

(g) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event (A) with respect to any fiscal month of the Company in which a fiscal quarter ends, within 15 Business Days after the end of such fiscal month and (B) within 10 Business Days after the end of any other fiscal month of the Company,

in each case, the Consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the end of such month and Consolidated statements of earnings and cash flows of the Company and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such month, and certificates of a Responsible Officer of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.02(q), as applicable, and Section 5.02(r), as of the last day of such period;

(ii) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, the Consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the end of such quarter and Consolidated statements of earnings and cash flows of the Company and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified by the chief financial officer of the Company as having been prepared in accordance with generally accepted accounting principles subject to normal year-end adjustments and other items, such as footnotes, omitted in interim statements;

(iii) as soon as available and in any event (A) with respect to the fiscal year of the Company ended December 31, 2011, within 120 days after the end of such fiscal year of the Company and (B) with respect to any subsequent fiscal year of the Company, within 90 days after the end of such fiscal year of the Company, in each case, a copy of the annual audit report for such year for the Company and its Consolidated Subsidiaries, containing the Consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and Consolidated statements of earnings and cash flows of the Company and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by registered independent public accountants reasonably acceptable to the Agent;

(iv) as soon as practicable and in any event within five days after the management of the Company has knowledge of the occurrence of each Default continuing on the date of such statement, a statement of a Responsible Officer of the Company setting forth details of such Default and the action that the Company has taken and/or proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of all reports that the Company sends to any of its securityholders, and copies of all reports and registration statements that the Company or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(vi) notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Company or any of its Subsidiaries of the type which would have been required to be disclosed under Section 4.01(f), promptly after the later of the commencement thereof or knowledge that such actions or proceedings are reasonably likely to be of a type which would have been required to be disclosed under Section 4.01(f);

(vii) from and after the date on which the US Security Agreement and the Canadian Security Agreement shall have been executed and delivered by the applicable Loan Parties, as soon as available and in any event no later than 45 days after the end of each fiscal quarter, amended or supplemented Schedules setting forth such information as would be required to make the representations set forth in Section 6(a), (c), (d), (h), (i), (l) and (p)(iii) of the US Security Agreement and Section 6(a), (c), (d), (h), (i), (l) and (p)(iii) of the Canadian Security Agreement true and correct as if the Schedules referenced therein were delivered on such date;

except to the extent prohibited by the Pensions Act 2004, such other information respecting the Company or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request;

(viii) weekly, on or before the third Business Day following the end of every calendar week (for purposes of this section, each calendar week being deemed to end on Friday), commencing with the calendar week ending January 27, 2012, a 13-Week Projection;

(ix) a Borrowing Base Certificate substantially in the form of Exhibit G as of the date required to be delivered or so requested, in each case with supporting documentation (including, without limitation, the documentation described in Schedule 1 to Exhibit G) shall be furnished to the Agent: (A) semi-monthly (as of the 15th day and as of the last day of each month (or, if either such day is not a Business Day, as of the Business Day immediately preceding such 15th or last day, as applicable)), on or before the third Business Day following each 15th day and each last day of each month, commencing January 31, 2012, which Borrowing Base Certificate shall reflect the Collateral contained in the Borrowing Base updated as of such 15th or last day of each month, as applicable; (B) immediately, if at any time the Company becomes aware that the Borrowing Base, assuming it were to be calculated at such time, would be less than 85% of the Borrowing Base as set forth in the most recently delivered Borrowing Base Certificate, (C) in addition to the bi-weekly Borrowing Base Certificates required pursuant to clause (A) and the immediate Borrowing Base Certificates required pursuant to clause (B), upon the occurrence and continuance of an Event of Default, on or before the third Business Day following the end of each calendar week, which weekly Borrowing Base Certificate shall reflect the Collateral included in the Borrowing Base updated as of the immediately preceding Monday; and (D) if requested by the Agent at any other time when the Agent reasonably believes that the then existing Borrowing Base Certificate is materially inaccurate, as soon as reasonably available after such request; in each case with supporting documentation as the Agent, the Lenders or the Collateral Agent may reasonably request (including without limitation, the documentation described on Schedule 1 to Exhibit G);

(x) (A) promptly and in any event within 20 days after any Loan Party or any ERISA Affiliate knows or has reason to know that any ERISA Event or Termination Event has occurred, a statement of a Responsible Officer of such Loan Party describing such ERISA Event or Termination Event and the action, if any, that such Loan Party or such ERISA Affiliate has taken and proposes to take with respect thereto and (B) on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA or to the Ontario Superintendent of Pensions with respect to a Termination Event affecting any Canadian Pension Plan, a copy of such records, documents and information;

(xi) promptly and in any event within two business days after receipt thereof by any Loan Party or any ERISA Affiliate, copies of each notice from the PBGC or other governmental or regulatory authority stating its intention to terminate any Plan or any Canadian Pension Plan or to have a trustee appointed to administer any Plan or any Canadian Pension Plan;

(xii) promptly and in any event within five business days after receipt thereof by any Loan Party or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (A) the imposition of Withdrawal Liability by any such Multiemployer Plan, (B) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan or (C) the amount of liability incurred, or that may be incurred, by such Loan Party or any ERISA Affiliate in connection with any event described in clause (A) or (B);

(xiii) (A) not later than September 30, 2012, (1) audited “carve-out” financial statements (including statements of financial position, earnings and cash flows) for each of the

Specified Business Units (each on a standalone basis) for each of the three most recently completed fiscal years, accompanied by an opinion reasonably acceptable to the Agent by registered independent public accountants reasonably acceptable to the Agent, and (2) unaudited "carve-out" financial statements for each of the Specified Business Units for the three-month or six-month, as applicable, period ended not less than 45 days prior to the delivery thereof, and (B) from and after the date on which the obligations set forth in the preceding clause (A) are satisfied, (1) within 45 days after the end of each subsequent quarter (other than the fourth quarter) of each fiscal year of the Company, unaudited "carve-out" financial statements for each of the Specified Business Units for each such subsequent quarter and (2) not later than March 31, 2013, audited "carve-out" financial statements for each of the Specified Business Units for the fiscal year ending December 31, 2012, accompanied by an opinion acceptable to the Agent by registered independent public accountants reasonably acceptable to the Agent, except, in each case of this clause (B), with respect to any Specified Business Unit that shall have been Disposed; and

(xiv) except to the extent prohibited by the Pensions Act 2004, promptly and in any event within 3 Business Days after a Responsible Officer of the Company or Kodak Limited knows or has reason to know that (A) the UK Pension Scheme has commenced winding up, (B) the UK Pensions Regulator has issued a warning notice that it is considering issuing a financial support direction or contribution notice in relation to the UK Pension Scheme or (C) the Company or any of its Affiliates which currently participates in the UK Pension Scheme has ceased to participate and thus triggered a liability on its cessation of participation, a statement of a Responsible Officer of the Company (or, if applicable, cause to be furnished to the Lenders a statement of a Responsible Officer of Kodak Limited) noting such event and the action, if any, which is proposed to be taken with respect thereto.

Documents required to be delivered pursuant to Section 5.01(g)(i), (ii), (iii) and (v) (to the extent any such documents are included in materials otherwise filed with the Securities Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents, or provides a link thereto on the Company's website on the Internet at the website address listed on Schedule 9.02; or (ii) on which such documents are posted on the Company's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided that: (A) upon written request of the Agent, the Company shall deliver paper copies of such documents to the Agent until a written request to cease delivering paper copies is given by the Agent and (B) the Company shall notify the Agent (by telecopier or electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Agent and maintaining its copies of such documents.

Each Borrower hereby acknowledges that (a) the Agent, the Arranger and the Collateral Agent will make available to the Lenders and the Issuing Banks materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Company or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Each Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC"

shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", the Borrowers shall be deemed to have authorized the Agent, the Arranger, the Collateral Agent, the Issuing Banks and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Company or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Borrower Information, they shall be treated as set forth in Section 8.08; (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Agent, the Arranger and the Collateral Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, the Borrowers shall be under no obligation to mark any Borrower Materials "PUBLIC".

(h) Covenant to Guarantee Obligations and Give Security. Upon (x) the request of the Agent following the occurrence and during the continuance of a Default, (y) the formation or acquisition of (1) any Subsidiary organized under the laws of any state of the United States of America owned directly or indirectly by the Company or (2) any Subsidiaries organized under the laws of Canada or any province or territory thereof owned directly or indirectly by Kodak Canada or (z) the acquisition of any property by any Loan Party, and such property, in the judgment of the Agent (as to which judgment the Agent has given notice to the Company), shall not already be subject (other than in respect of the Specified Collateral) to a perfected first priority security interest in favor of the Agent for the benefit of the Secured Parties, then in each case at the Company's expense:

(i) in connection with the formation or acquisition of a Subsidiary organized under the laws of a state of the United States of America or Canada (or province or territory thereof) owned directly or indirectly by the Company or Kodak Canada that (A) is not a CFC or a Subsidiary of a CFC (unless, with respect to the Canadian Obligations, such Subsidiary is owned by a Canadian Loan Party), or (B) is not a Person having total assets of less than $1,000,000 (and, so long as it is not such a Person), within 30 days after such formation or acquisition, cause each such Subsidiary, duly execute and deliver to the Agent a guaranty supplement, in the form of Exhibit F hereto, guaranteeing the applicable Guaranteed Obligations,

(ii) within 45 days after (A) such request or acquisition of property by any Loan Party, duly execute and deliver, and cause each Loan Party to duly execute and deliver, to the Agent such additional pledges, assignments, security agreement supplements, intellectual property security agreement supplements and other security agreements as specified by, and in form and substance reasonably satisfactory to, the Agent, securing payment of all the Obligations of such Loan Party and constituting Liens on all such properties and (B) such formation or acquisition by any Loan Party of any Subsidiary, duly execute and deliver and cause each Loan Party acquiring equity interests in such Subsidiary to duly execute and deliver to the Agent pledges, assignments and security agreement supplements related to such equity interests as specified by, and in form and substance reasonably satisfactory to, the Agent, securing payment of all of the Obligations of such Loan Party; provided that (x) the stock of any Subsidiary held by a CFC or a Subsidiary of a CFC shall not be required to be pledged unless, with respect to the Canadian Obligations, such Subsidiary is owned by a Canadian Loan Party and (y) if such property is equity interests of a CFC (unless, with respect to the Canadian Obligations, the issuer thereof is owned by a Canadian Loan Party), no more than 65% of the voting equity interests in such CFC shall be pledged in favor of the Secured Parties,

within 60 days after such request, formation or acquisition, take, and cause each Loan Party to take, whatever action (including, without limitation, the filing of UCC and/or PPSA financing statements (or similar registrations or filings), the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the reasonable opinion of the Agent to vest in the Agent (or in any representative of the Agent designated by it) valid and subsisting Liens on the properties purported to be subject to the pledges, assignments, security agreement supplements, intellectual property security agreement supplements and security agreements delivered pursuant to this Section 5.01(h), enforceable against all third parties in accordance with their terms (other than in respect of the Specified Collateral as set forth in Section 6(m) of the US Security Agreement and Section 6(m) of the Canadian Security Agreement),

(iii) within 60 days after such request, formation or acquisition, deliver to the Agent, upon the request of the Agent in its sole discretion, a signed copy of one or more favorable opinions, addressed to the Agent and the other Secured Parties, of counsel for the Loan Parties reasonably acceptable to the Agent as to (A) such guaranties, guaranty supplements, pledges, assignments, security agreement supplements, intellectual property security agreement supplements and security agreements described in clauses (i), (ii) and (iii) above being legal, valid and binding obligations of each Loan Party party thereto enforceable in accordance with their terms and as to the matters contained in clause (iii) above, subject to customary exceptions, (B) such recordings, filings, notices, endorsements and other actions being sufficient to create valid perfected Liens on such assets, and (C) such other matters as the Agent may reasonably request, consistent with the opinions delivered on the Effective Date (to the extent applicable).

(iv) at any time and from time to time, promptly execute and deliver, and cause each Loan Party and each Subsidiary to execute and deliver, any and all further instruments and documents and take, and cause such Subsidiary to take, all such other action as the Agent may deem reasonably necessary or desirable in obtaining the full benefits of, or in perfecting and preserving the Liens of, such guaranties, pledges, assignments, security agreement supplements, intellectual property security agreement supplements and security agreements to the extent required by this Section 5.01(h) and the applicable Collateral Documents.

Notwithstanding the foregoing, except as contemplated by the last sentence of Section 2.24(b), the Borrowers shall have no obligation to provide in favor of the Secured Parties perfected security interests in any real property held by the Borrowers or their Subsidiaries.

(i) Further Assurances. (i) Promptly upon the reasonable request by the Agent, or any Lender through the Agent, correct, and cause each of the other Loan Parties promptly to correct, any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and

(ii) Promptly upon the reasonable request by the Agent, or any Lender through the Agent, do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, pledge agreements, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as the Agent, or any Lender through the Agent, may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Loan Documents, (B) to the fullest extent permitted by applicable law and the terms of this Agreement and the Collateral Documents, subject any Loan Party's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (C) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (D) assure, convey, grant, assign, transfer,

preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries formed or acquired after the Effective Date is or is to be a party, and cause each of its Subsidiaries to do so.

(j) [Reserved]

(k) Maintenance of Cash Management System. (i) In accordance with Section 2.18 of this Agreement, establish and maintain a cash management system on terms reasonably acceptable to the Agent and (ii) continue to maintain one or more Collection Accounts to be used by each Borrower as its principal concentration account for day-to-day operations conducted by such Borrower.

(l) Foreign Security Interests. Within the time periods set forth on Schedule 5.01(m) (or such longer time as may be reasonably agreed by the Agent), execute and deliver, and cause each of its Subsidiaries to execute and deliver, to the Agent all documents and instruments required to create and perfect the Agent's first priority security interest in Collateral consisting of the stock of those Subsidiaries listed on Schedule 5.01(m) in the applicable foreign jurisdictions (free and clear of all other liens, subject to exceptions permitted hereunder), in each case along with a customary opinion of local counsel with respect to such security interest.

(m) Administration of Accounts and Inventory. (i) Keep, and cause each other Loan Party to keep, accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to the Agent sales, collection, reconciliation and other reports in form reasonably satisfactory to the Agent, on such periodic basis as the Agent may reasonably request. The Company shall also provide to the Agent, upon the Agent's request, a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name and address, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and including such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports and other information as the Agent may reasonably request. If Accounts in an aggregate face amount of $10,000,000 or more cease to be Eligible Receivables, the Company shall notify the Agent of such occurrence promptly (and in any event within three Business Days) after any Loan Party has knowledge thereof).

(ii) If an Account of any Loan Party includes a charge for any taxes, the Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of such Loan Party if such Loan Party does not do so and to charge the Borrowers therefor; provided, however, that neither the Agent nor the Lenders shall be liable for any taxes that may be due from the Loan Parties or with respect to any Collateral.

(iii) Whether or not a Default exists, the Agent shall have the right at any time, in the name of the Agent, any designee of the Agent or any Loan Party, to verify the validity, amount or any other matter relating to any Accounts of the Loan Party by mail, telephone or otherwise. The Loan Parties shall cooperate fully with the Agent in an effort to facilitate and promptly conclude any such verification process.

(iv) Each Loan Party shall keep accurate and complete records of its Inventory, including costs and daily withdrawals and additions, and shall submit to the Agent inventory and reconciliation reports in form reasonably satisfactory to the Agent, on such periodic basis as the Agent may request. Each Loan Party shall conduct a physical inventory at least once per calendar year (and on a more frequent basis if requested by the Agent when a Default exists) or periodic cycle counts consistent with historical practices, and shall provide to the Agent a report based on each such inventory and count promptly upon completion thereof, together with such supporting

information as the Agent may reasonably request. Upon request by the Agent, the Agent may participate in and observe any such physical count.

(v) No Loan Party shall return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (A) such return is in the ordinary course of business; (B) no Default, exists or would result therefrom; and (C) the Agent is promptly notified if the aggregate value of all Inventory returned in any month exceeds $10,000,000.

(vi) The Loan Parties shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all applicable law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

(vii) The Loan Parties shall actively assist the Collateral Agent in conducting and preparing, as soon as practicable, a field exam in form and substance (as to methodology and scope) substantially similar to the latest full field exam prepared in connection with the Existing Credit Agreement.

(n) Proceeds of Digital Imaging Patent Portfolio Dispositions or IP Settlement Agreements. So long as the Term Facility Termination Date has not occurred, (i) cause all material consideration received in respect of any Digital Imaging Patent Portfolio Disposition or IP Settlement Agreement to be in the form of IP Consideration and (ii) cause (x) 100% of all IP Sale Proceeds and (y) the Applicable Prepayment Percentage of all IP Settlement Proceeds to be deposited directly upon receipt in a segregated Cash Collateral Account into which no proceeds of Revolving Credit Facility Collateral are deposited (a "Digital Imaging Patent Portfolio Disposition Cash Collateral Account") for application in accordance with Section 2.10(b)(iii).

(o) Use of Proceeds. Use, and cause its Subsidiaries to use, the proceeds of the Loans and the Letters of Credit solely for the purposes contemplated by Section 2.17.

(p) Term Facility Ratings. Use commercially reasonable efforts (i) to cause the Term Facility to receive a rating from each of Moody's and S&P prior to the Final Order Entry Date, or as soon as possible thereafter, and (ii) to cause a rating from each of Moody's and S&P with respect to the Term Facility to be in effect and at all times prior to the Term Facility Termination Date (for the avoidance of doubt, there shall be no obligation to maintain any specific rating).

(q) Chief Restructuring Officer. Employ a Chief Restructuring Officer and use commercially reasonable efforts to cause such Chief Restructuring Officer to continue to be employed in such capacity. In the event of the death, disability, incapacity, removal (for cause) or resignation of such Chief Restructuring Officer, employ a replacement Chief Restructuring Officer within 30 days.

(r) Certain Case Milestones. (i) On or prior to June 30, 2012, file a motion with the Bankruptcy Court to approve bid procedures relating to a sale of all or substantially all of the Digital Imaging Patent Portfolio, which bid procedures shall contemplate a time frame that is reasonably satisfactory to the Agent (such procedures, the "Bid Procedures"), and at all times thereafter diligently pursue the receipt of an order of the Bankruptcy Court approving the Bid Procedures.

(ii) On or prior to January 15, 2013, deliver to the Agent drafts of an Acceptable Reorganization Plan and a disclosure statement with respect thereto.

(iii) On or prior to February 15, 2013, file with the Bankruptcy Court an Acceptable Reorganization Plan and a disclosure statement with respect thereto, and at all times thereafter

diligently pursue the receipt of orders of the Bankruptcy Court approving such disclosure statement and confirming such Acceptable Reorganization Plan.

(s) Insolvency Proceedings of Kodak Canada. If any proceedings under the CCAA are commenced by Kodak Canada or any Canadian Subsidiary Guarantor, take all steps reasonably required to cause such proceeding to constitute an Approved Canadian Case.

(t) Post-Closing Covenants. Comply, and cause its Subsidiaries to comply, with the obligations set forth in the paragraph immediately following Section 3.01(d)(vi) .

SECTION 5.02. Negative Covenants. So long as any Loan or any other payment obligation of any Loan Party of which the Company has knowledge under any Loan Document shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Company will not:

(a) Liens. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than the following, provided that any Lien permitted by any clause below shall be permitted under this Section 5.02(a), notwithstanding that such Lien would not be permitted by any other clause:

(i) Permitted Liens,

(ii) Liens created under the Loan Documents,

(iii) Liens upon or in any real property or equipment acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition or improvement of such property or equipment (including any Liens placed on such property or equipment within 180 days after the acquisition of such property or equipment), or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the Debt secured by the Liens referred to in this clause (iii) and clause (vi) below shall not exceed $25,000,000 at any time outstanding,

(iv) the Liens existing on the Petition Date and described on Schedule 5.02(a) hereto,

(v) Liens on property of a Person existing at the time such Person is acquired by, amalgamated, merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company; provided that such Liens were not created in contemplation of such amalgamation, merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged or amalgamated into or consolidated with the Company or such Subsidiary or acquired by the Company or such Subsidiary,

(vi) Liens arising under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; provided that the aggregate principal amount of the Debt secured by the Liens referred to in this clause (vi) and clause (iii) above shall not exceed $25,000,000 at any time outstanding,

Liens on assets of Subsidiaries organized under the laws of any jurisdiction outside of the United States or Canada (vii) which secure Debt permitted under Section 5.02(d)(viii) or (viii) which are incurred to permit such Subsidiaries to preserve their rights in any judicial, quasi-judicial, governmental agency or similar proceeding and which in the case of this clause (viii) do not constitute an Event of Default under Section 6.02(f),

(ix) the replacement, extension or renewal of any Lien permitted by clause (iii) above in connection with a Permitted Refinancing of the Debt secured thereby, in each case upon or in the same property theretofore subject thereto,

(x) Liens on assets of Subsidiaries that are not Loan Parties securing Debt incurred pursuant to Section 5.02(d)(ix), in an aggregate amount not to exceed $10,000,000 at any time outstanding,

(xi) Liens on up to $1,500,000 of cash collateral securing the obligations of the Company and its Subsidiaries under the Existing Secured Agreements set forth on Part 1 of Schedule 1.01(a),

(xii) Liens in respect of judgments that do not constitute an Event of Default under Section 6.02(f),

(xiii) Liens on assets of the Company and its Subsidiaries not constituting Collateral which secure Debt permitted under Section 5.02(d)(xvii),

(xiv) Liens granted to provide adequate protection pursuant to the Interim Order or the Final Order,

(xv) Liens over any assets of any Subsidiary that is not a Loan Party to the extent required to provide collateral in respect of any appeal of any tax litigation in an aggregate amount not to exceed the amount required to be paid under local law to permit such appeal, and

(xvi) additional Liens not to exceed $5,000,000 at any time outstanding.

(b) Mergers. Merge, amalgamate or consolidate with or into any Person, or permit any of its Subsidiaries to do so, provided that, notwithstanding the foregoing (i) any Subsidiary may merge, amalgamate or consolidate with or into the Company or any other Subsidiary of the Company (provided that if any such Person is a Loan Party, the surviving or continuing entity shall be a Loan Party and the security interests granted by such surviving or continuing entity that is a Loan Party pursuant to the Orders and the Collateral Documents shall remain in full force and effect), (ii) any Subsidiary of the Company that is a Loan Party may merge, amalgamate or consolidate with or into the Company or any other Loan Party (provided that the security interests granted by the Company or such other Loan Party pursuant to the Orders and the Collateral Documents shall remain in full force and effect), (iii) any Subsidiary of the Company that is not a Loan Party may merge, amalgamate or consolidate with or into the Company or any other Subsidiary of the Company, (iv) any Subsidiary may merge, amalgamate or consolidate with any other Person so long as such Subsidiary is the surviving or continuing corporation (provided that if any such Person is a Loan Party, the surviving or continuing entity shall be a Loan Party and the security interests granted by such surviving or continuing entity pursuant to the Orders and the Collateral Documents shall remain in full force and effect), (v) the Company may merge, amalgamate or consolidate with any other Person so long as the Company is the surviving corporation and the security interests granted by the Company pursuant to the Orders and the Collateral Documents shall remain in full force and effect), and (vi) any Subsidiary may merge, amalgamate or consolidate with any other Person the purpose of which is to effect a disposition permitted pursuant to Section 5.02(e)(vi); provided,

in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Accounting Changes. Make or permit, or permit any of its Subsidiaries organized under the laws of the United States, Canada or any province, territory or state thereof to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(d) Debt. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Debt other than the following, provided that any Debt permitted by any clause below shall be permitted under this Section 5.02(d), notwithstanding that such Debt would not be permitted by any other clause:

(i) Debt owed to the Company or to a Consolidated Subsidiary of the Company, provided that all such Debt owed by a Loan Party to a Person that is not a Loan Party shall be subordinated to the Obligations of such Loan Party pursuant to an intercompany subordination agreement or other arrangements reasonably satisfactory to the Agent,

(ii) Debt existing on the Petition Date and described on Schedule 5.02(d) hereto (the "Existing Debt"), and any Permitted Refinancing thereof,

(iii) Debt secured by Liens of the type described in and to the extent permitted by Section 5.02(a)(iii) and (vi) in an aggregate amount not to exceed $25,000,000 at any time outstanding,

(iv) Debt of a Person existing at the time such Person is amalgamated, merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company; provided that such Debt was not created in contemplation of such amalgamation, merger, consolidation or acquisition,

(v) Debt arising under the Loan Documents,

(vi) [reserved],

(vii) Debt incurred by Kodak International Finance Limited, a company organized and existing under the laws of England, (x) in connection with short term working capital needs in an aggregate amount not to exceed $25,000,000 at any time outstanding and (y) consisting of Hedge Agreement Obligations entered into in the ordinary course of business to protect the Company and its Subsidiaries against fluctuations in commodities, interest or exchanges rates,

(viii) Debt incurred by Subsidiaries organized under the laws of any jurisdiction outside of the United States or Canada in an aggregate amount not to exceed $20,000,000 at any time outstanding,

(ix) Debt of Subsidiaries that are not Loan Parties in respect of (a) treasury management services, clearing, corporate credit card and related services provided to any such Subsidiaries, (b) letters of credit issued for the benefit of any such Subsidiaries, (c) Hedge Agreements entered into by any such Subsidiaries, and (d) bank guarantees with respect to such Subsidiaries, in an aggregate amount not to exceed $10,000,000 at any time outstanding,

(x) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business,

Debt which exists or may exist under the Secured Agreements in existence from time to time,

(xi) Debt which exists or may exist under the Existing Secured Agreements in existence from time to time; provided that such Debt shall not be secured by any Lien other than a Lien permitted under Section 5.02(a)(xi),

(xii) unsecured Debt consisting of guarantees of amounts owing by customers of the Company under equipment and vendor financing programs in an aggregate amount not to exceed $25,000,000 at any time outstanding,

(xiii) unsecured Debt in connection with surety bonds, guarantees and letters of credit for customs and excise taxes, value added taxes, insurance and environmental liabilities, rental expenses, tenders and bids and other obligations of the like incurred in the ordinary course of business in an aggregate principal amount not to exceed $10,000,000 at any time outstanding,

(xiv) [reserved],

(xv) the Other Existing Letters of Credit, but, with respect to each Other Existing Letter of Credit, only until such time as such letter of credit expires in accordance with its terms in effect on the Effective Date or is otherwise cancelled or terminated,

(xvi) Guarantees (i) of any Loan Party in respect of Debt of either Borrower or any other Loan Party otherwise permitted hereunder and (ii) of any Subsidiary that is not a Loan Party in respect of Debt of any other Subsidiary that is not a Loan Party otherwise permitted hereunder; and

(xvii) additional Debt not to exceed $10,000,000 at any time outstanding.

(e) Sales and Other Transactions. Sell, convey, transfer, lease or otherwise dispose of, or permit any of its Subsidiaries to sell, convey, transfer, lease or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire, or permit any of its Subsidiaries to grant any option or other right to purchase, lease or otherwise acquire, any assets, other than the following, provided that such action permitted by any clause below shall be permitted under this Section 5.02(e), notwithstanding that such action would not be permitted by any other clause:

(i) sales of Inventory in the ordinary course of its business and the granting of any option or other right to purchase, lease or otherwise acquire the Inventory in the ordinary course of its business,

(ii) in a transaction authorized by Section 5.02(b),

(iii) sales of obsolete or worn-out property or property no longer used or useful,

(iv) sales, transfers or other dispositions of assets (x) among the US Loan Parties, (y) among the Canadian Loan Parties and (z) among Subsidiaries of the Company that are not Loan Parties or from such Subsidiaries to Loan Parties,

(v) Investments permitted under Section 5.02(i),

(vi) other sales, transfers or other dispositions of assets, provided, that (A) if such assets (other than machinery or equipment) constitute Collateral that is included in the Borrowing Base, the Company shall provide a Borrowing Base Certificate to the Agent reflecting the revised Borrowing Base giving effect to such sale, conveyance, transfer, lease or other disposition, (B) if any such property or assets are comprised of machinery and equipment, to the extent that the net

book value of such machinery and equipment in any year exceeds $5,000,000 in the aggregate and constitutes Collateral, then the Company shall deliver to the Agent a pro forma Borrowing Base Certificate giving effect to any such dispositions, (C) if the Net Cash Proceeds of any such sale, lease or other disposition of assets in accordance with this Section 5.02(e)(vi) shall exceed $10,000,000, the Company shall provide a certificate to the Agent indicating whether such assets constitute Collateral that is included in the Borrowing Base and (D) the Company or any of its Subsidiaries shall receive not less than 75% of the consideration for such sale, transfer or other disposition in the form of cash or Cash Equivalents (in each case, free and clear of all Liens at the time received); provided, that, with respect to Intellectual Property, the value of licenses to the Company or its Subsidiaries (as a licensee) shall be excluded from determining whether 75% of such consideration is in the form of cash or Cash Equivalents; provided further, that, except for intercompany licenses in the ordinary course of business, no sale, transfer or other disposition of any assets that are included in the Digital Imaging Patent Portfolio and that constitute Collateral shall be permitted to made under this clause (vi) to any Subsidiary of the Company that is not a US Loan Party.

(f) Payment Restrictions Affecting Subsidiaries. Directly or indirectly, enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement limiting the ability of any of its Subsidiaries to declare or pay dividends or other distributions in respect of its equity interests or repay or prepay any Debt owed to, make loans or advances to, or otherwise transfer assets to or make investments in, the Company or any Subsidiary of the Company (whether through a covenant restricting dividends, loans, asset transfers or investments, a financial covenant or otherwise), except (i) as provided in this Agreement, (ii) any agreement or instrument evidencing Debt existing on the Petition Date, (iii) any agreement in effect at the time a Person first became a Subsidiary of the Company, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Company; (iv) any agreement evidencing debt permitted by Section 5.02(a)(iii) that imposes restrictions on the property acquired; (v) by reason of customary provisions restricting assignments, licenses, subletting or other transfers contained in leases, licenses, joint venture agreements, purchase and sale or merger agreements and other similar agreements entered into in the ordinary course of business so long as such restrictions do not extend to assets other than those that are the subject of such lease, license or other agreement; (vi) in securitization transactions to the extent set forth in the documents evidencing such transactions so long as such restrictions do not extend to assets other than those that are the subject of such securitization transactions; or (vii) any agreement that amends, extends, refinances, renews or replaces any agreement described in the foregoing clauses; provided, however, that the terms and conditions of any such agreement are not materially less favorable to the Loan Parties or the Lenders with respect to such dividend and payment restrictions than those under or pursuant to the agreement amended, extended, refinanced, renewed or replaced .

(g) Change in Nature of Business. Make, or permit any of its Material Subsidiaries to make, any material change in the nature of the business as carried on or as contemplated to be carried on by the Company and its Subsidiaries taken as a whole at the Petition Date.

(h) Dividends and Other Payments. Declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of capital stock of the Company, or purchase, redeem or otherwise acquire for value (or permit any of its Subsidiaries to do so) any shares of any class of capital stock of the Company or any warrants, rights or options to acquire any such shares, now or hereafter outstanding, except that the Company may (i) declare and make any dividend payment or other distribution payable in common stock of the Company and (ii) purchase, redeem or otherwise acquire shares of its common stock or warrants, rights or options to acquire any such shares with the proceeds received from the substantially concurrent issue of new shares of its common stock. For the avoidance of doubt, the Company shall be permitted to issues shares of its common stock in connection with any conversion of its convertible Debt, upon the exercise of options or warrants or otherwise.

(i) Investments in Other Persons. Make, or permit any of its Subsidiaries to make, any Investment in any Person, except the following (provided, that any Investment permitted by any

clause below shall be permitted under this Section 5.02(i), notwithstanding that such Investment would not be permitted by any other clause):

(i) (A) Investments by the Company and its Subsidiaries in their Subsidiaries outstanding on the Petition Date, (B) additional Investments by the Company and its Subsidiaries in the Company or the US Subsidiary Guarantors, (C) additional Investments by Kodak Canada and its Subsidiaries in Kodak Canada or the Canadian Subsidiary Guarantors, (D) Investments by any Loan Party in another Loan Party and (E) additional Investments by Subsidiaries of the Company that are not Loan Parties in other Subsidiaries that are not Loan Parties;

(ii) loans and advances to employees in the ordinary course of the business of the Company and its Subsidiaries as presently conducted in an aggregate principal amount not to exceed $10,000,000 at any time outstanding;

(iii) Investments made by Loan Parties in Subsidiaries of the Company that are not Loan Parties in an aggregate amount not to exceed $100,000,000 at any time outstanding (determined net of any repayments in respect of such Investments received in Cash Equivalents by any Loan Party); provided that (x) no Default shall exist at the time such Investment is made or would result therefrom and (y) the aggregate amount of such Investments made during any fiscal quarter (net of any repayments in respect of such Investments received in Cash Equivalents by any Loan Party during such fiscal quarter) shall not exceed $25,000,000;

(iv) Investments in Hedge Agreements designed to hedge against fluctuations in interest rates, foreign exchange rates or in commodity prices incurred in the ordinary course of business and consistent with existing business practice;

(v) Investments received in settlement of claims against another Person in connection with (A) a bankruptcy proceeding against such Person, (B) accounts receivable arising from or trade credit granted to, in the ordinary course of business, a financially troubled account debtor and (C) disputes regarding intellectual property rights;

(vi) Investments arising out of the receipt by the Company or any of its Subsidiaries of non-cash consideration for the sale, transfer or other disposition of assets permitted under Section 5.02(e),

(vii) Investments in an aggregate amount not to exceed $5,000,000 for all such Investments after the Petition Date,

(viii) [reserved]; and

(ix) Investments by the Company and its Subsidiaries in cash and Cash Equivalents.

(j) Prepayments, Amendments, Etc. of Debt. (i) Prepay, redeem, purchase, defease, convert into cash or otherwise satisfy prior to the scheduled maturity thereof in any manner, or permit any of its Subsidiaries to prepay, redeem, purchase, defease, convert into cash or otherwise satisfy prior to the scheduled maturity thereof in any manner (x) any Debt of any Loan Party incurred prior to the Petition Date (including the Existing Second Lien Debt but excluding Debt incurred under the Existing Credit Agreement or the Existing Secured Agreements), (y) any Debt that is subordinated to the Obligations or (z) any other Debt, except (A) in the case of clause (z) only, for regularly scheduled (including repayments of revolving facilities) or required repayments or redemptions of Debt permitted hereunder provided that (1) before and after giving effect to such prepayment, redemption, purchase, defeasance or other satisfaction, no Default shall have occurred and be continuing and (2) the Agent shall have received a certificate from a Responsible Officer of the Company certifying compliance with the foregoing clause

(1), (B) any repayments of subordinated Debt to the Loan Parties that was permitted to be incurred under this Agreement, (C) conversion of convertible debt into common stock of the Company and payments of cash in lieu of fractional shares upon any such conversion, (D) as expressly provided for in the "first day" orders of the Bankruptcy Court entered upon pleadings in the form and substance acceptable to the Agent or (E) with the proceeds of any Permitted Refinancing or (ii) amend, modify or change in any manner adverse to the Lenders any term or condition of any subordinated Debt.

(k) Transactions with Affiliates. Conduct or enter into, or permit any of its Subsidiaries to conduct or enter into, any transactions otherwise permitted under this Agreement with any of its or their Affiliates except on terms that are fair and reasonable and no less favorable to the Company or such Subsidiary than it would obtain in a comparable arm's-length transaction (determined in the reasonable judgment of the Company) with a Person not an Affiliate, other than (i) intercompany transactions among the Company and its wholly-owned Subsidiaries, (ii) fees and other benefits to non-officer directors of the Company and its Subsidiaries and (iii) employment, severance and other similar arrangements and employee benefits with officers and employees of the Company and its Subsidiaries.

(l) Negative Pledges. Not, and not permit any Subsidiary to, enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, except with respect to (a) specific property encumbered to secure payment of particular Debt or to be sold pursuant to an executed agreement with respect to a Disposition or IP License permitted hereunder, (b) restrictions set forth in the documents governing the Existing Second Lien Debt, in the Indenture and in the documents governing other existing Indebtedness as set forth on Schedule 5.02(l) and (c) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided, that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be).

(m) Hedge Agreements. Not, and not permit any of its Subsidiaries to, enter into any Hedge Agreement, other than Hedge Agreements entered into in the ordinary course of business and not for speculative purposes.

(n) Changes to Organization Documents and Material Agreements. Amend, modify or waive, or permit any of its Subsidiaries to amend, modify or waive, (i) its certificate of incorporation, by-laws or other organizational documents or (ii) its rights and obligations under any material contractual obligation or agreement, in each case to if such amendment, modification or waiver could reasonably be expected to materially adversely affect the interests of the Lenders.

(o) Sale Leaseback Transactions. Except as otherwise set forth on schedule 5.02(o), not, and not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital asset that is made for cash consideration in an amount not less than the cost of such fixed or capital asset and is consummated within 90 days after the Company or such Subsidiary acquires or completes the construction of such asset.

(p) Creation of Subsidiaries. Not, and not permit any of its Subsidiaries that is a Loan Party to, establish, create or acquire any Subsidiary unless the Company or such Subsidiary that is a Loan Party shall have caused the requirements of Section 5.01(h) with respect to such established, created or acquired Subsidiary, and the assets and equity interests of such established, created or acquired Subsidiary, to be satisfied.

Financial Covenants. So long as any Loan or any other payment obligation of any Loan Party of which the Company has knowledge under any Loan Document shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder:

(q) Minimum Consolidated Adjusted EBITDA. Permit Consolidated Adjusted EBITDA of the Company and its Subsidiaries for any period set forth in the table below to be less than the amount set forth opposite such period:

Period	Minimum Consolidated Adjusted EBITDA
February 1, 2012 to April 30, 2012	$(105,000,000)
February 1, 2012 to May 31, 2012	$(130,000,000)
February 1, 2012 to June 30, 2012	$(115,000,000)
February 1, 2012 to July 31, 2012	$(110,000,000)
February 1, 2012 to August 31, 2012	$(110,000,000)
February 1, 2012 to September 30, 2012	$(85,000,000)
February 1, 2012 to October 31, 2012	$(55,000,000)
February 1, 2012 to November 30, 2012	$(10,000,000)
February 1, 2012 to December 31, 2012	$(5,000,000)
February 1, 2012 to January 31, 2013	$(5,000,000)
March 1, 2012 to February 28, 2013	$40,000,000
April 1, 2012 to March 31, 2013	$85,000,000
May 1, 2012 to April 30, 2013	$115,000,000
June 1, 2012 to May 31, 2013	$145,000,000
July 1, 2012 to June 30, 2013	$175,000,000

(r) Minimum US Liquidity. Permit, as of the close of business on any day, US Liquidity to be less than (x) for any day prior to the Final Order Entry Date (or, if later, the date on which the second Borrowing of Term Loans hereunder occurs), $125,000,000, (y) for any day during the period commencing on the Final Order Entry Date (or, if later, the date on which the second Borrowing of Term Loans hereunder occurs) and ending on March 31, 2012, $250,000,000, (y) for any day during the period commencing on April 1, 2012 and ending September 30, 2012, $150,000,000 and (z) for any day after September 30, 2012, $100,000,000; provided, that on and after the Term Facility Termination Date, the compliance level shall be increased (but in no case to an amount greater than $250,000,000) by adding to the otherwise applicable level an amount equal to 50% of the aggregate Net Cash Proceeds of Asset Sales received subsequent to the Term Facility Termination Date and on or prior to the date of determination. Net Cash Proceeds for this purpose shall be determined without regard to any reinvestment rights.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

Non-Payment. Section 6.02. Any Borrower shall fail to pay any principal of any Loan when the same becomes due and payable; (i) any Borrower shall fail to pay any interest on any Loan or fees within three Business Days after the same becomes due and payable; or (ii) any Loan Party shall fail to make any other payment under any Loan Document, within three Business Days after notice of such failure is given by the Agent or any Lender to the Company; or

(b) Representations. Any representation, warranty, certification or other statement of fact made or deemed made by any Borrower herein or by any Loan Party in any Loan Document to which it is a party or by a Borrower (or any of its officers) in a certificate delivered under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made or deemed made; or

(c) Specific Covenants. (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Sections 5.01(d), clauses (i) through (viii) (and, in the case of clause (i), such failure shall continue for 5 Business Days), (x) (and, in the case of clause (x), such failure shall continue for 2 Business Days) or (xiii) of 5.01(g), 5.01(n), 5.01(o), 5.01(r), 5.01(t), 5.02 or 5.03, or (ii) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Company by the Agent or any Lender; or

(d) Cross Default. (i) The Company or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal, or in the case of Hedge Agreement Obligations, net amount of, at least (x) in the case of the Company and the US Subsidiaries, $5,000,000 in the aggregate or (y) in the case of the Non-US Subsidiaries, $50,000,000 in the aggregate (but in each case excluding Debt outstanding hereunder and any Debt of any Debtor that was incurred prior to the Petition Date) and excluding, upon the commencement of an Approved Canadian Case, any Debt of the applicable Canadian Loan Party incurred prior to such commencement date, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to cause, or to permit the holders or beneficiaries of such Debt (or a trustee or agent on behalf of such holders or beneficiaries) to cause, with the giving of notice if required, such Debt to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Debt to be made, in each case prior to the stated maturity of such Debt; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) Insolvency Proceedings, Etc. (i) The Company or any Subsidiary (other than the Debtors) shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against the Company or any Subsidiary (other than the Debtors) seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, interim receiver, monitor, trustee, custodian or other similar official for it or for any substantial part of its property and (x) in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60

days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur and (y) in the case of any such proceeding instituted by or against a Canadian Loan Party, such Canadian Loan Party is not party to an Approved Canadian Case; or (iii) the Company or any Subsidiary shall take any corporate action to authorize any of the actions set forth above in this Section 6.02(e) (other than any such actions with respect to the Debtors or a Canadian Loan Party); provided, that with respect to each of the foregoing subclauses (i) and (ii), in the case of any Non-US Subsidiary (or, with respect to subclause (ii), in the case of any Non-US Subsidiary that is not a Canadian Loan Party), such event would reasonably be expected to have a Material Adverse Effect.

(f) Judgments. (i) Other than any judgments or orders arising from any investigation, litigation or proceeding disclosed on Schedule 6.01(f), judgments or orders for the payment of money in excess of $25,000,000 in the aggregate shall be rendered against the Company or any of its Subsidiaries (which, in the case of the Debtors only, arose post-petition) and (x) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (y) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect or (ii) there shall be rendered against the Debtors or other Loan Parties or any other Material Subsidiaries a nonmonetary judgment with respect to any event (which, in the case of the Debtors only, arose post-petition) which causes or would reasonably be expected to cause a Material Adverse Effect, and such nonmonetary judgment shall not be reversed, stayed or vacated within 30 days after the entry thereof; or

(g) Change of Control. (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Company (or other securities convertible into such Voting Stock) representing 35% or more of the combined voting power of all Voting Stock of the Company; or (ii) during any period of up to 24 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Company together with individuals who were either (x) elected by a majority of the remaining members of the board of directors of the Company or (y) nominated for election by a majority of the remaining members of the board of directors of the Company, shall cease for any reason to constitute a majority of the board of directors of the Company; or

(h) ERISA Events. (i) Any ERISA Event shall have occurred with respect to a Plan or any Termination Event shall have occurred with respect to a Canadian Pension Plan, and the sum (determined as of the date of occurrence of such ERISA Event or Termination Event, as applicable) of (x) the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Loan Parties and the ERISA Affiliates related to such ERISA Event), and (y) the wind-up unfunded liability of such Canadian Pension Plan and the wind-up unfunded liability of any and all other Canadian Pension Plans with respect to which a Termination Event shall have occurred, exceeds $50,000,000; or any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Loan Parties and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds $50,000,000; or

(ii) Any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Loan Parties and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds $25,000,000; or

Any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization, insolvent or is being terminated, within the meaning of Title IV of ERISA, or has been determined to be in "endangered" or "critical" status within the meaning of Section 432 of the Code or Section 305 of ERISA, and as a result of such reorganization, insolvency, termination or determination, the aggregate annual contributions of the Loan Parties and the ERISA Affiliates to all Multiemployer Plans that are then in reorganization, insolvent, being terminated or in endangered or critical status have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization, insolvency, termination or determination occurs, by an amount exceeding $25,000,000; or

(iii) (A) (1) the UK Pension Scheme shall have commenced winding up or (2) the UK Pensions Regulator shall have issued a warning notice that it is considering issuing a financial support direction or contribution notice in relation to the UK Pension Scheme, and, in the case of each of clause (1) and clause (2), the amount of the deficit on winding up of the UK Pension Scheme would reasonably be expected to have a Material Adverse Effect, or (B) any Affiliate of the Company which currently participates in the UK Pension Scheme shall have ceased to participate therein or shall have withdrawn therefrom, and in each case such action would reasonably be expected to have a Material Adverse Effect; or

(i) Invalidity of Loan Documents. Any provision of any Loan Document after delivery thereof pursuant to Section 3.01 or 5.01(h) or (i) that is material to the substantial realization of the rights of the Lenders thereunder shall for any reason cease to be valid and binding on or enforceable against any Loan Party party to it, or any such Loan Party shall so state in writing; or

(j) Collateral Documents. Any Collateral Document or financing statement after delivery thereof pursuant to Section 3.01 or 5.01(h) or (i) shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority lien on and security interest in the Collateral (other than the Specified Collateral as set forth in Section 6(m) of the US Security Agreement and Section 6(m) of the Canadian Security Agreement) purported to be covered thereby; or

(k) Dismissal or Conversion of Cases. (i) Any of the Cases of Debtors which are Material Subsidiaries shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or any Debtor shall file a motion or other pleading seeking the dismissal of any Case of any Debtor that is a Material Subsidiary under Section 1112 of the Bankruptcy Code or otherwise, (ii) a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code, a responsible officer or an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code shall be appointed in any of the Cases of the Debtors and the order appointing such trustee or examiner shall not be reversed or vacated within 30 days after the entry thereof, or (iii) with respect to Kodak Canada or any Canadian Subsidiary Guarantor that is party to an Approved Canadian Case, an order shall be entered by the Canadian Court (or the Company or any of its Subsidiaries shall file an application or motion for entry of an order) terminating such Approved Canadian Case or converting such Approved Canadian Case to a proceeding under the *Bankruptcy and Insolvency Act (Canada)* or appointing a trustee in bankruptcy, a receiver, an interim receiver, a receiver and manager or another official with similar powers over such Debtor or its assets and the order appointing such trustee, receiver, manager or other official shall not be reversed, stayed or vacated within 30 days after the entry thereof; or

(l) Superpriority Claims. An order of the Bankruptcy Court shall be entered granting any Superpriority Claim (other than the Carve-Out) in any of the Cases of the Debtors that is *pari passu* with or senior to the claims of the Agent, the Collateral Agent and the Lenders against any Borrower or any other Loan Party hereunder or under any of the other Loan Documents, or any Debtor

takes any action seeking or supporting the grant of any such claim, except as expressly permitted hereunder; or

(m) Relief from Automatic Stay. The Bankruptcy Court shall enter an order or orders granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder or holders of any security interest to (i) permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of any of the Debtors which have a value in excess of $10,000,000 in the aggregate or (ii) permit other actions that would have a Material Adverse Effect on the Debtors or their estates (taken as a whole); or

(n) Certain Orders. (i) The Final Order Entry Date shall not have occurred by the date that is 30 days (or, if entry of the Final Order is delayed by any requirements as a result of an evidentiary hearing or similar hearing or process associated with objections being made to entry of the Interim Order or the Final Order, 45 days) following the Interim Order Entry Date; or

(ii) an order of the Bankruptcy Court shall be entered reversing, amending, supplementing, staying for a period of five days or more, vacating or otherwise amending, supplementing or modifying the Interim Order or the Final Order, or any of the Borrowers or any Subsidiary of the Company shall apply for authority to do so, without the prior written consent of the Agent or the Required Lenders, and such order is not reversed or vacated within 5 days after the entry thereof; or

(iii) an order of the Bankruptcy Court shall be entered denying or terminating use of Cash Collateral by the Loan Parties; or

(iv) the Interim Order or Final Order shall cease to create a valid and perfected Lien on the Collateral or to be in full force and effect; or

(v) any of the Loan Parties or any Subsidiary of the Company shall fail to comply with the Orders; or

(vi) a final non-appealable order in the Cases shall be entered charging any of the Collateral under Section 506(c) of the Bankruptcy Code against the Lenders or the commencement of other actions that is materially adverse to the Agent, the Lenders or their respective rights and remedies under the Facilities in any of the Cases or inconsistent with any of the Loan Documents; or

(o) Pre-Petition Payments. Except as permitted by the Orders, any Debtor shall make any Pre-Petition Payment other than Pre-Petition Payments authorized by the Bankruptcy Court in accordance with the "first day" orders of the Bankruptcy Court reasonably satisfactory to the Agent or by other orders entered by the Bankruptcy Court or the Canadian Court entered with the consent of (or non-objection by) the Required Lenders; or

(p) Invalid Plan. A Reorganization Plan that is not an Acceptable Reorganization Plan shall be confirmed in any of the Cases of the Debtors, or any order shall be entered which dismisses any of the Cases of the Debtors and which order does not provide for termination of the Commitments and payment in full in cash of the Obligations under the Loan Documents (other than contingent indemnification obligations not yet due and payable), or any of the Debtors shall seek confirmation of any such plan or entry of any such order; or

(q) Supportive Actions. Any Loan Party or any Subsidiary thereof shall take any action in support of any matter set forth in paragraph (k), (l), (m), (n), (o) or (p) above or any other Person shall do so and such application is not contested in good faith by the Loan Parties and the relief requested is granted in an order that is not stayed pending appeal;

then, and in any such event, the Agent shall at the request, or may with the consent, of the Class Required Lenders of any Class (i) by notice to the Company, declare the obligation of each Lender of the applicable Class to make Loans of the applicable Class (other than Revolving Loans to be made by an Issuing Bank or a Lender pursuant to Section 2.03(c)) to be terminated and, in the case of the Required US Revolving Lenders, declare the obligation of the Issuing Banks to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, (ii) by notice to the Company, declare the Loans of the applicable Class, all interest thereon and all other amounts payable in respect thereof under this Agreement to be forthwith due and payable, whereupon such Loans, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower; and (iii) subject to the provisions of the Intercreditor Agreement and the Orders, exercise rights and remedies in respect of the Collateral in accordance with Section 19 of the US Security Agreement, Section 19 of the Canadian Security Agreement and/or the comparable provisions of any other Collateral Document; provided, that (x) with respect to a Single Class Default, only Lenders of the applicable Class shall be entitled to request that the Agent exercise remedies pursuant to this Section 6.01 (or to consent thereto) and (y) with respect to the enforcement of Liens or other remedies with respect to the Collateral of the US Loan Parties under the preceding clause (iii), the Agent shall provide the Company (with a copy to counsel for the Official Creditors' Committee in the Cases and to the United States Trustee for the Southern District of New York) with seven (7) days' prior written notice prior to taking the action contemplated thereby; in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition thereto being whether, in fact, an Event of Default has occurred and is continuing.

SECTION 6.03. Actions in Respect of the Letters of Credit upon Default. If any Event of Default (other than a Single Class Default of the type described in clause (i) of the definition thereof) shall have occurred and be continuing, the Agent may with the consent, or shall at the request, of the Required US Revolving Lenders, irrespective of whether it is taking any of the actions described in Section 6.01, make demand upon the Company to, and forthwith upon such demand the Company will, (a) pay to the Agent on behalf of the Revolving Lenders in same day funds at the Agent's office designated in such demand, for deposit in the L/C Cash Deposit Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding or (b) make such other arrangements in respect of the outstanding Letters of Credit as shall be acceptable to the Agent and not more disadvantageous to the Company than clause (a). If at any time any such Event of Default is continuing the Agent determines that any funds held in the L/C Cash Deposit Account are subject to any right or claim of any Person other than the Agent and the US Revolving Lenders or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, then the Company will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited and held in the L/C Cash Deposit Account, an amount equal to the excess of (i) such aggregate Available Amount over (ii) the total amount of funds, if any, then held in the L/C Cash Deposit Account that the Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit, to the extent funds are on deposit in the L/C Cash Deposit Account, such funds shall be applied to reimburse the Issuing Banks to the extent permitted by applicable law; provided, that the Agent shall provide the Company (with a copy to counsel for the Official Creditors' Committee in the Cases and to the United States Trustee for the Southern District of New York) with seven (7) days' prior written notice prior to applying any such funds; in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition thereto being whether, in fact, an Event of Default has occurred and is continuing. After all such Letters of Credit shall have expired or been fully drawn upon, if at such time (x) no Event of Default is continuing or (y) all other obligations of the Company hereunder and under the Notes shall have been paid in full, the balance, if any, in such L/C Cash Deposit Account shall be returned to the Borrowers.

SECTION 6.04. Reserved.

Application of Funds. After the exercise of remedies provided for in Section 6.01 (or after the Loans have become immediately due and payable and the Letters of Credit have been required to be cash collateralized as set forth in Section 6.02), any amounts received by the Agent on account of the Obligations shall be applied by the Agent in the following order:

(a) With respect to amounts received from or on account of the Company, or in respect of any US Collateral (subject to the proviso at the end of this Section 6.04(a)):

First, to payment of that portion of the US Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article II) payable to the Agent in its capacity as such;

Second, to payment of that portion of the US Obligations constituting fees, indemnities and other amounts (other than principal, interest, US Letter of Credit fees and commitment fees) payable to the US Revolving Lenders, the US Issuing Banks and the Term Lenders (including fees, charges and disbursements of counsel to the respective US Revolving Lenders, the US Issuing Banks and the Term Lenders payable under the Loan Documents and amounts payable under Article II) (in each case, other than fees, indemnities and other amounts arising under US Secured Agreements), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the US Obligations constituting accrued and unpaid US Letter of Credit fees, commitment fees and interest on the US Revolving Loans, on the Term Loans and on unreimbursed amounts under US Letters of Credit, ratably among the US Revolving Lenders, the US Issuing Banks and the Term Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, (i) to payment of that portion of the US Obligations constituting unpaid principal of the US Revolving Loans and the Term Loans, unreimbursed amounts under US Letters of Credit and amounts payable under US Secured Agreements and (ii) to the Agent for the account of the US Issuing Banks, to cash collateralize that portion of US Letter of Credit Obligations comprising the aggregate undrawn amount of US Letters of Credit, ratably among the US Revolving Lenders, the Term Lenders, the US Issuing Banks and the other US Secured Parties in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Canadian Obligations in the order set forth in Section 6.04(b); and

Last, the balance, if any, after all of the US Obligations have been paid in full in cash, to the Borrowers or as otherwise required by law;

provided, that the application to the US Obligations pursuant to this Section 6.04(a) of amounts received in respect of US Collateral that is Revolving Credit Facility Collateral and in respect of US Collateral that is Term Facility Collateral is expressly subject to the priorities set forth in the Intercreditor Agreement and in the Interim Order (and, when entered, the Final Order), and all such amounts shall first be allocated in accordance with such priorities before being applied to the US Obligations pursuant to this Section 6.04(a).

(b) With respect to amounts received from or on account of any Canadian Loan Party or in respect of any Canadian Collateral or, as contemplated by clause Fifth of Section 6.04(a), in respect of any US Collateral,

First, to payment of that portion of the Canadian Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article II) payable to the Agent in its capacity as such;

Second, to payment of that portion of the Canadian Obligations constituting fees, indemnities and other amounts (other than principal, interest and commitment fees) payable to the Canadian Revolving Lenders (including fees, charges and disbursements of counsel to the respective Canadian Revolving Lenders arising under the Loan Documents and amounts payable under Article II) (in each case, other than fees, indemnities and other amounts arising under Canadian Secured Agreements), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Canadian Obligations constituting accrued and unpaid commitment fees and interest on the Canadian Revolving Loans, ratably among the Canadian Revolving Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Canadian Obligations constituting unpaid principal of the Canadian Revolving Loans and amounts payable under Canadian Secured Agreements, ratably among the Canadian Revolving Lenders and the other Canadian Secured Parties in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Canadian Obligations have been paid in full in cash, to the Canadian Loan Parties or as otherwise required by law.

Subject to Section 6.03, amounts used to cash collateralize the aggregate undrawn amount of Letters of Credit pursuant to Section 6.04(a), clause Fourth above, shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Any amounts received by the Collateral Agent on account of the Obligations (including pursuant to any exercise of remedies by the Collateral Agent) shall be promptly remitted to the Agent for application to the Obligations in accordance with this Section 6.04.

Notwithstanding the foregoing, Obligations arising under Secured Agreements shall be excluded from the application described above if the Agent has not received written notice thereof, together with such supporting documentation as the Agent may reasonably request, from the applicable holder of such Obligations. Each holder of Obligations under a Secured Agreement not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Agent pursuant to the terms of Article VII hereof for itself and its Affiliates as if a "Lender" party hereto.

SECTION 6.05. Guaranty; Limitation of Liability. (a) (i) Each of the Company and each US Subsidiary Guarantor, jointly and severally, hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all obligations of each other Loan Party and each other Subsidiary of the Company now or hereafter existing under or in respect of the Loan Documents or any Secured Agreement (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Comprehensive Guaranteed Obligations"), and agrees to pay any and all expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Agent or any other Lender in enforcing any rights under this Guaranty or any other Loan Document or Secured Agreement. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Comprehensive Guaranteed Obligations and would be owed by any other Loan Party or Subsidiary of the Company, as applicable, to the Agent or any Lender under or in respect of the Loan Documents or any Secured Agreement but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Loan Party or Subsidiary, as the case may be.

(ii) Each of the Company and each Canadian Subsidiary Guarantor, jointly and severally, hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all obligations of each Canadian Loan Party now or hereafter existing under or in respect of the Loan Documents or any Secured Agreement (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Canadian Guaranteed Obligations"), and agrees to pay any and all expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Agent or any other Lender in enforcing any rights under this Guaranty or any other Loan Document against such Guarantor. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Canadian Guaranteed Obligations and would be owed by any other Loan Party to the Agent or any Lender under or in respect of the Loan Documents by a Canadian Loan Party but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Loan Party.

(b) Each Guarantor, and by its acceptance of this Guaranty, the Agent and each other Lender, hereby confirms that it is the intention of all such Persons that this Guaranty and the obligations of each US Subsidiary Guarantor and each Canadian Subsidiary Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty and the obligations of such Guarantor hereunder. To effectuate the foregoing intention, the Agent, the Lenders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

(i) Each US Subsidiary Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Agent or any Lender under this Guaranty or any guaranty supplement of the Comprehensive Guaranteed Obligations, such US Subsidiary Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other US Subsidiary Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Agent and the Lenders under or in respect of the Loan Documents.

(ii) Each Canadian Subsidiary Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Agent or any Lender under this Guaranty or any guaranty supplement of the Canadian Guaranteed Obligations, such Canadian Subsidiary Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Canadian Subsidiary Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Agent and the Lenders under or in respect of the Loan Documents.

SECTION 6.06. Guaranty Absolute. Each Guarantor guarantees that the applicable Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent or any Lender with respect thereto. The obligations of each Guarantor under or in respect of this Guaranty are independent of the applicable Guaranteed Obligations or any other obligations of any other Loan Party under or in respect of the Loan Documents, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce this Guaranty, irrespective of whether any action is brought against any Borrower or any other Loan Party or whether any Borrower or any other Loan Party is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the applicable Guaranteed Obligations or any other obligations of any other Loan Party under or in respect of the Loan Documents, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the applicable Guaranteed Obligations resulting from the extension of additional credit to any Loan Party or any of its Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral or any other collateral, or any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the applicable Guaranteed Obligations;

(d) any manner of application of Collateral or any other collateral, or proceeds thereof, to all or any of the applicable Guaranteed Obligations or any manner of sale or other disposition of any Collateral or any other collateral for all or any of the applicable Guaranteed Obligations or any other obligations of any Loan Party under the Loan Documents or any other assets of any Loan Party or any of its Subsidiaries;

(e) any change, restructuring or termination of the corporate structure or existence of any Loan Party or any of its Subsidiaries;

any failure of the Agent or any Lender to disclose to any Loan Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party now or hereafter known to the Agent or such Lender (each Guarantor waiving any duty on the part of the Agent and the Lenders to disclose such information);

(f) the failure of any other Person to execute or deliver this Agreement, any Guaranty Supplement or any other guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the applicable Guaranteed Obligations; or

(g) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Agent or any Lender that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the applicable Guaranteed Obligations is rescinded or must otherwise be returned by the Agent or any Lender or any other Person upon the insolvency, bankruptcy or reorganization of the applicable Borrower or any other Loan Party or otherwise, all as though such payment had not been made.

SECTION 6.07. Waivers and Acknowledgments. (a) Each Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, acceleration, protest or dishonor and any other notice with respect to any of the applicable Guaranteed Obligations and this Guaranty and any requirement that the Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any Loan Party or any other Person or any Collateral.

(b) Each Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all applicable Guaranteed Obligations whether existing now or in the future.

(c) Each Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies by the Agent or any Lender that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of such Guarantor or other rights of such Guarantor to proceed against any of the other Loan Parties, any other guarantor or any other Person or any Collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the obligations of such Guarantor hereunder.

(d) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Agent or any Lender to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party or any of its Subsidiaries now or hereafter known by the Agent or such Lender.

(e) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in Section 6.06 and this Section 6.07 are knowingly made in contemplation of such benefits.

SECTION 6.08. Subrogation. Each Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against any Borrower, any other Loan Party or any other insider guarantor that arise from the existence, payment, performance or

enforcement of such Guarantor's obligations under or in respect of this Guaranty or any other Loan Document, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Agent or any Lender against any Borrower, any other Loan Party or any other guarantor of some or all of the Guaranteed Obligations or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Borrower, any other Loan Party or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the applicable Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash, all Letters of Credit shall have expired or been terminated and the Commitments shall have expired or been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the latest of (a) the payment in full in cash of the applicable Guaranteed Obligations and all other amounts payable under this Guaranty, (b) the Termination Date and (c) the latest date of expiration or termination of all Letters of Credit, such amount shall be received and held in trust for the benefit of the Agent and the Lenders, shall be segregated from other property and funds of such Guarantor and shall forthwith be paid or delivered to the Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the applicable Guaranteed Obligations and all other amounts payable under this Guaranty by such Guarantor, whether matured or unmatured, in accordance with the terms of the Loan Documents, or to be held as Collateral for any applicable Guaranteed Obligations or other amounts payable under this Guaranty by such Guarantor thereafter arising. If (i) any Guarantor shall make payment to the Agent or any Lender of all or any part of the applicable Guaranteed Obligations, (ii) all of the applicable Guaranteed Obligations and all other amounts payable under this Guaranty by such Guarantor shall have been paid in full in cash, (iii) the Termination Date shall have occurred and (iv), all Letters of Credit shall have expired or been terminated, the Agent and the Lenders will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the applicable Guaranteed Obligations resulting from such payment made by such Guarantor pursuant to this Guaranty.

SECTION 6.09. Guaranty Supplements. Upon the execution and delivery by any Person of a guaranty supplement in substantially the form of Exhibit F hereto (each, a "Guaranty Supplement"), (a) such Person shall be referred to as an "Additional Guarantor" and shall become and be a Guarantor hereunder, and each reference in this Guaranty to a "Guarantor" shall also mean and be a reference to such Additional Guarantor, and each reference in any other Loan Document to a "US Subsidiary Guarantor" or a "Canadian Subsidiary Guarantor", as applicable, shall also mean and be a reference to such Additional Guarantor, and (b) each reference herein to "this Guaranty," "hereunder," "hereof" or words of like import referring to this Guaranty, and each reference in any other Loan Document to the "Guaranty," "thereunder," "thereof" or words of like import referring to this Guaranty, shall mean and be a reference to this Guaranty as supplemented by such Guaranty Supplement.

SECTION 6.10. Subordination. (a) Each Guarantor hereby subordinates any and all debts, liabilities and other obligations owed to such Guarantor by each other Loan Party (the "Subordinated Obligations") to the applicable Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 6.10:

(b) Prohibited Payments, Etc. Except during the continuance of an Event of Default, each Guarantor may receive regularly scheduled payments from any other Loan Party on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default, however, unless the Required Lenders otherwise agree, no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(c) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to any other Loan Party, each Guarantor agrees that the Lenders shall be entitled to receive payment in full in cash of all applicable Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not

constituting an allowed claim in such proceeding ("Post-Petition Interest")) before such Guarantor receives payment of any Subordinated Obligations.

(d) Turn-Over. After the occurrence and during the continuance of any Event of Default, each Guarantor shall, if the Agent (with the consent or at the direction of the Required Lenders) so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Agent and the Lenders and deliver such payments to the Agent on account of the applicable Guaranteed Obligations (including all Post-Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of this Guaranty.

(e) Agent Authorization. After the occurrence and during the continuance of any Event of Default, the Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, the Subordinated Obligations and to apply any amounts received thereon to the applicable Guaranteed Obligations (including any and all Post-Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, the Subordinated Obligations and (B) to pay any amounts received on such obligations to the Agent for application to the applicable Guaranteed Obligations (including any and all Post-Petition Interest).

SECTION 6.11. Continuing Guaranty; Assignments. This Guaranty is a continuing guaranty and shall (a) except as provided in the next succeeding sentence, remain in full force and effect until the latest of (i) the payment in full in cash of the applicable Guaranteed Obligations and all other amounts payable under this Guaranty, (ii) the Termination Date and (iii) the latest date of expiration or termination of all Letters of Credit, (b) be binding upon each Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Agent and the Lenders and their successors, permitted transferees and permitted assigns. Upon the sale of a Guarantor or any or all of the assets of any Guarantor to the extent permitted in accordance with the terms of the Loan Documents or upon such Guarantor otherwise ceasing to be a Subsidiary of the Company organized under the laws of a state of the United States of America or Canada (or a province thereof) without violation of the terms of this Agreement, such Guarantor (and its Subsidiaries) or such assets shall be automatically released from this Guaranty or any Guaranty Supplement, and all pledges and security interests of the equity of such Guarantor or any Subsidiary of such Guarantor and all other pledges and security interests in the assets of such Guarantor and any of its Subsidiaries shall be released as provided in Section 8.13. Without limiting the generality of clause (c) above, the Agent or any Lender may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement (including, without limitation, all or any portion of its Commitments, the Revolving Loans owing to it and any Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, in each case as and to the extent provided in Section 8.07. No Guarantor shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

ARTICLE VII

THE AGENT

SECTION 7.01. Authorization and Action. (a) Each Lender hereby irrevocably appoints Citicorp North America, Inc. to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

Each Lender hereby further irrevocably appoints Citicorp North America, Inc. to act on its behalf as Collateral Agent hereunder and under the other Loan Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The Collateral Agent shall act on behalf of the Lenders and shall have all of the benefits and immunities (i) provided to the Agent in this Article VII with respect to any acts taken or omissions suffered by the Collateral Agent in connection with its activities in such capacity as fully as if the term "Agent" as used in this Article VII included the Collateral Agent with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the Collateral Agent.

(b) The provisions of this Article are solely for the benefit of the Agent, the Issuing Banks, the Collateral Agent and the Lenders, and neither any Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

SECTION 7.02. Agent Individually. (a) The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any of their Subsidiaries or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender understands that the Person serving as Agent, acting in its individual capacity, and its Affiliates (collectively, the "Agent's Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 7.02 as "Activities") and may engage in the Activities with or on behalf of one or more of the Loan Parties or their respective Affiliates. Furthermore, the Agent's Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Loan Parties and their Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in the Borrowers, another Loan Party or their respective Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of one or more of the Loan Parties or their Affiliates. Each Lender understands and agrees that in engaging in the Activities, the Agent's Group may receive or otherwise obtain information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective Obligations hereunder and under the other Loan Documents) which information may not be available to any of the Lenders that are not members of the Agent's Group. None of the Agent nor any member of the Agent's Group shall have any duty to disclose to any Lender or use on behalf of the Lenders, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party) or to account for any revenue or profits obtained in connection with the Activities, except that the Agent shall deliver or otherwise make available to each Lender such documents as are expressly required by any Loan Document to be transmitted by the Agent to the Lenders.

(c) Each Lender further understands that there may be situations where members of the Agent's Group or their respective customers (including the Loan Parties and their Affiliates) either now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the Lenders (including the interests of the Lenders hereunder and under the other Loan

Documents). Each Lender agrees that no member of the Agent's Group is or shall be required to restrict its activities as a result of the Person serving as Agent being a member of the Agent's Group, and that each member of the Agent's Group may undertake any Activities without further consultation with or notification to any Lender. None of (d) this Agreement nor any other Loan Document, (e) the receipt by the Agent's Group of information (including Borrower Information) concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective Obligations hereunder and under the other Loan Documents) nor (f) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by the Agent or any member of the Agent's Group to any Lender including any such duty that would prevent or restrict the Agent's Group from acting on behalf of customers (including the Loan Parties or their Affiliates) or for its own account.

SECTION 7.03. Duties of Agent; Exculpatory Provisions. (a) The Agent's duties hereunder and under the other Loan Documents are solely ministerial and administrative in nature and the Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, (i) the Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (ii) the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent or any of its Affiliates to liability or that is contrary to any Loan Document or applicable law and (iii) the Agent shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.01 or 8.03) or (ii) in the absence of its own gross negligence or willful misconduct. The Agent shall be deemed not to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until the Company or any Lender shall have given notice to the Agent describing such Default and such event or events.

(c) Neither the Agent nor any member of the Agent's Group shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement, any other Loan Document or the information presented to the other Lenders by the Company, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created by the Collateral Documents or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Agent.

(d) Nothing in this Agreement or any other Loan Document shall require the Agent or any of its Related Parties to carry out any "know your customer" or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any

such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or any of its Related Parties.

SECTION 7.04. Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless an officer of the Agent responsible for the transactions contemplated hereby shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit, and in the case of a Borrowing, such Lender shall not have made available to the Agent such Lender's ratable portion of such Borrowing. The Agent may consult with legal counsel (who may be counsel for the Company or any other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 7.05. Indemnification. (a) Each Lender severally agrees to indemnify the Agent (to the extent not promptly reimbursed by the Company) from and against such Lender's pro rata share (based on the Loans and unused Commitments held by such Lender relative to the total Loans and unused Commitments then outstanding) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the "Indemnified Costs"), provided that no Lender shall be liable for any portion of the Indemnified Costs resulting from the Agent's gross negligence or willful misconduct as found in a non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not promptly reimbursed for such expenses by the Company. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

(b) Each Revolving Lender severally agrees to indemnify the Issuing Banks (to the extent not promptly reimbursed by the Company) from and against such Lender's Ratable Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against any such Issuing Bank in any way relating to or arising out of the L/C Related Documents or any action taken or omitted by such Issuing Bank hereunder or in connection herewith; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Issuing Bank's gross negligence or willful misconduct as found in a non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Revolving Lender agrees to reimburse any such Issuing Bank promptly upon demand for its Ratable Share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by the Company under Section 8.04, to the extent that such Issuing Bank is not promptly reimbursed for such costs and expenses by the Company.

The failure of any Lender to reimburse the Agent or any Issuing Bank promptly upon demand for its ratable share of any amount required to be paid by the Lenders to the Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Agent or any Issuing Bank for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Agent or any Issuing Bank for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes. Each of the Agent and each Issuing Bank agrees to return to the Lenders their respective ratable shares of any amounts paid under this Section 7.05 that are subsequently reimbursed by the Company.

SECTION 7.06. Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more co-agents or sub-agents appointed by the Agent. The Agent and any such co-agent or sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. Each such co-agent and sub-agent and the Related Parties of the Agent and each such co-agent and sub-agent (including their respective Affiliates in connection with the syndication of the Revolving Credit Facility) shall be entitled to the benefits of all provisions of this Article VII and Article VIII (as though such co-agents and sub-agents were the "Agent" under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 7.07. Resignation of Agent. (a) The Agent may at any time give notice to the Lenders and the Company of its resignation in respect of (x) each of the Facilities, (y) the Term Facility, but not the Revolving Credit Facility or the Letter of Credit Facility or (z) the Revolving Credit Facility and the Letter of Credit Facility, but not the Term Facility. Upon receipt of any such notice of resignation, the Required Lenders (or in the case of a resignation (x) in respect of the Term Facility, but not the Revolving Credit Facility or the Letter of Credit Facility, the Required Term Lenders, or (y) in respect of the Revolving Credit Facility and the Letter of Credit Facility, but not the Term Facility, the Required Revolving Lenders) shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank with an office in New York, New York. If no such successor shall have been so appointed by the Required Lenders (or the Required Term Lenders or the Required Revolving Lenders, if applicable) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (such 30-day period, the "Lender Appointment Period"), then the retiring Agent may on behalf of the applicable Lenders, appoint a successor Agent meeting the qualifications set forth above. In addition and without any obligation on the part of the retiring Agent to appoint, on behalf of the Lenders, a successor Agent, the retiring Agent may at any time upon or after the end of the Lender Appointment Period notify the Company and the Lenders that no qualifying Person has accepted appointment as successor Agent and the effective date of such retiring Agent's resignation. Upon the resignation effective date established in such notice and regardless of whether a successor Agent has been appointed and accepted such appointment, the retiring Agent's resignation shall nonetheless become effective and (i) the retiring Agent shall be discharged from its duties and obligations as Agent hereunder and under the other Loan Documents in respect of the Facilities as to which it has resigned and (ii) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each applicable Lender directly, until such time as the Required Lenders (or the Required Term Lenders or the Required Revolving Lenders, if applicable) appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Agent of the retiring (or retired) Agent in respect of the Facilities as to which it has resigned, and the retiring Agent shall be discharged from all of its duties and obligations as Agent hereunder or under the other Loan Documents in respect of the Facilities as to which it has resigned (if not already discharged

therefrom as provided above in this paragraph). The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 7.05 and Section 8.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

(b) Any resignation pursuant to this Section by a Person acting as Agent shall, unless such Person shall notify the Company and the Lenders otherwise, also act to relieve such Person and its Affiliates of any obligation to issue new, or extend existing, Letters of Credit where such issuance or extension is to occur on or after the effective date of such resignation. Upon the acceptance of a successor's appointment as Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, (ii) the retiring Issuing Bank shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents arising on or after the effective date of such successor's appointment, and (iii) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

(c) If at any time the Person acting as "Agent" in respect of the Term Facility is not the Person acting as "Agent" in respect of the Revolving Facility and the Letter of Credit Facility, the term "Agent" as used herein shall be deemed a collective reference to each such Person, the applicable provisions of this Agreement and the other Loan Documents shall be construed accordingly, *mutatis mutandis*, and such Persons shall cooperate in the administration of this Agreement and the other Loan Documents to the extent necessary or appropriate.

SECTION 7.08. Non-Reliance on Agent and Other Lenders. (a) Each Lender confirms to the Agent, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, (y) making Loans and other extensions of credit hereunder and under the other Loan Documents and (z) in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Agreement and making Loans and other extensions of credit hereunder and under the other Loan Documents is suitable and appropriate for it.

(b) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents, (ii) that it has, independently and without reliance upon the Agent, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information, as it has deemed appropriate and (iii) it will, independently and without reliance upon the Agent, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Agreement and the other Loan Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(iv) the financial condition, status and capitalization of the Company and each other Loan Party;

the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Loan Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document;

(v) determining compliance or non-compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition;

(vi) the adequacy, accuracy and/or completeness of any information delivered by the Agent, any other Lender or by any of their respective Related Parties under or in connection with this Agreement or any other Loan Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document.

SECTION 7.09. No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Persons acting as, Arranger or Syndication Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent, Collateral Agent or as a Lender hereunder.

SECTION 7.10. Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Bankruptcy Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Letter of Credit Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Banks and the Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Banks and the Agent hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, monitor, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Bank to make such payments to the Agent and, if the Agent shall consent to the making of such payments directly to the Lenders and Issuing Bank, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent hereunder.

SECTION 7.11. Intercreditor Agreement. Each of the Lenders hereby authorizes and directs the Agent to enter into the Intercreditor Agreement on behalf of such Lender and agrees that the Agent in its various capacities thereunder may take such actions on its behalf as is contemplated by the terms of the Intercreditor Agreement. Each Lender hereunder (a) consents to any subordination of Liens provided for in the Intercreditor Agreement, (b) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement, (c) authorizes and instructs the Agent to enter into the Intercreditor Agreement as Agent and on behalf of such Lender and (d) agrees that the Agent may

take such actions on behalf of such Lender as is contemplated by the terms of such Intercreditor Agreement.

SECTION 7.12. Reserved.

SECTION 7.13. Secured Agreements. (a) The Company, any Lender and any Affiliate of a Lender may from time to time designate a qualifying agreement as a Secured Agreement upon written notice (a "Designation Notice") to the Agent from the Company and such Lender or such Affiliate, in form reasonably acceptable to the Agent, which Designation Notice shall include a description of such Secured Agreement and the maximum amount of obligations thereunder which are to constitute Obligations (each, a "Designated Amount"); provided that (x) no such Designated Amount with respect to any Secured Agreement shall constitute US Obligations or Canadian Obligations, as applicable, to the extent that, at the time of delivery of the applicable Designation Notice and after giving effect to such Designated Amount (including to the reserve for Secured Agreements to be established by the Agent in connection therewith), the US Excess Availability (in the case of a Designation Notice with respect to a US Secured Agreement) or the Canadian Excess Availability (in the case of a Designation Notice with respect to a Canadian Secured Agreement) would be less than zero and (y) any such Designated Amount shall constitute Obligations only to the extent that such Designated Amount, together with all other Designated Amounts under Secured Agreements theretofore designated hereunder and constituting Obligations, does not exceed $75,000,000.

(b) The Company and any counterparty to a Secured Agreement may increase, decrease or terminate any Designated Amount in respect of such Secured Agreement upon written notice to the Agent; provided that any increase in a Designated Amount shall be deemed to be a new designation of a Designated Amount pursuant to a new Designation Notice and shall be subject to the limitations set forth in Section 7.13(a). No obligations under any Secured Agreement in excess of the applicable Designated Amount shall constitute Obligations hereunder or the other Loan Documents.

(c) No counterparty to a Secured Agreement that obtains the benefits of Section 6.04, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article VII to the contrary, the Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Agreements unless the Agent has received written notice of such Obligations, together with such supporting documentation as the Agent may request, from the applicable counterparty to a Secured Agreement.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Waivers. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (a) no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (i) waive any of the conditions specified in Section 3.01, (ii) release all or substantially all of the Collateral in any transaction or series of related transactions, (iii) release one or more Guarantors (or otherwise limit such Guarantors' liability with respect to the obligations owing to the Agent, the Collateral Agent and the Lenders under the Guaranties) if such release or limitation is in

respect of all or substantially all of the value of the Guaranties, taken as a whole, to the Lenders, or (iv) amend this Section 8.01; (b) no amendment, waiver or consent shall, unless in writing and signed by each Lender affected thereby, do any of the following: (i) increase the Commitment of such Lender, (ii) reduce or forgive the principal of, or interest on, the Loans or any fees or other amounts payable hereunder, (iii) postpone any date fixed for any payment of principal of, or interest on, the Loans or any fees or other amounts payable hereunder, (iv) change the order of application of any reduction in the Commitments or any prepayment of Loans among the Facilities from the application thereof set forth in Section 6.04, (v) change Section 2.05(a) in a manner that would alter the pro rata reduction or termination of commitments required thereby or (vi) amend or modify the Superpriority Claim status of the Lenders under the Orders or under any other Loan Document; (c) no amendment, waiver or consent shall, unless in writing and signed by each Lender adversely affected thereby, amend or modify the definition of "Required Lenders", "Class Required Lenders", "Required Revolving Lenders", "Required US Revolving Lenders", "Required Canadian Revolving Lenders" or "Required Term Lenders"; (d) no amendment, waiver or consent shall, unless in writing and signed by the Supermajority Revolving Lenders, increase the advance rates set forth in the definition of the term "Loan Value", add new asset categories to the Borrowing Base or otherwise cause the Borrowing Base or availability under the Revolving Credit Facility provided for herein to be increased (other than changes in Reserves implemented by the Agent in its reasonable discretion), provided that any such amendment, waiver or consent described in this clause (d) shall be effective without the consent of any Lenders other than the Supermajority Revolving Credit Lenders; and (e) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of one Class of Lenders (but not of any other Class of Lenders), including (i) any waiver of conditions set forth in Section 3.02 with respect to a Borrowing of Loans or an Issuance of a Letter of Credit of such Class and (ii) any amendment, waiver or modification relating to a Single Class Default applicable to such Class, in each case, shall be effective with the consent of the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time; provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Agent or the Collateral Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent or the Collateral Agent, as applicable, under this Agreement or any Note, (y) no amendment, waiver or consent shall, unless in writing and signed by any Issuing Bank in addition to the Lenders required above to take such action, adversely affect the rights or obligations of such Issuing Bank in its capacity as such under this Agreement and (z) any waiver or amendment with respect to the terms governing the Canadian Revolving Credit Facility, the Canadian Collateral and the Canadian Loan Parties in connection with an Approved Canadian Case (including any amendments to the representations or covenants that relate to the Canadian Loan Parties and the conditions to additional Canadian Revolving Borrowings) shall be effective with the consent of the Required Canadian Revolving Lenders (and shall not require the consent of any other Lenders), provided, however, notwithstanding clauses (ii) and (iii) of clause (a) above, no consent or waiver or other approval of any Lender shall be required for any release of a Guaranty or Guaranty Supplement as provided in Section 6.11 or any release of Collateral as provided in Section 8.13 or in any Collateral Document.

SECTION 8.02. Notices, Etc.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Borrower, the Agent, the Collateral Agent or any Issuing Bank, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 9.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to any Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or Issuing Bank pursuant to Article II if such Lender or Issuing Bank, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Each Lender agrees that notice to it specifying that any Borrower Materials or other notices or communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; provided that if requested by any Lender, the Agent shall deliver a copy of the Borrower Materials, notices or other communications to such Lender by email or fax.

(c) Electronic Communications. Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(d) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent, the Collateral Agent or any of their respective Related Parties (collectively, the "Agent Parties") have any liability to the Borrowers, any Lender, any Issuing Bank or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrowers' or the Agent's or Collateral Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party

have any liability to the Borrowers, any Lender, any Issuing Bank or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(e) Change of Address, Etc. Each of the Borrowers, the Agent, the Collateral Agent and each Issuing Bank may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrowers and the Agent. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrowers or their securities for purposes of United States Federal or state securities laws.

(f) Reliance by Agent, Collateral Agent, Issuing Banks and Lenders. The Agent, the Collateral Agent, the Issuing Banks and the Lenders shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing) purportedly given by or on behalf of the Borrowers even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Agent, the Collateral Agent, each Issuing Bank, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrowers. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note 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. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Agent in accordance with Section 6.01 for the benefit of all the Lenders and the Issuing Banks; provided, however, that the foregoing shall not prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (b) each Issuing Bank from exercising the rights and remedies that inure to its benefit (solely in its capacity as an Issuing Bank, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 9.06 (subject to the terms of Section 2.15), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Bankruptcy Law; and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to Article VI and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.15, any Lender may, with the consent of the Required Lenders (or, if applicable, the Required Term

Lenders or the Required Revolving Lenders), enforce any rights and remedies available to it and as authorized by the Required Lenders (or, if applicable, the Required Term Lenders or the Required Revolving Lenders).

SECTION 8.04. Costs and Expenses. (a) The Company agrees to pay on demand all reasonable costs and expenses of the Agent, the Collateral Agent and each Issuing Bank in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses, (ii) the reasonable fees and expenses of counsel for the Agent, the Collateral Agent and each Issuing Bank with respect thereto, (iii) fees and expenses incurred in connection with the creation, perfection or protection of the liens under the Loan Documents (including all reasonable search, filing and recording fees) and (iv) costs associated with insurance reviews, Collateral audits, field exams, collateral valuations and collateral reviews to the extent provided herein, provided, however, the Company shall not be required to pay fees or expenses of more than one counsel in any jurisdiction where the Collateral is located, with respect to advising such Agent, the Collateral Agent and each Issuing Bank as to its rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto. The Company further agrees to pay on demand all costs and expenses of the Agent, the Collateral Agent, each Issuing Bank and each Lender, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of the Loan Documents, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally, including, without limitation, reasonable fees and expenses of counsel for the Agent, the Collateral Agent, each Issuing Bank and each Lender in connection with the enforcement of rights under this Agreement and the other Loan Documents.

(b) The Company agrees to indemnify and hold harmless the Agent, the Collateral Agent, each Issuing Bank and each Lender and each of their Related Parties (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans or Letters of Credit (which, for the avoidance of doubt does not include Taxes, Excluded Taxes and Other Taxes which shall be governed by Section 2.14) or (ii) the actual or alleged presence of Hazardous Materials on any property of the Company or any of its Subsidiaries or any Environmental Action relating in any way to the Company or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense resulted from such Indemnified Party's gross negligence, bad faith or willful misconduct as found in a final and non-appealable judgment by a court of competent jurisdiction. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, equityholders or creditors or an Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Company and each Indemnified Party agrees not to assert any claim for special, indirect, consequential or punitive damages against the Company, the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, arising out of or otherwise

relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Loan is made by any Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Loan, as a result of a payment or Conversion pursuant to Section 2.08(d) or (e), 2.10 or 2.12, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Loan upon an assignment of rights and obligations under this Agreement pursuant to Section 8.07 as a result of a demand by the Company pursuant to Section 8.07(a), the applicable Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Loan.

(d) Without prejudice to the survival of any other agreement of any Loan Party hereunder or under any other Loan Document, the agreements and obligations of the Borrowers contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

(e) No Indemnified Party referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnified Party through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence, bad faith or willful misconduct of such Indemnified Party as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(f) All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(g) The agreements in this Section shall survive the resignation of the Agent, the Collateral Agent and any Issuing Bank, the replacement of any Lender, the termination of the aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

SECTION 8.05. Payments Set Aside. To the extent that any payment by or on behalf of any Borrower is made to the Agent, the Collateral Agent, any Issuing Bank or any Lender, or the Agent, the Collateral Agent, any Issuing Bank or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent, the Collateral Agent, such Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Bankruptcy Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuing Bank severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the Issuing Banks under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Right of Set-off. Subject to the Orders, the final proviso to Section 6.01 and the proviso to Section 6.02, upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Loans (or any Class thereof) due and payable pursuant to the provisions of Section 6.01, the Agent, each Issuing Bank (if applicable), the Collateral Agent and each applicable Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent, such Issuing Bank, the Collateral Agent or such Lender or such Affiliate to or for the credit or the account of any Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement and any Note held by the Agent, such Issuing Bank, the Collateral Agent or such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured, provided, however, that no such right shall exist against any deposit designated as being for the benefit of any governmental authority, provided, further, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.19 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender agrees promptly to notify the applicable Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender, the Agent, each Issuing Bank, the Collateral Agent and each such Affiliate under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that the Agent, the Issuing Banks, the Collateral Agent, the Lenders or such Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective in accordance with Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrowers, the Agent, the Collateral Agent and each Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders.

SECTION 8.07. Assignments and Participations. (a) Each Lender may, with the consent of the Agent (not to be unreasonably withheld or delayed) in the case of an assignment to a Person who is not an Affiliate of such Lender and, if demanded by the Company so long as no Default shall have occurred and be continuing and only with respect to any Affected Lender, upon at least five Business Days' notice to such Lender and the Agent, shall, assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment or Commitments of a Class, the Loans of a Class owing to it, its participations in Letters of Credit, if any, and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement with respect to one or more Facilities, (ii) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of (x) the Revolving Credit Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof, (y) the Unissued Letter of Credit Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $1,000,000 or an integral multiple of $1,000,000 in excess thereof and (z) the Term Commitment or the Term Loans of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the

Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof, in each case, unless the Company and the Agent otherwise agrees, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Company pursuant to this Section 8.07(a) shall be arranged by the Company after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Company pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Borrowers or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Loans owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) unless waived by the Agent in its sole discretion, the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance (and the assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire), together with any Note subject to such assignment and a processing and recordation fee of $3,500 payable by the parties to each such assignment; provided, however, that (x) only one such fee shall be payable in connection with simultaneous assignments to or by two or more Approved Funds with respect to a Lender and (y) in the case of each assignment made as a result of a demand by the Company, such recordation fee shall be payable by the Company except that no such recordation fee shall be payable in the case of an assignment made at the request of the Company to an Eligible Assignee that is an existing Lender. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.11, 2.14 and 9.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations (other than its obligations under Section 8.04 to the extent any claim thereunder relates to an event arising prior to such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (c) accept such Assignment and Acceptance, (d) record the information contained therein in the Register and (e) give prompt notice thereof to the Company

(f) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Ratable Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(g) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Revolving Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(h) Each Lender may sell participations to one or more banks or other entities (other than the Company or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Loans owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrowers hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrowers, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, provided, however, that any agreement between a Lender and such participant may provide that the Lender will not, without the consent of participant, agree to any such amendment, waiver or consent which would reduce the principal of, or interest on, the Loans or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Loans or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(i) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or

proposed assignee or participant, any information relating to the Borrowers furnished to such Lender by or on behalf of the Borrowers; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Borrower Information relating to the Borrowers received by it from such Lender.

(j) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

(k) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register in the United States on which it enters the name and address of each participant and the principal amounts and stated interest of each participant's interest in the Loans, Commitments or other obligations under this Agreement (the "Participant Register"); provided, that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans, or its other obligations under this Agreement) except to the extent that such disclosure is necessary to establish that the Loans are in registered form under Treas. Reg. § 5f.103-1(c). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as owner of such participation for all purposes of this Agreement.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender may disclose to any Person any confidential, proprietary or non-public information of any Loan Party furnished to the Agent or the Lenders by any Loan Party, including, without limitation (1) earnings and other financial information and forecasts, budgets, projections, plans, (including, without limitation, any confirmations of publicly disclosed advice regarding any material matter); (2) mergers, acquisitions, tender offers, joint ventures, disposition or changes in assets; (3) new products or discoveries or developments regarding the Company's customers or suppliers; (4) changes in control or in management; (5) changes in auditors or auditor notifications to the Company; (6) securities redemptions, splits, repurchase plans, changes in dividends, changes in rights of holders or sales of additional securities; and (7) negative news relating to such matters as physical damage to properties from significant events, loss of significant contractual relationship, material litigation, defaults under contracts or securities, bankruptcy (including the Cases) or receivership (such information being referred to collectively herein as the "Borrower Information"), except that each of the Agent, the Collateral Agent and each of the Lenders may disclose Borrower Information (i) to its Affiliates and to its and its Affiliates' managers, administrators, partners, employees, trustees, officers, directors, agents, advisors and other representatives solely for purposes of this Agreement, any Notes and the transactions contemplated hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Borrower Information and instructed to keep such Borrower Information confidential on terms substantially no less restrictive than those provided herein), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulating authority, such as the National Association of Insurance Commissioners), provided, to the extent permitted by law and practicable under the circumstances, the Agent or such Lender shall provide the Company with prompt notice of such requested disclosure so that the Company may seek a protective order prior to the time when the Agent or such Lender is required to make such disclosure (except in the case of any disclosure made in the course of any examination conducted by bank regulatory authority), (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, provided, to the extent permitted by law and practicable under the circumstances, the Agent or such Lender shall provide the Company with prompt notice of such requested disclosure so that the Company may seek a protective order prior to the time when the Agent or such Lender is required to make such disclosure, (iv) subject to this Section 8.08, to any other Lender to

this Agreement which has requested such information, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions no less restrictive than those of this Section 8.08, to any assignee or participant or prospective assignee or participant or any pledge referred to in Section 8.07(i), (vii) to the extent such Borrower Information (A) is or becomes generally available to the public on a non-confidential basis other than as a result of a breach of this Section 8.08 by the Agent or such Lender, or (B) is or becomes legally available to the Agent or such Lender on a nonconfidential basis from a source other than a Loan Party, provided that the source of such information was not known by the Agent or such Lender to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligations of confidentiality to a Loan Party or any other party with respect to such information, (viii) with the consent of the Company, (ix) to any party hereto and (x) subject to the Agent's or the applicable Lender's receipt of an agreement containing provisions no less restrictive than those of this Section, to any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap, derivative or other transaction under which payments are to be made by reference to the Company and its Obligations, this Agreement or payments hereunder. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information

SECTION 8.09. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate 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 in .pdf (or similar electronic format) shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.10. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent, the Collateral Agent and each Lender, regardless of any investigation made by the Agent, the Collateral Agent or any Lender or on their behalf and notwithstanding that the Agent, the Collateral Agent or any Lender may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

SECTION 8.11. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 8.11, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Bankruptcy Laws, as determined in good faith by the Agent or the Issuing Banks, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited

SECTION 8.12. Jurisdiction. (a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

(b) SUBMISSION TO JURISDICTION. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF

AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT AND, IF THE BANKRUPTCY COURT DOES NOT HAVE (OR ABSTAINS FROM) 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 ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT, ANY LENDER OR ANY ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWERS OR ANY OTHER LOAN PARTIES OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. 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.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.13. No Liability of the Issuing Banks. Each Revolving Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, no Issuing Bank shall have any responsibility to obtain any document, other than any sight draft, certificates and documents expressly required by the Letter of Credit, or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. Each Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither an Issuing Bank nor any of its officers or directors shall

be liable or responsible for: (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the Borrowers shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrowers, to the extent of any direct, but not consequential, damages suffered by the Company that the Company proves were caused by such Issuing Bank's willful misconduct or gross negligence as found in a final non-appealable judgment by a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, each Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and no Issuing Bank shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; provided that nothing herein shall be deemed to excuse such Issuing Bank if it acts with gross negligence or willful misconduct in accepting such documents as found in a final non-appealable judgment by a court of competent jurisdiction.

SECTION 8.14. PATRIOT Act Notice. Each Lender, the Collateral Agent and the Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender, the Collateral Agent or the Agent, as applicable, to identify such Borrower in accordance with the PATRIOT Act. Each Borrower shall provide such information and take such actions as are reasonably requested by the Agent or any Lenders in order to assist the Agent and the Lenders in maintaining compliance with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

SECTION 8.15. Release of Collateral; Termination of Loan Documents. (a) (i) Upon the sale, lease, transfer or other disposition of any item of Collateral of any Loan Party (other than to any Person that is not, and that is not required to be, a Loan Party) in accordance with the terms of the Loan Documents, including, without limitation, as a result of the sale, in accordance with the terms of the Loan Documents, of the Loan Party that owns such Collateral, (ii) upon a Subsidiary ceasing to be a Subsidiary, and (iii) at any time a Loan Party's guarantee of the obligations under the Loan Documents ceases as provided in Section 6.11, the security interests granted by the Loan Documents with respect to such items of Collateral and/or Loan Party shall immediately terminate and automatically be released, and the Agent and/or the Collateral Agent will, at the Company's expense, execute and deliver to such Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents.

(b) Upon the latest of (i) the payment in full in cash of all Obligations (or in the case of Obligations under Secured Agreements, the making of arrangements reasonably satisfactory to the relevant counterparties with respect thereto) (other than contingent indemnification obligations for which no claim has been asserted), (ii) the termination in full of the Commitments and (iii) the latest date of expiration or termination of all Letters of Credit (or receipt by the Agent of an irrevocable notice from each Issuing Bank with a Letter of Credit outstanding that it will not seek to enforce any rights that it has or may have in accordance with Section 2.03 against the Agent or the Lenders), (x) except as otherwise specifically stated in this Agreement or the other Loan Documents, this Agreement and the other Loan Documents shall terminate and be of no further force or effect, (y) the Agent shall release or cause the release of all Collateral from the Liens of the Loan Documents and the Guarantors of all Obligations under each Guaranty, and will, at the Company's expense, execute and deliver such documents as the Company may reasonably request to evidence the release of Collateral from the assignment and security interest granted under the Collateral Documents and the obligations of the Guarantors and (z) each Lender

that has requested and received a Note shall return such Note to the Company marked "cancelled" or "paid in full"; provided, however, that the Lender's obligations under this Section 8.15 shall survive until satisfied. Upon the termination in full of the Canadian Revolving Credit Commitments and the payment in full in cash of all Canadian Obligations (other than (x) contingent indemnification obligations for which no claim has been asserted and (y) obligations under Canadian Secured Agreements as to which arrangements satisfactory to the applicable Canadian Secured Party have been made): (A) except as otherwise specifically stated in this Agreement or the other Loan Documents, Kodak Canada shall cease to be a Borrower under this Agreement and the other Loan Documents and its Subsidiaries, if any, shall cease to be Canadian Subsidiary Guarantors, and the obligations of Kodak Canada and any Canadian Subsidiary Guarantors hereunder and thereunder shall terminate and be of no further force or effect, (B) the Agent shall release or cause the release of all Canadian Collateral from the Liens of the Loan Documents and any Canadian Subsidiary Guarantors of all Obligations under each Guaranty, and will, at the Company's expense, execute and deliver such documents as the Company may reasonably request to evidence the release of Canadian Collateral from the assignment and security interest granted under the Collateral Documents and the obligations of the Guarantors, (C) any representation or warranty or covenant with respect to Kodak Canada and any Canadian Subsidiary Guarantor as a Borrower or other Loan Party set forth in this Agreement shall terminate and be of no further force or effect, (D) any reference to any Canadian Pension Plan or Termination Event shall be deemed deleted, and (E) each Lender that has requested and received a Note from Kodak Canada shall return such Note to the Company marked "cancelled" or "paid in full".

SECTION 8.16. Judgment Currency. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase Dollars with such other currency at the Exchange Rate on the Business Day preceding that on which final judgment is given.

(b) The obligation of each Borrower in respect of any sum due from it in any currency (the "Primary Currency") to any Lender or the Agent hereunder shall, notwithstanding any judgment in any other currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be), of any sum adjudged to be so due in such other currency, such Lender or the Agent (as the case may be) may in accordance with normal banking procedures purchase the applicable Primary Currency with such other currency; if the amount of the applicable Primary Currency so purchased is less than such sum due to such Lender or the Agent (as the case may be) in the applicable Primary Currency, each Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent (as the case may be) against such loss, and if the amount of the applicable Primary Currency so purchased exceeds such sum due to any Lender or the Agent (as the case may be) in the applicable Primary Currency, such Lender or the Agent (as the case may be) agrees to remit to such Borrower such excess.

SECTION 8.17. No Fiduciary Duty. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agent, the Collateral Agent, the Arranger and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Agent, the Collateral Agent, the Arranger and the Lenders, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Loan Parties are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agent, the Collateral Agent, the Arranger and the Lender each are and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, have not been, are not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) neither the Agent, the Collateral Agent, the Arranger nor the Lenders have any obligation to the Loan Parties or any of their respective Affiliates with respect to the

transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agent, the Collateral Agent, the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Agent, the Collateral Agent, the Arranger nor the Lenders have any obligation to disclose any of such interests to the Loan Parties or their respective Affiliates. To the fullest extent permitted by law, each Borrower and each of the other Loan Parties hereby waives and releases any claims that it may have against the Agent, the Collateral Agent, the Arranger and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 8.18. Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act or similar foreign laws.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EASTMAN KODAK COMPANY

By: /s/ William G Love
Name: William G Love
Title: Treasurer

KODAK CANADA INC.

By: /s/ William G Love
Name: William G Love
Title: Assistant Secretary and Assistant Treasurerr

CREO MANUFACTURING AMERICA LLC KODAK AVIATION LEASING LLC

By: /s/ William G Love
Name: William G Love
Title: Manager

EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD. FPC INC.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD
KODAK IMAGING NETWORK, INC.
KODAK PORTUGUESA LIMITED
KODAK REALTY, INC.
LASER-PACIFIC MEDIA CORPORATION
PAKON, INC. QUALEX, INC.

By: /s/ William G Love
Name: William G Love
Title: Treasurer

KODAK PHILIPPINES, LTD.

By: /s/ William G Love
Name: William G Love
Title: Assistant Treasurer

(

CITICORP NORTH AMERICA, INC.
as Agent and Collateral Agent

By: /s/ Shane V. Azzara

Name: Shane V. Azzara
Title: Director

CITICORP NORTH AMERICA, INC.

By: /s/ Shane V. Azzara

Name: Shane V. Azzara
Title: Director

[Signature Page to Credit Agreement]

CITIBANK, N.A.
as Issuing Bank

By: /s/ Shane V. Azzara

Name: Shane V. Azzara
Title: Director

[Signature Page to Credit Agreement]

SCHEDULE I

COMMITMENTS

Lender	Term Commitment	US Revolving Credit Commitment	Canadian Revolving Credit Commitment	US Letter of Credit Commitment
Citicorp North America, Inc.	$700,000,000	$225,000,000	$25,000,000	---
Citibank, N.A.	---	---	---	$200,000,000
Total:	$700,000,000	$225,000,000	$25,000,000	$200,000,000

SCHEDULE II

PART A

SUBSIDIARIES OF EASTMAN KODAK COMPANY

Subsidiary	Jurisdiction of Organization	Percentage	Parent Entity
Creo Manufacturing America LLC	Wyoming	100%	Eastman Kodak Company
Eastman Kodak International Capital Company, Inc.	Delaware	100%	Eastman Kodak Company
Far East Development Ltd.	Delaware	100%	Eastman Kodak Company
FPC Inc.	California	100%	Laser-Pacific Media Corporation
Kodak (Near East), Inc.	New York	100%	Eastman Kodak Company
Kodak Americas, Ltd.	New York	100%	Eastman Kodak Company
Kodak Aviation Leasing LLC	Delaware	100%	Eastman Kodak Company
Kodak Imaging Network, Inc.	Delaware	100%	Eastman Kodak Company
Kodak Philippines, Ltd.	New York	100%	Eastman Kodak Company
Kodak Portuguesa Limited	New York	100%	Eastman Kodak Company
Kodak Realty, Inc.	New York	100%	Eastman Kodak Company
Laser-Pacific Media Corporation	Delaware	100%	Eastman Kodak Company
NPEC Inc.	California	100%	Eastman Kodak Company
Pakon, Inc.	Indiana	100%	Eastman Kodak Company
Qualex Inc.	Delaware	100%	Eastman Kodak Company

SCHEDULE II

PART B

SUBSIDIARIES OF KODAK CANADA INC.

None.

SCHEDULE II

PART C

MATERIAL SUBSIDIARIES OF EACH BORROWER

MATERIAL SUBSIDIARIES OF EASTMAN KODAK COMPANY

Material Subsidiary	Jurisdiction of Formation	Class of Equity	Number of Shares Outstanding	Number of Shares Owned by the Company	Percentage of Shares Owned by the Company	Number of Shares Covered by all Outstanding Derivatives
Eastman Kodak Holdings, B.V.	The Netherlands	Common shares	20,401	20,401	100%	---
Kodak Limited	United Kingdom	Ordinary Shares: Certificate No. 89	100,000,000	100,000,000	100%	---
Kodak Limited	United Kingdom	Ordinary Shares: Certificate No. 93	30,000,000	30,000,000	100%	---
Kodak Holding GmbH	Germany	Shares in a limited liability company	20	20	100%	---

MATERIAL SUBSIDIARIES OF KODAK CANADA INC.

NONE.

SCHEDULE III

DEPOSIT Accounts

US LOAN PARTY ACCOUNTS

Grantor	Name and Address of Bank	Account Number	Contact	Contact Information
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Eastman Kodak Company	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Eastman Kodak Company	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Eastman Kodak Company	Bank of the West, 1977 Saturn St Montery Park, CA 91755	[*]	[*]	[*]
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
Eastman Kodak Company	ESL Federal Credit Union, 225 Chestnut Street, Rochester, NY 14604	[*]	[*]	[*]
Eastman Kodak Company	Keybank, 303 Broadway, 16th Floor OH−18−30−1603 Cincinnati, OH 45202	[*]	[*]	[*]
Eastman Kodak Company	Keybank, 303 Broadway, 16th Floor OH−18−30−1603 Cincinnati, OH 45202	[*]	[*]	[*]
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Eastman Kodak International Capital Company Inc.	Citibank, N.A, 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	[*]
FPC Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
FPC Inc.	Bank of America, 602 Peachtree Street NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Kodak Imaging Network, Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Laser-Pacific Media Corporation	Bank of America, 602 Peachtree Street NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
NPEC Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Laser-Pacific Media Corporation	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Qualex Inc.	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]

Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]

KODAK CANADA INC. CAD ACCOUNTS

Grantor	Name and Address of Bank	Account Number	Contact Name	Contact Information
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Caisse Populaire Desjardins, 14 Place de Commerce Bureau 150, Verdun, Quebec Canada H3EIT5	[*]	[*]	[*]

KODAK CANADA INC. USD ACCOUNTS

Grantor	Name and Address of Bank	Account Number	Contact Name	Contact Information
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H1H1	[*]	[*]	[*]

[*] Certain confidential information contained in this document has been omitted from public filing pursuant to a request for confidential treatment submitted to the U.S. Securities and Exchange Commission. The omitted information, which has been identified with the symbol “[*],” has been filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SCHEDULE 1.01(A)

EXISTING SECURED AGREEMENTS[1]

PART 1

Counterparty	Secured Amount
Bank of America, N.A.	$1,500,000.00
The Bank of New York Mellon	$5,000,000.00

PART 2

Counterparty	Secured Amount
Citibank, N.A.	$24,500,000.00

[1] As of January 17, 2012.

SCHEDULE 1.01(B)
OTHER EXISTING LETTERS OF CREDIT

Entity	Bank	LOC #	Beneficiary	Amount-$
EKC	BOA	00000003081120	New York State Dept of Environmental Conservation	10,000
EKC	BOA	00000003083894	NY Workers Compensation	5,390,063
EKC	BOA	00000003112818	West Virginia Worker's Comp	250,000
EKC	BOA	00000068052148	Old Republic Insurance	15,500,000
EKC	BOA	00000068059267	Department of Water & Power City of LA	59,475
EKC	PNC	00246234-00-000	National Union Fire Ins.	250,000
EKC	PNC	18102534-00-000	Employment Dev Dept - State of Ca	145,200
EKC	PNC	18110665-00-000	California Workers' Compensation	3,342,948
EKC	PNC	18112459-00-000	Trenton Ground Well Water	5,500
EKC	PNC	18113886-00-000	NYS Short Term	96,000
EKC	PNC	18113948-00-000	Westchester Fire Insurance Company	2,500,000
EKC	PNC	18113976-00-000	Virginia Extended Service Contract Provider Obligation	100,000
EKC	PNC	18113860-00-000	North Carolina Workers' Comp	150,000
EKC	PNC	18114127-00-000	NJ Department of Environmental Protection	500,000
EKC	PNC	18114414-00-000	Maryland Workers' Compensation Commission	100,000
Total:				28,399,186

SCHEDULE 2.01(B)

CITI EXISTING LETTERS OF CREDIT

Entity	Bank	LOC #	Beneficiary	Amount-$
EKC	CITI	61604621	Travelers	2,600,000
EKC	CITI	NY-02805-30031820	NY Workers Compensation	61,634,205
EKC	CITI	NY-02805-30035009	INA, Pacific, Atlantic Insurance Company	1,066,540
EKC	CITI	NY-02805-30035285	Ohio Environmental Protection Agency	1,600,000
Qualex	CITI	NY-02805-30034832	Comerica Bank - Texas	510,000
Total:				67,410,745

SCHEDULE 3.01(R)

CHIEF RESTRUCTURING OFFICER

Name
Dominic DiNapoli, FTI Consulting

SCHEDULE 4.01(F)

CERTAIN PROCEEDINGS

None.

SCHEDULE 4.01(M)

MATERIAL REAL PROPERTIES

None.

SCHEDULE 5.01(M)

FOREIGN SECURITY INTERESTS

Subsidiary	Jurisdiction Of Organization	Percentage	Parent Entity	Status Of Share Certificates	Number of Days to Perfect
Eastman Kodak Holdings B.V.	The Netherlands	100.000000%	Eastman Kodak Company	Not Certificated; 13,260 (65%) Common Shares Pledged to Bank of America	120
Kodak Holding GmbH	Germany	100.000000%	Eastman Kodak Company	Not Certificated; 13 Shares (65%) Pledged to Bank of America	90
Kodak Limited	England	100.000000%	Eastman Kodak Company	14th Floor Vault: Cert #94 (10,500,000 Shares) and #90 (35,000,000 Shares). Cert #89 (65,000,000 Shares) and #93 (19,500,000 Shares) Pledged to Bank of America	90

SCHEDULE 5.02(A)

EXISTING LIENS

Entity	Description	Amount
Eastman Kodak Company	Cash collateralization with American Express for corporate credit cards	USD2,200,000
Eastman Kodak Company	Receipts reserve for credit card charges with PNC Merchant Services	USD3,500,000
Eastman Kodak Company	Trust to support environmental liabilities to benefit New York State Department of Environmental Conservation	USD22,294,825
Eastman Kodak Company	Cash collateralization to support claims related to Customer Guarantees/Vendor Programs	USD2,815,000
Wheeling Insurance Ltd.	Trust to support claim liabilities related to past participation in Green Island Reinsurance Treaty	USD817,198
Wheeling Insurance Ltd.	Trust to support claim liabilities related to Old Republic self-funded Workers' Compensation and Automobile Liability policies	USD9,500,000
Kodak Brasileira Comercio de Produtos Para Imagem e Servicos Ltda	Pledge of real property and other assets to support adjudication of tax and labor disputes	BRL286,236,191
Kodak Brasileira Comercio de Produtos Para Imagem e Servicos Ltda	Pledge of cash to support adjudication of tax and labor disputes	BRL23,712,000
Kodak Export de Mexico, S. de R.L. de C.V.	Pledge of assets to support a tax adjudication	MXP177,365,103
Kodak Limited	Cash collateralization to support guarantee liabilities with Lloyds Bank	GBP3,680,000
Kodak India Private Limited	Cash collateralization to support guarantee liabilities with Citibank and HDFC	INR77,291,592
Kodak India Private Limited	Pledge of assets to support tax adjudication	INR45,000,000
Kodak Norge A.S.	Cash collateral to support bank guarantee with Nordea Bank	NOK1,000,000
Kodak IL Ltd. (Israel)	Cash collateralization of bank guarantee by Bank Leumi	USD1,600,000
Kodak International Finance Ltd.	Cash collateralization of FX dealing line by Bank of New York Mellon	USD5,813,664
Kodak Canada Inc.	PHH Vehicle Management Services Inc.	$0 – Operating Lease
Kodak Canada Inc.	GE Capital Vehicle and Equipment Leasing Inc.	$0 – Operating Lease

SCHEDULE 5.02(D)
EXISTING DEBT

Entity	Type	Existing
Kodak GmbH	Debt for Borrowed Money (Sun Notes)	USD 80,000,000
Kodak Brasileira Comercio de Produtos Para Imagem e Servicos Ltda	Debt for Borrowed Money	BRL 9,000,000
	Bank Guarantees/LOCs	BRL 3,104,924
	Customer Guarantee/Vendor Program	BRL 5,674,920
		USD 210,000
Kodak Graphic Communications Canada Company	Capital Leases	CAD 11,114,715
Kodak Mexicana S.A. de C.V.	Surety Bonds	MXN 218,737,754
		USD 6,300
Kodak Limited	Bank Guarantees/LOCs	
		EUR 3,606,814
		GBP 600,000
		SEK 319,932
		NOK 82,813
Kodak Nordic AB (Sweden)	Surety Bonds	
	Bank Guarantees/LOCs	SEK 33,248,348
		SEK 50,000
Kodak Argentina S.A.I.C.	Customer Guarantee/Vendor Program	ARS 18,771,739
	Surety Bonds	
		ARS 510,000
Kodak S.p.A (Italy)	Bank Guarantees/LOCs	EUR 1,230,535
	Customer Guarantee/Vendor Program	EUR 853,176
Kodak SA/NV (Belgium)	Customer Guarantee/Vendor Program	USD 885,775
	Bank Guarantees/LOCs	
		EUR 85,284
Kodak India Private Limited	Bank Guarantees/LOCs	
	Customer Guarantee/Vendor Program	INR 84,143,120
		INR 10,712,000
Kodak IL Ltd. (Israel)	Bank Guarantees/LOCs	USD 1,680,000
		ILS 150,000
Kodak, S.A. (Spain)	Bank Guarantees/LOCs	
	Customer Guarantee/Vendor Program	EUR 1,056,562
		EUR 70,228
Qualex Inc.	3rd Party Guarantees	USD 912,260
Eastman Kodak Sarl	Bank Guarantees/LOCs	PLN 2,000,000
	Customer Guarantee/Vendor Program	USD 359,966
Kodak OOO (Russia)	Custom Cards	RUR 11,000,000
Kodak (Hong Kong) Limited	Bank Guarantees/LOCs	HKD 4,228,657
Kodak (Australasia) Pty. Ltd.	Bank Guarantees/LOCs	AUD 341,913
Kodak Nederland B.V.	Bank Guarantees/LOCs	EUR 138,443
Kodak Norge A/S	Bank Guarantees/LOCs	NOK 1,000,000
Kodak (China) Company Limited	Customer Guarantee/Vendor Program	CNY 954,928
Kodak (Thailand) Limited	Bank Guarantees/LOCs	THB 3,338,315
	Customer Guarantee/Vendor Program	THB 1,621,886
	Foreign Exchange	USD 1,000,000
Kodak Societe Anonyme	Bank Guarantees/LOCs	CHF 115,000
Kodak (Taiwan) Limited	Bank Guarantees/LOCs	TWD 300,000
	Foreign Exchange	USD 300,000
Kodak Korea Limited	Commercial Cards	KRW 70,000,000
Kodak Asia Pacific Solutions Pte Ltd	Bank Guarantees/LOCs	SGD 45,261
Creo Asia Pacific Limited	Foreign Exchange	USD 100,000
Kodak (Singapore) Pte Limited	Omnibus	SGD 400,000
Kodak (Near East), Inc.	Bank Guarantees/LOCs	AED 112,000
Kodak (China) Investment Co., Ltd.	3rd Party Guarantees	CNY 42,628
Kodak (Egypt) S.A.E.	Bank Guarantees/LOCs	EGP 22,018
Kodak Japan Ltd.	Capital Leases	JPY 111,380,112

Eastman Kodak Company Debt (USD) (principal amounts where applicable)

Sun Note - US Portion	$20,000,000
7.25% Senior Notes due 2013	$250,000,000
7.0% Convertible Senior Notes due 2017	$400,000,000
9.75% Senior Secured Notes due 2018	$500,000,000
9.95% Senior Notes due 2018	$3,000,000
10.625% Senior Secured Notes due 2019	$250,000,000
9.2% Senior Notes due 2021	$10,000,000
2011 Revolving Credit Facility	$100,000,000
EKC Letters of Credit	$28,399,186
Surety Bonds	$1,442,000
Customer Guarantees/Vendor Program (Loss Pool)	$3,098,796
Guarantees:	$28,148
IJR/Lexmark	$10,000,000
Sanmina –SCI	

SCHEDULE 5.02(L)

CERTAIN RESTRICTIONS

None.

SCHEDULE 5.02(O)

SALE LEASEBACK TRANSACTIONS

1. Proposed sale of Kodak de Mexico S.A. de C.V.'s Guadalajara, Mexico Facility

2. Proposed sale of certain portions of Eastman Kodak Company's “Kodak Offices” at 343 State Street, Rochester, NY 14650

SCHEDULE 6.01(F)

JUDGMENTS

Case No. / Matter	Kodak Party	Other Party	Venue
03-930139/2010	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda. & Kodak da Amazônia Indústria e Comércio Ltda.	Fazenda Estadual - SP	Brazil
0007292-65.2005.4.03.6103	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	União Federal	Brazil
3.066.612	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Fazenda do Estado de São Paulo	Brazil
967403	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	União Federal	Brazil
973.014	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Fazenda do Estado de São Paulo	Brazil
145.738	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	União Federal	Brazil
1314995	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Fazenda Estadual - SP	Brazil
583.00.2005.061.270	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Canadá Color Vídeo - Foto - Som Ltda	Brazil
1069186-0/4	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Paulo Afonso Cotta	Brazil
000.05.070670	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Gretag Imaging do Brasil, Importação Comércio e Se	Brazil
2009.135.14335	Kodak da Amazônia Indústria e Comércio Ltda.	Secretaria do Estado da Fazenda do Rio de Janeiro	Brazil
13884.002311/2004-99	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	União Federal	Brazil
301-33333	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	União Federal	Brazil
3.066.612	Kodak da Amazônia Indústria e Comércio Ltda.	Fazenda do Estado de São Paulo	Brazil
10283-720.630/2008-94	Kodak da Amazônia Indústria e Comércio Ltda.	União Federal	Brazil
0263043-53.2011.8.04.0001	Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda. & Kodak da Amazônia Indústria e Comércio Ltda.	Flashmed	Brazil
001.05.045558-4	Kodak da Amazônia Indústria e Comércio Ltda.	Syncrofilm	Brazil
18 O 635/05	Kodak GmbH and Kodak Holding GmbH	KFS Fotolabore GmbH	Germany
199 claims alleging unfair termination	Kodak (France)	Former Employees at Chalon Plant	France
90 claims alleging transfer to non-viable entity	Kodak (France)	Former Employees transferred to Chalon Photochimie and La Mesta Bourgogne	France

Additional Matters:

1. In India there is a tax assessment against Kodak India Limited on appeal for fiscal year 2006-7.
2. In India there is a tax assessment against Kodak India Limited on appeal for fiscal year 2007-8.
3. Eastman Business Park expects it will be necessary to incur operating costs and capital expenditures to comply with future National Emission Standards for Hazardous Air Pollutants (NESHAP) promulgated by USEPA in accordance with the Clean Air Act Amendments of 1990; including the boiler MACT (anticipated to be promulgated in 2012 with compliance required in 2015).
4. Eastman Kodak Company (or a predecessor) has identified remedial obligations and established financial reserves for remedial actions at facilities at the following locations:

    a. Eastman Business Park (Rochester, NY)

    b. Middleway, WV

    c. Site III (Albany NY)

5. Eastman Kodak Company (or a predecessor) has been identified as a potentially responsible party with respect to the following site that is being remediated in accordance with state or federal remedial programs:

a. The Lower Passaic River Study Area of the Diamond Alkali Superfund Site

SCHEDULE 9.02

AGENT'S OFFICE; CERTAIN ADDRESS FOR NOTICES

BORROWER:
Eastman Kodak Company
343 State Street
Rochester, NY 14650
Attn: General Counsel
Tel: 585-724-4000
Fax: 585-724-9549
Email:Patrick.sheller@kodak.com
Website: www.kodak.com

Kodak Canada Inc.
6 Monogram Place, Suite 200
Toronto, Ontario M9R 0A1 Canada
Tel: 1-800-268-1567
Fax: (416) 761-4399
Email: mizuho.abe@kodak.com
Website: www.kodak.ca

ADMINISTRATIVE AGENT AND COLLATERAL AGENT:
Citicorp North America, Inc.
Citigroup Global Loans
1615 Brett Road
New Castle, DE 19720
Attention: Tracey Wilson
Tel: 302-894-6094
Fax: 212-994-0849
Email: tracey.l.wilson@citi.com or glabfunitloansops@citi.com

ISSUING BANK:
Citibank, N.A.
c/o Citicorp North America, Inc.
3800 Citibank Center, Building B, 3rd Floor
Tampa, FL 33610
Attention: US Standby Letter of Credit Unit
Tel: 813-604-7049
Fax: 813-604-7187

EXHIBIT A-1 - FORM OF

REVOLVING NOTE

[TO BE COMPLETED PRIOR TO ISSUANCE WITH: (1) APPROPRIATE LENDER INFORMATION, (2) THE EFFECTIVE DATE, UPON ISSUANCE TO AN INITIAL LENDER, OR THE DATE OF ASSIGNMENT, AND (3) A PRINCIPAL AMOUNT UP TO THE LENDER'S COMMITMENT]

U.S.$_____

FOR VALUE RECEIVED, the undersigned, [NAME OF BORROWER] (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office on the Termination Date (each as defined in the Credit Agreement referred to below) the principal sum of U.S.$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the Revolving Loans made by the Lender to the Borrower pursuant to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Borrowers, the Lender and certain other lenders party thereto, and Citicorp North America, Inc., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement") outstanding on the Termination Date. Capitalized terms used, but not defined, in this Note are used with the meaning ascribed thereto in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citicorp North America, Inc., as Agent, at 1615 Brett Road, New Castle, DE 19720 Attn: Tracey Wilson, in same day funds. Each Revolving Loan owing to the Lender by the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Revolving Loans by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Loan being evidenced by this Promissory Note and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

IN WITNESS WHEREOF, the Borrower has caused this Promissory Note to be executed by its duly authorized officer to evidence the Revolving Loans made under the Credit Agreement.

Date: _____, ____

[EASTMAN KODAK COMPANY]

[KODAK CANADA INC.]
By: _____
Name:
Title:

ALLONGE TO PROMISSORY NOTE

DATED __________, 20__

OF

[EASTMAN KODAK COMPANY]

[KODAK CANADA INC.]

REVOLVING LOANS AND PAYMENTS OF PRINCIPAL

Date	**Amount of Revolving Loan**	**Amount of Principal Paid or Prepaid**	**Unpaid Principal Balance**	**Notation Made By**

EXHIBIT A-2 - FORM OF
TERM NOTE

[TO BE COMPLETED PRIOR TO ISSUANCE WITH: (1) APPROPRIATE LENDER INFORMATION, (2) THE EFFECTIVE DATE, UPON ISSUANCE TO AN INITIAL LENDER, OR THE DATE OF ASSIGNMENT, AND (3) A PRINCIPAL AMOUNT UP TO THE LENDER'S COMMITMENT]

U.S.$_____

FOR VALUE RECEIVED, the undersigned, EASTMAN KODAK COMPANY (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office on the Termination Date (each as defined in the Credit Agreement referred to below) the principal sum of U.S.$[amount of the Lender's Commitment in figures] pursuant to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Borrowers, the Lender and certain other lenders party thereto, and Citicorp North America, Inc., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement") outstanding on the Termination Date. Capitalized terms used, but not defined, in this Note are used with the meaning ascribed thereto in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of the Term Loan from the date of such Term Loan until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citicorp North America, Inc., as Agent, at 1615 Brett Road, New Castle, DE 19720 Attn: Tracey Wilson, in same day funds.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Term Loans by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from the Term Loan being evidenced by this Promissory Note and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

IN WITNESS WHEREOF, the Borrower has caused this Promissory Note to be executed by its duly authorized officer to evidence the Term Loans made under the Credit Agreement.

Date: _____, ____

EASTMAN KODAK COMPANY
By: _____
Name:
Title:

EXHIBIT B - FORM OF

NOTICE OF BORROWING

Citicorp North America, Inc.,

as Agent for the Lenders party

to the Credit Agreement

[_____]

Attn: [_____]

[Date]

Attention: [ ]

Ladies and Gentlemen:

The undersigned, [NAME OF BORROWER], refers to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012 (as amended or modified from time to time, the "Credit Agreement"), among Eastman Kodak Company and Kodak Canada Inc., as borrowers, the Lenders party thereto and Citicorp North America, Inc., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the Credit Agreement (capitalized terms used, but not defined, in this Notice are used with the meaning ascribed thereto in the Credit Agreement):

(i) The Business Day of the Proposed Borrowing is _____, 200_.

(ii) The Borrowings is a [US Revolving Borrowing] [Canadian Revolving Borrowing] [Term Borrowing].

(iii) The Type of Loans comprising the Proposed Borrowing is [Base Rate Loan] [Eurodollar Rate Loan].

(iv) The aggregate amount of the Proposed Borrowing is $_____.

[(v) The initial Interest Period for each Eurodollar Rate Loan made as part of the Proposed Borrowing is _____ month[s].][2]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

---

[2] To be used for Eurodollar Rate Loans.

(A) the representations and warranties of each Borrower and each Loan Party contained in each Loan Document to which it is a party are true and correct as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof;

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

(C) the making of the Proposed Borrowing will not violate any requirement of law and is not enjoined, temporarily, preliminarily or permanently; and

(D) [no Borrowing Base Deficiency will exist after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom.][3]

Very truly yours,

[NAME OF BORROWER]
By _____
Name:
Title:

[3] To be used for Revolving Loans.

EXHIBIT C - FORM OF

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement") among Eastman Kodak Company and Kodak Canada Inc., as borrowers, the Lenders (as defined in the Credit Agreement) and Citicorp North America, Inc., as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule 1 hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the [US Revolving Credit Facility / Canadian Revolving Credit Facility / Term Facility] of the Credit Agreement as of the date hereof equal to the amount of the Assignor's Commitment specified for the [US Revolving Credit Facility / Canadian Revolving Credit Facility / Term Facility] on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement as specified on Schedule 1 hereto [together with participations in Letters of Credit held by the Assignor on the date hereof]. After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Loans owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Loan Documents or any other instrument or document furnished pursuant thereto; [and (iv) attaches the Notes[, if any] held by the Assignor [and requests that the Agent exchange such Note for a new Note payable to the order of [the Assignee in an amount equal to the Commitment assumed by the Assignee pursuant hereto or new Notes payable to the order of the Assignee in an amount equal to the Commitment assumed by the Assignee pursuant hereto and] the Assignor in an amount equal to the Commitment retained by the Assignor under the Credit Agreement, [respectively,] as specified on Schedule 1 hereto].

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement and (ii) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and

Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.14(e) of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Assignment Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Assignment Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Assignment Effective Date, the Agent shall make all payments under the Credit Agreement and the applicable Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the applicable Notes for periods prior to the Assignment Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York and (to the extent applicable) the Bankruptcy Code.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate 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 Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1

to

Assignment and Acceptance

1. Assignor[s]: _____

_____

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrower(s): _____

4. Agent: Citicorp North America, Inc., as the administrative agent under the Credit Agreement

5. Credit Agreement: Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among Eastman Kodak Company, Kodak Canada Inc., the Lenders from time to time party thereto, and Citicorp North America, Inc., as Agent

6. Assigned Interest[s]: _____

Assignor[s][4]	Assignee[s][5]	US or Canadian Revolving Credit Facility or Term Facility	Aggregate Amount of Commitments for all Lenders[6]	Amount of Commitments Assigned	Percentage Assigned of Commitment[7]	CUSIP Number
			$_____	$_____	_____%	
			$_____	$_____	_____%	
			$_____	$_____	_____%	

[7. Trade Date: _____]8

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

[4] List each Assignor, as appropriate.

[5] List each Assignee, as appropriate.

[6] Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[7] Set forth, to at least 9 decimals, as a percentage of the Commitment of all Lenders thereunder.

[8] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Domestic Lending Office:
[Address]
Eurodollar Lending Office:
[Address]
Accepted [and Approved] this
_____ day of _____, 20__

CITICORP NORTH AMERICA, INC., as Agent
By: _____
Name:
Title:

[Approved this _____ day
of _____, 20__

EASTMAN KODAK COMPANY
By: _____][9]
Name:
Title:

[9] Include Company approval only if (1) the Assigned Interest is not a Term Loan, (2) the Assignee is not a Revolving Lender, an Affiliate or branch of a Revolving Lender or an Approved Fund with respect to a Revolving Lender and (3) no Event of Default has occurred and is continuing at the time of the assignment.

EXHIBIT D-1 - FORM OF
US SECURITY AGREEMENT

US SECURITY AGREEMENT

Dated January [ ], 2012

From

The Grantors referred to herein

as Grantors

to

Citicorp North America, Inc.

as Agent

TABLE OF CONTENTS

Schedules

Exhibits

US SECURITY AGREEMENT

US SECURITY AGREEMENT dated January [ ], 2012 (this "***Agreement***"), made by Eastman Kodak Company, a New Jersey corporation, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement, defined herein) (the "***Company***"), and the Subsidiaries of the Company listed on the signature pages hereof, each of which is a debtor and debtor-in-possession, or which at any time execute and deliver a Security Agreement Supplement in substantially the form attached hereto as Exhibit C (the Company and such Subsidiaries, collectively, the "***Grantors***"), to Citicorp North America, Inc., as Agent (in such capacity, together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement, the "***Agent***") for the Secured Parties (as hereinafter defined).

PRELIMINARY STATEMENTS.

(1) Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Company, Kodak Canada, Inc., the Subsidiaries of the Company party thereto, the Agent and Lenders from time to time party thereto (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***").

(2) Each Grantor is the owner of the shares of stock or other equity interests in its Subsidiaries set forth on Part I of Schedule I hereto and issued by the Persons named therein (such shares of stock or other equity interests, the "***Initial Pledged Equity***"). Each Grantor is the holder of the indebtedness owed to such Grantor (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.

(3) 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 "***Deposit Accounts***").

(4) The Company is the owner of an L/C Cash Deposit Account (as defined in the Credit Agreement) created in accordance with the Credit Agreement and subject to the security interest granted under this Agreement on terms and conditions acceptable to the Agent.

(5) It is a condition precedent to the making of Loans and the issuance of Letters of Credit by the Lenders under the Credit Agreement that the Grantors shall supplement the Orders, without in any way diminishing or limiting the effect of the Orders or the security interest, pledge and Lien granted thereunder, by more fully setting forth in this Agreement their respective rights in connection with such security interest, pledge and Lien. Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(6) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. 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 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 (or would be governed, absent the Orders) 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 Loans and issue Letters of Credit under the Credit Agreement, each Grantor hereby agrees with the Agent for the ratable benefit of the Secured Parties as follows:

Section 1. Grant of Security. In addition to the security interest set forth in the Interim Order (and, when applicable, the Final Order), each Grantor hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest in 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***") (*provided*, *however*, that notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under this Section 1 hereof attach to: (A) any deposit account for taxes, payroll, employee benefits or similar items and any other account or financial asset in which such security interest would be unlawful or in violation of any Plan or employee benefit agreement, (B) any lease, license, contract, or agreement or other property right (including any United States of America intent-to-use trademark or service mark application), to which any Grantor is a party or of any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in: (x) the abandonment, invalidation, unenforceability or other impairment of any right, title or interest of any Grantor therein, or (y) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, agreement or other property right pursuant to any provision thereof, in the case of each of clause (x) and (y) to the extent the applicable provision is not rendered ineffective by applicable law or the Orders, (C) any of the outstanding capital stock of a CFC in excess of 65% of the voting power of all classes of capital stock of such CFC entitled to vote, (D) any real property or fixture, or (E) if and to the extent invoked pursuant to the Orders, proceeds in an amount equal to the Carve-Out):

(a) all equipment in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all fixtures), and all parts thereof and all accessions thereto, including, without limitation, 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, without limitation, (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, without limitation, 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, without

limitation, 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, without limitation, promissory notes), deposit accounts, chattel paper, general intangibles (including, without limitation, 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, whether or not 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 shares of stock and other equity interests from time to time acquired by such Grantor in any manner of (X) the issuers of the Initial Pledged Equity and (Y) each other Subsidiary of such Grantor, provided that (1) the stock of any Subsidiary held by a CFC or held by a Subsidiary of a CFC shall not be required to be pledged and (2) not more than 65% of the voting equity in any CFC shall be subject to the pledge hereunder (such shares and other equity interests, together with the Initial Pledged Equity, being the "***Pledged Equity***"), and the certificates, if any, representing such additional shares or other 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 shares or other 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 a securities account or commodity account, all security entitlements with respect to all financial assets from time to time credited to the L/C Cash Deposit Account and 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, without limitation, 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 Hedge 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, without limitation, (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 Deposit Accounts, the L/C Cash Deposit Account and all funds and financial assets from time to time credited thereto (including, without limitation, all cash equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Deposit Accounts or the L/C Cash Deposit Account;

(ii) 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

(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 (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, 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, without limitation, copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered ("***Copyrights***"); all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, 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, without limitation, industrial designs and mask works;

(iv) all registrations and applications for registration for any of the foregoing, including, without limitation, those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(v) all agreements, licenses and covenants providing for the granting of any right in or to 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; and

(i) 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, without limitation, 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.

Section 2. Security for Obligations. In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and, when applicable, the Final Order), 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 (a) the Loan Documents and (b) to the extent constituting US Obligations, the US Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings) (all such obligations being the "***Secured Obligations***") owing to the US Secured Parties and the Canadian Secured Parties (collectively, 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 or Secured Agreements 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) All certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered (provided, that in the case of any such certificates or instruments owned by the Grantors as of the Effective Date, such certificates or instruments shall be delivered within 30 days following the Closing Date (except as otherwise specified on Schedule 5.01(m) of the Credit Agreement) or in each case prior to such later date as the Agent shall agree in its discretion) following the date of this Agreement, without further order from the Bankruptcy Court, 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 (x) prohibited by applicable law, including the

Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases or (y) subject to certain corporate actions by the holders or issuers of non-US Initial Pledged Equity which have not occurred as of the Effective Date and governmental approvals or consents to pledge or transfer with respect to the issuers of non-US Pledged Equity which have not yet been obtained as to which Grantor shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further notice from the Bankruptcy Court, use commercially reasonable efforts to complete as soon as practicable after the date hereof.

(a) With respect to any Security Collateral representing interests in Subsidiaries in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, use commercially reasonable efforts to cause the issuer thereof to agree in an authenticated record with such Grantor and the Agent that, upon notice from the Agent that an Event of Default has occurred and is continuing, such issuer will comply with instructions with respect to such security originated by the Agent without further consent of such Grantor, such authenticated record to be in form and substance reasonably satisfactory to the Agent. Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of other Security Collateral as provided in Section 4(e) below.

(b) With respect to any securities or commodity account, any Security Collateral that constitutes a security entitlement as to which the financial institution acting as Agent hereunder is not the securities intermediary, upon the request of the Agent upon the occurrence and during the continuance of an Event of Default the relevant Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, use its commercially reasonable efforts to 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.

(c) Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 L/C Cash Deposit 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 L/C Cash Deposit Account.

(d) Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will, to the extent permitted by and in

accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, notify each issuer of Security Collateral granted by it hereunder that such Security Collateral is subject to the security interest granted hereunder.

Section 5. Maintaining the Account Collateral. So long as any Loan or any other payment obligation of any Loan Party of which the Company has notice under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment:

(a) Each Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, enter into an agreement with the financial institution holding the Pledged Account pursuant to which such financial institution shall agree with such Grantor and the Agent to, upon notice from the Agent upon the occurrence and during the continuance of an Event of Default, comply with instructions originated by the Agent directing the disposition of funds in such deposit account without the further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Agent (a "***Deposit Account Control Agreement***"), and, upon the occurrence and during the continuance of an Event of Default, instruct each Person obligated at any time to make any payment to such Grantor for any reason (an "***Obligor***") to make such payment to such a Deposit Account or the L/C Cash Deposit Account.

(b) The Agent may, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, at any time and without notice to, or consent from, the Grantor, transfer, or direct the transfer of, funds from the Deposit Accounts or the L/C Cash Deposit Account to satisfy the Grantor's obligations under the Loan Documents if an Event of Default shall have occurred and be continuing. As soon as reasonably practicable after any such transfer, the Agent agrees to give written notice thereof to the applicable Grantor.

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 and organizational identification number as of the date hereof is set forth in Schedule V hereto. Within the twelve months preceding the date hereof, such Grantor has not changed its name, chief executive office, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule V hereto except as set forth in Schedule VI hereto.

(b) Such Grantor is the legal and beneficial owner of the Collateral granted or purported to be granted by it free and clear of any Lien, claim, option or right of others, except for the security interest created under this Agreement, by the Interim Order (and, when applicable, the Final Order) or Liens permitted under the Credit Agreement. 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.

(c) All Equipment of such Grantor having a value in excess of $5,000,000 and Inventory of such Grantor having a value in excess of $5,000,000 as of the date hereof is located at the places specified therefor in Schedule VIII and Schedule IX hereto, respectively. Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(d) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of $5,000,000 that has not been delivered to the Agent. All such Receivables or Agreement Collateral valued in excess of $5,000,000 is listed on Schedule III attached hereto.

(e) All Security Collateral consisting of certificated securities and instruments with an aggregate fair market value in excess of $5,000,000 for all such Security Collateral of the Grantors has been delivered to the Agent in accordance with the time periods set forth in Section 4(a).

(f) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(g) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non assessable. 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 note, such promissory notes have been delivered to the Agent in accordance with the time periods set forth in Section 4(a), and is not in default.

(h) The Initial Pledged Equity pledged by such Grantor constitutes, as of the date hereof, all of the issued and outstanding equity interests of the issuers thereof (or, in the case of any issuer that is a CFC, 100% of the non-voting equity interests (if any) of such issuer and 65% of the voting equity interests of such issuer) indicated on Part I of Schedule I hereto. The Initial Pledged Debt constitutes all of the outstanding Debt for Borrowed Money owed to such Grantor by the issuers thereof.

(i) Such Grantor has no Investment Property with a market value in excess of $5,000,000 as of the date hereof, other than the Investment Property listed on Part III of Schedule I hereto.

(j) 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.

(k) Such Grantor has no material deposit accounts subject to the grant or security in Section 1 of this Agreement as of the date hereof, other than the Deposit Accounts listed on Schedule II hereto.

(l) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of $5,000,000 and issued by a United States financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(m) Upon and subject to the entry of the Interim Order, the security interest created hereunder constitutes a legal, valid and perfected security interest in all Collateral to the extent set forth in the Interim Order (and, when applicable, the Final Order); *provided*, *however*, that the Agent will receive a security interest, but not a first priority security interest, in (1) Collateral subject to Liens permitted by the terms of the Credit Agreement which Liens are in existence at the date of the Interim Order or such later date which the applicable Grantor acquired rights in such Collateral and (2) other Collateral to the extent consented to by the Agent and approved by the Required Lenders (collectively, the "***Specified Collateral***").

(n) Upon entry of the Interim Order (and, when applicable, the Final Order), no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body 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 the first priority nature of such security interest in Collateral other than the Specified Collateral), except for the governmental filings required to be made or approvals obtained prior to the creation of a security interest in any Security Collateral issued by a non-US Person and any filings or approvals required prior to realizing on any such Pledged Equity 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.

(o) 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.

(p) As to itself and its Intellectual Property Collateral:

(i) Except as set forth on Schedule IV hereto, to the knowledge of the Company, neither the operation of such Grantor's business nor the use of the Intellectual Property Collateral by Grantor in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any third party, except, in each case, as are not reasonably 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 hereto with respect to co-ownership of certain Patents, and except for such failures to have exclusive ownership that are not reasonably expected to have a Material Adverse Effect.

(iii) The Intellectual Property Collateral set forth on Schedule IV 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, in each case, as are not reasonably expected 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 in full force and effect and protect its interest in each and every material item of Intellectual Property Collateral owned by such Grantor that is registered or the subject of an application for registration.

(vi) Except as set forth on Schedule IV hereto, no claim has been asserted and is pending or to the knowledge of such Grantor, threatened, by any Person challenging the use of any Intellectual Property Collateral by a Grantor or the validity or enforceability 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 individually or 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 material impairment of any of the Intellectual Property Collateral.

(vii) Except as set forth on Schedule IV hereto, with respect to each material IP Agreement: (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, to the knowledge of such Grantor, 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) Such Grantor has used commercially reasonable efforts to maintain the confidentiality of the Trade Secrets of such Grantor and to protect such Trade Secrets from unauthorized use, disclosure, or appropriation and no such Trade Secrets have been disclosed by such Grantor other than to employees, representatives, agents, consultants and contractors of such Grantor or other Persons, all of whom are bound by written confidentiality agreements.

Section 7. Further Assurances. (a) Each Grantor agrees that from time to time, in accordance with the terms of this Agreement to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order), at the expense of such Grantor and at the reasonable request of the Agent and without further order from the Bankruptcy Court, 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 and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order), without further order from the Bankruptcy Court, 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; (ii) 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) at the request of the Agent, take all action to ensure that the Agent's security interest is noted on any certificate of title related to any Collateral evidenced by a certificate of title; 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, including, without limitation, 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 other than assets now or hereafter constituting Principal Properties or the equity of Restricted Subsidiaries, 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 $5,000,000 and Inventory having a value in excess of $5,000,000 (other than Inventory sold in the ordinary course of business) at the places 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.

(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, without limitation, 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, at its own expense, maintain or cause to be maintained, insurance with respect to its Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be customary for similar businesses of the size and scope of the Company on a consolidated basis, provided however that the Grantor 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, except for losses of less than $12,500,000[1] per occurrence, to be paid, in accordance with the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Agent. So long as no Event of Default shall have occurred and be continuing, all property damage insurance payments received by the Agent in connection with any loss, damage or destruction of Inventory will be released by the Agent to the applicable Grantor. 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 there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto, (iii) provide that 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.

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[1] Company to confirm coverage amounts.

Each Grantor will, if so requested by the Agent and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, without further order from the Bankruptcy Court, 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 and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, without further order from the Bankruptcy Court, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 1(i) and cause the insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 9 may be paid directly to the Person who shall have incurred damages covered by such insurance. 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, by the Credit Agreement or the Interim Order (and when applicable, the Final Order), 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)(v) of the Credit Agreement.

(c) So long as no Event of Default shall have occurred and be continuing, all insurance payments received by the Agent in connection with any loss, damage or destruction of any Inventory or Equipment will be released by the Agent to the applicable Grantor. Upon the occurrence and during the continuance of any Event of Default, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, all insurance payments in respect of such Equipment or Inventory shall be paid to the Agent and shall, in the Agent's sole discretion, (i) be released to the applicable Grantor for the repair, replacement or restoration thereof, (ii) be held as additional Collateral hereunder or applied as specified in Section 19(b) or (iii) be released to the Agent Sweep Account and applied as provided in Section 2.18(h) of the Credit Agreement.

Section 10. Post-Closing Changes; Collections on Assigned Agreements and Receivables. (a) No Grantor will change its name, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule V of this Agreement without first giving at least 15 Business Days prior written notice to the Agent, or such lesser period of time as agreed by the Agent, and taking 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, without limitation, 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 Credit Agreement. If any Grantor does not have an organizational identification number and later obtains one, it will forthwith notify the Agent of such organizational identification number.

(b) Except as otherwise provided in this subsection (b), each Grantor will continue to collect, at its own expense, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, such Grantor may take (and, at the Agent's direction, will take) such action as such Grantor or the Agent may deem necessary or advisable to enforce collection of the Assigned Agreements and Receivables; *provided*, *however*, that the Agent shall have the right at any time, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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, without limitation, 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, without limitation, 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 Sweep Account in the United States and either (A) released to such Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 19(b) of this Agreement or as provided in Section 2.18(h) of 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.

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 Subsidiaries, each Grantor agrees to take, at its expense, all commercially reasonable steps as determined in Grantor's reasonable discretion, including, without limitation, in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other governmental authority, to (i) maintain 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, without limitation, 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, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings initiated by third parties, in each case except where the failure to so file, register, maintain or participate 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 or otherwise abandon any such material Intellectual Property Collateral, or abandon any right to file an application for patent, trademark, or copyright, unless such Grantor shall have reasonably determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer reasonably necessary or desirable in the conduct of such Grantor's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide, annually to the Agent an updated Schedule of its Patents, Trademarks and registered Copyrights.

(c) In the event that any Grantor becomes aware that any item of the Intellectual Property Collateral is being infringed, misappropriated or otherwise violated by a third party in any material respect, 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, without limitation, suing for infringement, misappropriation or other violation and for an injunction against such infringement, misappropriation or other violation.

(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, without limitation, taking all reasonable steps which it deems appropriate under the circumstances to maintain substantially the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking all reasonable steps which it deems appropriate under the circumstances to ensure that all licensed users of any of the 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.

(e) 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***") identifying the Intellectual Property Collateral pledged by such Grantor, 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 Collateral.

Section 12. Voting Rights; Dividends; Etc. (a) So long as no Default under Section 6.01(a) or (e) of the Credit Agreement 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*, *however*, 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, be promptly delivered to the Agent to hold as Security Collateral and shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 a Default under Section 6.01(a) or (e) of the Credit Agreement:

(i) All rights of each Grantor (x) 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, upon notice to such Grantor by the Agent, cease and (y) 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 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, at its expense:

(i) perform and observe 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 in excess of $25,000,000 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 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 Section 5 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, this Agreement and the Interim Order (and when applicable, the Final Order), 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, promptly use commercially reasonable efforts to cause the issuer of each letter-of-credit with a stated amount in excess of $5,000,000 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 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 $20,000,000 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; *provided*, *however*, that, with respect to any commercial tort claim in respect of Intellectual Property Collateral, the obligation set forth in this Section 14(c) shall only be applicable with respect to any such commercial tort claims to the extent relating to Intellectual Property Collateral with respect to which the applicable Grantors have executed or otherwise authenticated (or have an obligation pursuant to Section 11(e) to execute or otherwise authenticate) an Intellectual Property Security Agreement.

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, upon the occurrence and during the continuance of an Event of Default, in the Agent's discretion, to take any action and to execute any instrument, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, that the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 9,

(b) 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) to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above, and

(d) 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.

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 20.

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 ratable 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. Subject to the Orders, if any Event of Default shall have occurred and be continuing:

(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 (including the Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases), 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, without limitation, (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, without limitation, 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, including the Bankruptcy Code or any Order entered in connection with the Cases, 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.

(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 ratable 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 (including the Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases) 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, to the extent practicable, tangible embodiments of such Grantor's know-how and expertise, and documents 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.

With respect to the foregoing, the Agent shall provide the Company (with a copy to counsel for the Official Creditors' Committee in the Cases and to the United States Trustee for the Southern District of New York) with seven (7) days' written notice prior to taking the actions contemplated by this Section 19; *provided*, that the Agent may take the actions contemplated by this Section 19 without further order from the Bankruptcy Court.

Section 20. 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, without limitation, 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, without limitation, 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, without limitation, 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 21. 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 22. 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)
Agreement	Preamble
Agreement Collateral	Section 1(e)
Assigned Agreements	Section 1(e)
Company	Preamble
Collateral	Section 1
Copyrights	Section 1 (g)(iii)
Credit Agreement	Recitals (1)
Deposit Account Control Agreement	Section 5(a)
Deposit Accounts	Recitals (3)
Equipment	Section 1(a)
Grantor, Grantors	Preamble
Initial Pledged Debt	Recitals (2)
Initial Pledged Equity	Recitals (2)
Intellectual Property Collateral	Section 1(g)
Inventory	Section 1(b)
IP Agreements	Section 1(g)(v)
Obligor	Section 5(a)
Patents	Section 1(g)(i)
Pledged Debt	Section 1(d)(iv)
Pledged Equity	Section 1(d)(iii)
Receivables	Section 1(c)
Related Contracts	Section 1(c)
Secured Obligations	Section 2
Secured Parties	Section 2
Security Collateral	Section 1(d)
Specified Collateral	Section 6(m)
Trademarks	Section 1(g)(ii)
Trade Secrets	Section 1(g)(iii)
UCC	Recitals (6)

Section 23. 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 or expiration of all Letters of Credit, or otherwise as set forth in any order of the Bankruptcy Court, (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, without limitation, all or any portion of its Commitments, the Loans 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 24. Release; Termination. (a) Upon any sale, lease, transfer or other disposition of any item of Collateral of any Grantor in accordance with the terms of the Loan Documents or as otherwise directed or required by any order of the Bankruptcy Court, the security interests granted under this Agreement by such Grantor in such Collateral shall immediately terminate and automatically be released and Agent will 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, 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*, *however*, 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 and a certificate of such Grantor to the effect that the transaction is 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 25. 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 26. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York and (to the extent applicable) the Bankruptcy Code.

Section 27. 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 the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from jurisdiction), 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 the Bankruptcy Court or any such New York State court, as applicable, 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 Company 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 the Bankruptcy Court or 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 28. Intercreditor Agreement Controlling. 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 for 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.

Section 29. Marshalling. Neither the Agent nor the Secured Parties shall be required to marshal any present or future collateral security (including but not limited to the Collateral for, or other assurance of payment of, the Secured Obligations or any of them) or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising.

Section 30. Inconsistency. In the event of any inconsistency or conflict between the provisions of this Agreement and the Interim Order (and, when applicable, the Final Order), the provisions of the Interim Order (and, when applicable, the Final Order) shall govern.

IN WITNESS WHEREOF, each Grantor has caused this 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:

CREO MANUFACTURING AMERICA LLC

KODAK AVIATION LEASING LLC

By_____

Name:

Title:

EASTMAN KODAK INTERNATIONAL

CAPITAL COMPANY, INC.

FAR EAST DEVELOPMENT LTD.

FPC INC.

KODAK (NEAR EAST), INC.

KODAK AMERICAS, LTD.

KODAK IMAGING NETWORK, INC.

KODAK PORTUGUESA LIMITED

KODAK REALTY, INC.

LASER-PACIFIC MEDIA CORPORATION

PAKON, INC.

QUALEX INC.

By:

Name:

Title:

KODAK PHILIPPINES, LTD.

NPEC INC.

By:

Name:

Title:

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 [_____], 20[__], is made by the Persons listed on the signature pages hereof (collectively, the "***Grantors***") in favor of Citicorp North America, Inc., 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, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), has entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with Citicorp North America, Inc., as 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 making of Loans and the issuance of Letters of Credit by the Lenders under the Credit Agreement, each Grantor has executed and delivered that certain US Security Agreement dated January [ ], 2012, 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 ratable 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 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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), each Grantor hereby grants to the Agent for the ratable 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;

(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;

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(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. In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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, and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the cases, regardless of whether allowed or allowable in such proceedings). 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 and the Secured Agreements 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 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 and (to the extent applicable) the Bankruptcy Code.

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:

Exhibit B to the
US Security Agreement

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "***IP Security Agreement Supplement***") dated _____, 20__, is made by the Person listed on the signature page hereof (the "***Grantor***") in favor of Citicorp North America, Inc., 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, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), has entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with Citicorp North America, Inc., as 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 US Security Agreement dated January [ ], 2012 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 [_____], 2011 (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 ratable 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 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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), each Grantor hereby grants to the Agent, for the ratable 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;

(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;

(iii) the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(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. In addition to the security for payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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 and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings).

SECTION 3. Recordation. The Grantor authorizes and requests that the Register of Copyrights 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 and (to the extent applicable) the Bankruptcy Code.

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]

Citicorp North America, Inc., as the Agent for
the Secured Parties referred to in the
Credit Agreement referred to below

[ ]
Attn: [ ]

Eastman Kodak Company

Ladies and Gentlemen:

Reference is made to (i) the Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Eastman Kodak Company, a New Jersey corporation, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., a corporation organized under the laws of the province of Ontario, Canada, as the Borrowers, the Lenders party thereto, Citicorp North America, Inc., as Agent (together with any successor Agent appointed pursuant to Article VII of the Credit Agreement, the "***Agent***"), and as administrative agent for the Lenders, and (ii) the US Security Agreement dated January [ ], 2012 (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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), the undersigned hereby grants to the Agent, for the ratable 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, without limitation, 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, without limitation, customer lists, credit 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, without limitation, 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. In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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 and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings). 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 and the Secured Agreements 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 $5,000,000 and all Inventory having a value in excess of $5,000,000 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 and (to the extent applicable) the Bankruptcy Code.[2]

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

By:

Name:

Title:

Address for Notices:

---

[2] 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.

CANADIAN SECURITY AGREEMENT

Dated January [ ], 2012

From
The Grantors referred to herein
as Grantors
to
Citicorp North America, Inc.
as Agent

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CANADIAN SECURITY AGREEMENT

CANADIAN SECURITY AGREEMENT dated January [ ], 2012 (this "**Agreement**") made by Kodak Canada Inc., an Ontario corporation (the "**Borrower**"), and the other Persons listed on the signature pages hereof, or which at any time execute and deliver a Canadian Security Agreement Supplement (as hereinafter defined) in substantially the form attached hereto as Exhibit C (the Borrower and such other Persons, collectively, the "**Grantors**"), to Citicorp North America, Inc., as agent (in such capacity, together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement (as hereinafter defined), the "Agent") for the Secured Parties (as hereinafter defined).

PRELIMINARY STATEMENTS

(1) Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Borrower, Eastman Kodak Company (the "**Company**"), the Subsidiaries of the Company party thereto, the Agent and Lenders from time to time party thereto (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

(2) Each Grantor is the owner of the shares of stock or other equity interests in its Subsidiaries set forth on Part I of Schedule I hereto and issued by the Persons named therein (such shares of stock or other equity interests, the "**Initial Pledged Equity**"). Each Grantor is the holder of the indebtedness owed to such Grantor (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.

(3) 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**").

(4) It is a condition precedent to the making of Canadian Revolving Loans by the Lenders under the Credit Agreement that the Grantors shall have granted the security interests contemplated by this Agreement. Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(5) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. Further, unless otherwise defined in this Agreement or in the Credit Agreement and unless the context otherwise requires, all the terms used in this Agreement without initial capitals, which are defined in the PPSA (as defined below) or the STA (as defined below), have the same meanings in this Agreement as in the PPSA or the STA, as applicable. "**PPSA**" means the *Personal Property Security Act* as in effect from time to time in the Province of Ontario; *provided* that, if the validity, perfection or the effect of perfection or non-perfection or the priority of the security interest in any Collateral is governed by the *Personal Property Security Act* as in effect in a jurisdiction other than the Province of Ontario, "**PPSA**" means the *Personal Property*

Security Act as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection or priority. "**STA**" means the *Securities Transfer Act*, 2006, S.O. 2006, c.8 or similar legislation of any other applicable jurisdiction.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make Canadian Revolving Loans under the Credit Agreement, each Grantor hereby agrees with the Agent for the ratable benefit of the Secured Parties (as hereinafter defined) as follows:

SECTION 1 GRANT OF SECURITY

(1) Each Grantor hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest and a security interest is taken in such Grantor's right, title and interest in and to all of such Grantor's present and future undertaking and property (collectively, the "**Collateral**") including, without limitation, all its present and after acquired personal property and 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, provided, however, that notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under this Section 1 hereof attach to: (A) any deposit account for taxes, payroll, employee benefits or similar items and any other account or financial asset in which such security interest would be unlawful or in violation of any Plan or employee benefit agreement, (B) subject to Section 3(b), any lease, license, contract, or agreement or other property right ("**Contractual Rights**"), to which any Grantor is a party or of any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in: (x) the abandonment, invalidation, unenforceability or other impairment of any right, title or interest of any Grantor therein, or (y) in a breach or termination pursuant to the terms of, or a default under, any such Contractual Rights, (C) any real property or fixture, or (D) the last day of the term of any lease or any agreement therefor now held or hereafter acquired by a Grantor, but should the Agent enforce its security interest therein the Grantor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of such security interest, or (E) any capital stock or assets of 1680382 Ontario Limited:

(a) all equipment in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all fixtures), all parts thereof and all accessions thereto and all other tangible personal property which is not Inventory (as hereafter defined) or consumer goods (any and all such property being the "**Equipment**");

(b) all inventory in all of its forms, including, without limitation, (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, without limitation, 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 (any and all such property being the "**Inventory**");

(c) all accounts, instruments (including, without limitation, promissory notes), deposit accounts, chattel paper, general intangibles (including, without limitation, 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 (f), (g) or (h) 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**");

(d) all chattel paper, warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(e) all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(f) 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 shares of stock and other equity interests from time to time acquired by such Grantor in any manner of each Subsidiary of such Grantor (other than 1680382 Ontario Limited) (such shares and other equity interests, together with the Initial Pledged Equity, being the "**Pledged Equity**"), and the certificates, if any, representing such additional shares or other 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 shares or other 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 or futures contracts carried in a securities account or commodity or futures account, all security entitlements with respect to all financial assets from time to time credited to the Pledged Deposit Accounts and 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, without limitation, all (A) securities, whether certificated or uncertificated, (B) security entitlements, (C) securities accounts, (D) commodity or futures contracts and (E) commodity or futures 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**");

(g) each Hedge 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, without limitation, (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 guarantee 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**");

(h) the following (collectively, the "**Account Collateral**"):

(i) the Pledged Deposit Accounts and all funds and financial assets from time to time credited thereto (including, without limitation, all Cash Equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Pledged Deposit Accounts;

(ii) all promissory notes, certificates of deposit, cheques 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

(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;

(i) 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, 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, without limitation, copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered ("**Copyrights**"); all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, 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, without limitation, industrial designs and integrated circuit topographies;

(iv) all registrations and applications for registration for any of the foregoing, including, without limitation, those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(v) all agreements, licenses and covenants providing for the granting of any right in or to 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;

(j) 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, without limitation, proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (i) 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

(k) all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 1 and all contracts, instruments and other rights and benefits in respect thereof and all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 1.

(2) Each of the Grantors acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the security interests granted hereby, (iv) the security interests granted hereby in Collateral in which it acquires an interest after the execution of this Agreement attach when it acquires such interest, and (v) it has received a duplicate copy of this Agreement.

SECTION 2 SECURITY FOR OBLIGATIONS

This Agreement secures, in the case of each Grantor, the payment and performance of all obligations of such Grantor and the Subsidiaries of the Company now or hereafter existing under (a) the Loan Documents, and (b) to the extent constituting Canadian Obligations, the Canadian Secured Agreements, 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 Canadian Secured Parties (collectively, the "**Secured Parties**"); *provided* that the Secured Obligations shall not include any such obligations of any US Guarantor. 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 or Canadian Secured Agreements but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, insolvency, reorganization or similar proceeding involving any of the Loan Parties and other Subsidiaries of the Company.

SECTION 3 GRANTORS REMAIN LIABLE

(a) 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.

(b) With respect to any Contractual Rights of any Grantor not subject to the security interest granted herein as provided in Section 1(c), such Grantor shall hold its interest in such Contractual Rights in trust for the Agent and will assign such Contractual Rights to the Agent on behalf of the Secured Parties forthwith upon obtaining the consent of the other party thereto. Each Grantor agrees that it will, upon the request of the Agent, following the occurrence and during the continuance of an Event of Default, use its reasonable best efforts to obtain any consent required to permit any Contractual Rights to be subjected to the security interest granted herein.

SECTION 4 DELIVERY AND CONTROL OF SECURITY COLLATERAL

(a) All certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered (provided, that in the case of any such certificates or instruments owned by the Grantors as of the Effective Date, such certificates or instruments shall be delivered within 60 days following the Closing Date (except as otherwise specified on Schedule 5.01(m) of the Credit Agreement) or in each case prior to such later date as the Agent shall agree in its discretion) following the date of this Agreement 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 (x) prohibited by applicable law or (y) subject to certain corporate actions by the holders or issuers of Initial Pledged Equity which have not occurred as of the Effective Date and governmental approvals or consents to pledge or transfer with respect to the issuers of Pledged Equity which have not yet been obtained as to which Grantor shall use commercially reasonable efforts to complete as soon as practicable after the date hereof.

(b) With respect to any Security Collateral representing interests in Subsidiaries in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will use commercially reasonable efforts to cause the issuer thereof to agree in an authenticated record with such Grantor and the Agent that, upon notice from the Agent that an Event of Default has occurred and is continuing, such issuer will comply with instructions with respect to such Security Collateral originated by the Agent without further consent of such Grantor, such authenticated record to be in form and substance reasonably satisfactory to the Agent. Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of Security Collateral as provided in Section 4(e) below.

(c) With respect to any securities or commodity or futures account, any Security Collateral that constitutes a security entitlement as to which the financial

institution acting as Agent hereunder is not the securities intermediary, upon the request of the Agent upon the occurrence and during the continuance of an Event of Default the relevant Grantor will use its commercially reasonable efforts to cause the securities intermediary with respect to such security or commodity or futures account or security entitlement to identify in its records the Agent as the entitlement holder thereof.

(d) Upon the request of the Agent 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 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 or futures account.

(e) Upon the request of the Agent 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 MAINTAINING THE ACCOUNT COLLATERAL

So long as any Loan or any other payment obligation of any Loan Party of which the Borrower has notice under any Loan Document shall remain unpaid, or any Lender shall have any Commitment:

(a) Each Grantor will enter into an agreement with the financial institution holding a Pledged Deposit Account pursuant to which such financial institution shall agree with such Grantor and the Agent to, upon notice from the Agent upon the occurrence and during the continuance of an Event of Default, comply with instructions originated by the Agent directing the disposition of funds in such deposit account without the further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Agent (a "**Deposit Account Control Agreement**"), and, upon the occurrence and during the continuance of an Event of Default, instruct each Person obligated at any time to make any payment to such Grantor for any reason (an "**Obligor**") to make such payment to such a Pledged Deposit Account.

(b) The Agent may, at any time and without notice to, or consent from, the Grantor, transfer, or direct the transfer of, funds from the Pledged Deposit Accounts to satisfy the Grantor's obligations under the Loan Documents if an Event of Default shall have occurred and be continuing. As soon as reasonably practicable after any such transfer, the Agent agrees to give written notice thereof to the applicable Grantor.

SECTION 6 REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants as follows:

(a) Such Grantor's exact legal name, place of business, chief executive office, each jurisdiction in which it has tangible personal property, type of organization and jurisdiction of formation as of the date hereof is set forth in Schedule V hereto.

(b) Such Grantor is the legal and beneficial owner of the Collateral granted or purported to be granted by it 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. 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, has been filed in favour of the Agent relating to the Loan Documents or is otherwise permitted under the Credit Agreement.

(c) All Equipment of such Grantor having a value in excess of $5,000,000 and Inventory of such Grantor having a value in excess of $5,000,000 as of the date hereof is located at the places specified therefor in Schedule VIII and Schedule IX hereto, respectively. Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(d) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of $5,000,000 that has not been delivered to the Agent. All Receivables or Agreement Collateral valued in excess of $5,000,000 is listed on Schedule III attached hereto.

(e) All Security Collateral consisting of certificated securities and instruments with an aggregate fair market value in excess of $5,000,000 for all such Security Collateral of the Grantors has been delivered to the Agent in accordance with the time periods set forth in Section 4(a).

(f) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(g) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non assessable. The Pledged Debt pledged by such Grantor hereunder (i) has been duly authorized, authenticated or issued and delivered, (ii) is the legal, valid and binding obligation of the issuers thereof, (iii) if evidenced by any promissory note, such promissory note has been delivered to the Agent in accordance with the time periods set forth in Section 4(a), and (iv) is not in default.

(h) The Initial Pledged Equity pledged by such Grantor constitutes, as of the date hereof, 100% of the issued and outstanding equity interests of the issuers thereof indicated on Part I of Schedule I hereto. The Initial Pledged Debt constitutes all

of the outstanding Debt for Borrowed Money owed to such Grantor by the issuers thereof as indicated on Part II of Schedule I hereof.

(i) Such Grantor has no Investment Property with a market value in excess of $5,000,000 as of the date hereof, other than the Investment Property listed on Part III of Schedule I hereto.

(j) 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.

(k) Such Grantor has no material deposit accounts subject to the grant or security in Section 1 of this Agreement as of the date hereof, other than the Pledged Deposit Accounts listed on Schedule II hereto.

(l) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of $5,000,000 and issued by a United States or Canadian financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(m) This Agreement creates in favour 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) federal registration which may be necessary to perfect the Agent's security interest with respect to Collateral consisting of vessels, rolling stock 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; provided however, that the Agent will receive a security interest, but not a first priority security interest, in (1) Collateral subject to Liens permitted by the terms of the Credit Agreement which rank in priority to the security interest granted herein and (2) other Collateral to the extent consented to by the Agent and approved by the Required Lenders (collectively, the "**Specified Collateral**").

(n) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body 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 the

first priority nature of such security interest in Collateral other than the Specified Collateral), except for (A) the filing of financing statements and financing change statements under the PPSA, which financing statements or financing change

statements, as the case may be, have been duly filed and are in full force and effect, (B) certain corporate actions by the holders or issuers of non-US Initial Pledged Equity which have not occurred as of the Effective Date, necessary to transfer or assign, (C) the actions described in Section 4 with respect to the Security Collateral, (D) federal filings which may be necessary in respect of vessels, rolling stock or aircraft, 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.

(o) 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.

(p) As to itself and its Intellectual Property Collateral:

(i) Except as set forth on Schedule IV hereto, to the knowledge of such Grantor, neither the operation of such Grantor's business nor the use of the Intellectual Property Collateral by such Grantor in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any third party, except, in each case, as are not reasonably 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 hereto with respect to co-ownership of certain Patents, and except for such failures to have exclusive ownership that are not reasonably expected to have a Material Adverse Effect.

(iii) The Intellectual Property Collateral set forth on Schedule IV 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 such Grantor, are valid and enforceable, except to the extent such Grantor has ceased use of any such registered Trademarks, and except, in each case, as are not reasonably expected 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 in full force and effect and protect its interest in each and every material item of Intellectual

Property Collateral owned by such Grantor that is registered or the subject of an application for registration.

(vi) Except as set forth in Schedule IV hereto, no claim has been asserted and is pending or, to the knowledge of such Grantor, threatened by any Person challenging the use of any Intellectual Property Collateral by a Grantor or the validity or enforceability of any such Intellectual Property Collateral, nor does such Grantor know of any valid basis for any such claim, except, in either case, for such claims that individually or 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 material impairment of any of the Intellectual Property Collateral.

(vii) Except as set forth on Schedule IV hereto, with respect to each material IP Agreement: (A) to the knowledge of such Grantor, 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, to the knowledge of such Grantor, 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) Such Grantor has used commercially reasonable efforts to maintain the confidentiality of the Trade Secrets of such Grantor and to protect such Trade Secrets from unauthorized use, disclosure or appropriation and no such Trade Secrets have been disclosed by such Grantor other than to employees, representatives, agents, consultants and contractors of such Grantor or other Persons, all of whom are bound by written confidentiality agreements.

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; (ii) 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 endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Agent; (iii) file such financing 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) at the request of the Agent, take all action to ensure that the Agent's security interest is noted on any certificate of title related to any Collateral evidenced by a certificate of title; 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 statements, and amendments thereto, including, without limitation, 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 Canada other than any real property or fixtures, regardless of whether any particular asset described in such financing statements falls within the scope of the PPSA. 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 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 $5,000,000 and Inventory having a value in excess of $5,000,000 (other than Inventory sold in the ordinary course of business) at the places therefor specified in Schedule VIII and Schedule IX, respectively, or, upon 30 days' prior written notice to the Agent (or lesser time as may be agreed by the Agent), at such other places designated by such Grantor in such notice.

(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, without limitation, 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, at its own expense, maintain or cause to be maintained, insurance with respect to its Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be customary for similar businesses of the size and scope of the Borrower on a consolidated basis, provided however that the Grantor 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, except for losses of less than $12,500,000 per occurrence, to be paid in accordance with the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Agent. So long as no Event of Default shall have occurred and be continuing, all property damage insurance payments received by the Agent in connection with any loss, damage or destruction of Inventory will be released by the Agent to the applicable Grantor. 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 there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto, (iii) provide that 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(g) and cause the insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 9 may be paid directly to the Person who shall have incurred

damages covered by such insurance. 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)(v) of the Credit Agreement.

(c) So long as no Event of Default shall have occurred and be continuing, all insurance payments received by the Agent in connection with any loss, damage or destruction of any Inventory or Equipment will be released by the Agent to the applicable Grantor. Upon the occurrence and during the continuance of any Event of Default, all insurance payments in respect of such Equipment or Inventory shall be paid to the Agent and shall, in the Agent's sole discretion, (i) be released to the applicable Grantor for the repair, replacement or restoration thereof, (ii) be held as additional Collateral hereunder or applied as specified in Section 19(o) or (iii) be released to the Agent Sweep Account and applied as provided in Section 2.18(h) of the Credit Agreement.

SECTION 10 POST-CLOSING CHANGES; COLLECTIONS ON ASSIGNED AGREEMENTS AND RECEIVABLES

(a) No Grantor will change its name, place of business, chief executive office, type of organization, jurisdiction of formation or jurisdiction in which it has tangible personal property from those set forth in Schedule V of this Agreement without first giving at least 15 Business Days prior written notice to the Agent, or such lesser period of time as agreed by the Agent, and taking 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, without limitation, 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 Credit Agreement.

(b) Except as otherwise provided in this subsection (b), each Grantor will continue to collect, at its own expense, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, such Grantor may take (and, at the Agent's direction, will take) such action as such Grantor or the Agent may deem necessary or advisable to enforce collection of the Assigned Agreements and Receivables; *provided*, *however*, 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. 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, without limitation, 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 endorsement) to be deposited in the Agent Sweep Account in Canada and either (A) released to such Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 19(o) of this Agreement or as provided in Section 2.18(h) of 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.

SECTION 11 AS TO INTELLECTUAL PROPERTY COLLATERAL

(a) With respect to each item of its Intellectual Property Collateral material to the business of the Grantors, each Grantor agrees to take, at its expense, all commercially reasonable steps as determined in Grantor's reasonable discretion, including, without limitation, in the Canadian Intellectual Property Office and any other governmental authority, to (i) maintain 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, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the Canadian Intellectual Property Office or other governmental authorities, the filing of applications for renewal or extension, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings initiated by third parties, in each case except where the failure to so file, register, maintain or participate 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 or otherwise abandon any such material Intellectual Property Collateral, or abandon any right to file an application for patent, trademark, or copyright, unless

such Grantor shall have reasonably determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer reasonably necessary or desirable in the conduct of such Grantor's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide, annually to the Agent an updated Schedule of its Patents, Trademarks and registered Copyrights.

(c) In the event that any Grantor becomes aware that any item of the Intellectual Property Collateral is being infringed, misappropriated or otherwise violated by a third party in any material respect, 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, without limitation, suing for infringement, misappropriation or other violation and for an injunction against such infringement, misappropriation or other violation.

(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, without limitation, taking all reasonable steps which it deems appropriate under the circumstances to maintain substantially the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking all reasonable steps which it deems appropriate under the circumstances to ensure that all licensed users of any of the 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 Canadian Intellectual Property Office and any other governmental authorities necessary to register, file or record the security interest hereunder in such Intellectual Property Collateral.

(f) Each entity which executes a Canadian Security Agreement Supplement (as hereinafter defined) 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**") identifying the Intellectual Property Collateral pledged by such Grantor, which IP Security Agreement Supplement shall be recorded with the Canadian Intellectual Property Office and any other governmental authorities necessary to register, file or record the security interest hereunder in such Intellectual Property Collateral.

SECTION 12 VOTING RIGHTS; DIVIDENDS; ETC.

(a) So long as no Default under Section 6.01(a) or (e) of the Credit Agreement 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, however, 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 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 endorsement).

(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 a Default under Section 6.01(a) or (e) of the Credit Agreement:

(i) All rights of each Grantor (x) 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 (y) 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 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 endorsement).

SECTION 13 AS TO THE ASSIGNED AGREEMENTS

(a) Each Grantor will at its expense:

(i) perform and observe 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 judgement, 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 in excess of $25,000,000 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 Section 5 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(o).

SECTION 14 AS TO LETTER-OF-CREDIT RIGHTS

(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, 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 $5,000,000 and each nominated person (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.

SECTION 15 TRANSFERS AND OTHER LIENS; ADDITIONAL SHARES

(a) Each Grantor agrees that it will not (i) sell, assign or dispose of Collateral except as 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, upon the occurrence and during the continuance of an Event of Default, 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, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 9,

(b) 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) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above, and

(d) 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.

The powers granted to the Agent under this Section 16 are coupled with an interest and are irrevocable until the security interest granted hereunder is released and this Agreement is terminated in accordance with Section 24.

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 Grantor with a copy to the Company at least five Business Days in advance and if any Grantor 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 20.

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 branches (or, with the consent of the Borrower, 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 ratable 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

(1) If any Event of Default shall have occurred and be continuing:

(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 PPSA, Civil Code of Quebec or UCC (whether or not any of the PPSA, the Civil Code of Quebec or UCC applies to the affected Collateral);

(b) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 19 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Agent" when used in this Section 19 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Agent will not be in any way responsible for any misconduct or negligence of any such Receiver;

(c) the Agent may take possession of the Collateral and require the Grantors to assemble the Collateral and deliver or make the Collateral available to the Agent at such place or places as may be specified by the Agent;

(d) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(e) the Agent may enforce any rights of the Grantors in respect of the Collateral by any manner permitted by applicable law;

(f) the Agent may withdraw, or cause the direct withdrawal, of all funds with respect to the Account Collateral;

(g) the Agent may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Grantors unless required by law and no person dealing with the Agent or its servants shall be concerned to inquire whether the security hereby constituted has become enforceable, whether the powers which the Agent is purporting to exercise have become exercisable, whether any money remains due on the security of the Collateral, as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease or disposition shall be made, otherwise as to the propriety or regularity of any sale or any other dealing by the Agent with the Collateral or to see to the application of any money paid to the Agent;

(h) the Agent may carry on, or concur in the carrying on of, all or any part of the business or undertaking of any Grantor, may, to the exclusion of all others, including such Grantor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by such Grantor and may use all or any of the tools, machinery, equipment and intangibles of such Grantor for such time as the Agent sees fit, free of charge, to carry on the business of such Grantor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product;

(i) the Agent may accept the Collateral in satisfaction of the Secured Obligations upon notice to the Grantors of its intention to do so in the manner required by applicable law;

(j) the Agent may, on a non-exclusive basis, occupy any premises owned or leased by any Grantor 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 for rent in respect of such occupation;

(k) the Agent may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Agent hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Agent deems reasonable, will be added to and form part of the Secured Obligations hereby secured;

(l) to the extent permitted by law, the Agent may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Secured Obligations hereby secured;

(m) the Agent may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Grantors, debtors of the Grantors, sureties and others and with the Collateral and other security as the Agent sees fit without prejudice to the liability of the Grantors to the Agent or the Agent's rights hereunder;

(n) the Agent will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the

purpose of preserving any rights of the Agent, the Grantors or any other person, in respect of the Collateral;

(o) 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 ratable benefit of the Secured Parties against, all or any part of the Secured Obligations, in accordance with Section 6.04 of the Credit Agreement;

(p) 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 endorsement);

(q) 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;

(r) 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, to the extent practicable, tangible embodiments of such Grantor's know-how and expertise, and documents 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; and

(s) 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 Borrower 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 Borrower as a basis for the preparation of the Borrower's financial statements in accordance with GAAP.

SECTION 20 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, without limitation, 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, without limitation, enforcement of this Agreement), except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgement 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, without limitation, 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 21 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 Borrower 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 "**Canadian 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 Canadian Security Agreement Supplement.

SECTION 22 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(h)
Additional Grantor	Section 21(b)
Agreement	Preamble
Agreement Collateral	Section 1(g)
Assigned Agreements	Section 1(g)
Borrower	Preamble
Canadian Security Agreement Supplement	Section 21(b)
Collateral	Section 1
Company	Preliminary Statements (1)
Contractual Rights	Section 1
Copyrights	Section 1(i)(iii)
Credit Agreement	Preliminary Statements (1)
Deposit Account Control Agreement	Section 5(a)
Equipment	Section 1(a)
Grantor, Grantors	Preamble
Initial Pledged Debt	Preliminary Statements (2)
Initial Pledged Equity	Preliminary Statements (2)
Intellectual Property Collateral	Section 1(i)
Inventory	Section 1(b)
Investment Property	Section 1(f)(vi)
IP Agreements	Section 1(i)(v)
Obligor	Section 5(a)
Patents	Section 1(i)(i)
Pledged Debt	Section 1(f)(iv)
Pledged Deposit Accounts	Preliminary Statements (3)
Pledged Equity	Section 1(f)(iii)
PPSA	Preliminary Statements (5)
Receivables	Section 1(c)
Receiver	Section 19(b)
Related Contracts	Section 1(c)
Secured Obligations	Section 2
Secured Parties	Section 2
Security Collateral	Section 1(f)
Specified Collateral	Section 6(m)
STA/Recitals	Preliminary Statements (5)
Trademarks	Section 1(i)(ii)
Trade Secrets	Section 1(i)(iii)

SECTION 23 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, and (ii) the Termination Date, (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, without limitation, all or any portion of its Commitments, the Canadian Revolving Loans 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 24 RELEASE; TERMINATION

(a) Upon any sale, lease, transfer or other disposition of any item of Collateral of any Grantor in accordance with the terms of the Loan Documents, the security interests granted under this Agreement by such Grantor in such Collateral shall immediately terminate and automatically be released and Agent will 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, 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, however*, that (i) 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 and a certificate of such Grantor to the effect that the transaction is 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. Upon any such termination, the Agent will, at the applicable Grantor's expense, promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

SECTION 25 CURRENCY REFERENCES

Intentionally Deleted

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 Province of Ontario and the federal laws of Canada applicable therein.

SECTION 28 MARSHALLING

Neither the Agent nor the Secured Parties shall be required to marshal any present or future collateral security (including but not limited to the Collateral for, or other assurance of payment of, the Secured Obligations or any of them) or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising.

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[Remainder of page intentionally left blank]

6 Monogram Place, Suite 200
Toronto, Ontario, M9R 0A1
Facsimile: 416.761.4399
Attention: Legal Department

KODAK CANADA INC.
By:
Name:
Title:

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 _____, 20_, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favour of Citicorp North America, Inc., as agent (the "**Agent**") for the Secured Parties (as defined in the Canadian Security Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, have entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Citicorp North America, Inc., as 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 making of Canadian Revolving Loans by the Lenders under the Credit Agreement, each Grantor has executed and delivered that certain Canadian Security Agreement dated January [ ], 2012, made by the Grantors to the Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Canadian Security Agreement**").

WHEREAS, under the terms of the Canadian Security Agreement, the Grantors have granted to the Agent, for the ratable 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 Canadian Intellectual Property 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 ratable 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**"):

(a) the patents and patent applications set forth in Schedule A hereto;

(b) the trademark and service mark registrations and applications set forth in Schedule B hereto, together with the goodwill symbolized thereby;

(c) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(d) 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;

(e) 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

(f) 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 and the Canadian Secured Agreements, 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 and the Canadian Secured Agreements 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 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 Canadian 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 Canadian 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 Province of Ontario and the laws of Canada applicable therein.

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.

KODAK CANADA INC.
By:
Name:
Title:

Address for Notices:

Exhibit B to the

Canadian Security Agreement

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "**IP Security Agreement Supplement**") dated _____, 20__, is made by the Person listed on the signature page hereof (the "**Grantor**") in favor of Citicorp North America, Inc., as agent (the "**Agent**") for the Secured Parties (as defined in the Canadian Security Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, have entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Citicorp North America, Inc., as 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 Canadian Security Agreement dated January [ ], 2012 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 "**Canadian Security Agreement**") and that certain Intellectual Property Security Agreement dated _____, 20__ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**").

WHEREAS, under the terms of the Canadian Security Agreement, the Grantor has granted to the Agent, for the ratable 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 Canadian Intellectual Property 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 ratable 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**"):

(a) the patents and patent applications set forth in Schedule A hereto;

(b) the trademark and service mark registrations and applications set forth in Schedule B hereto, together with the goodwill symbolized thereby;

(c) the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(d) 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;

(e) 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

(f) 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 Secured Obligations of the Grantor now or hereafter existing under or in respect of the Loan Documents and the Canadian Secured Agreements, 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 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 Canadian 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 Canadian 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 Province of Ontario and the laws of Canada applicable therein.

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:

Exhibit C to the

Canadian Security Agreement

FORM OF CANADIAN SECURITY AGREEMENT SUPPLEMENT

[Date of Canadian Security Agreement Supplement]

Citicorp North America, Inc., as Agent for

the Secured Parties referred to in the

Credit Agreement referred to below

_____

_____

Attn: _____

Kodak Canada Inc.

Ladies and Gentlemen:

Reference is made to (i) the Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, as borrowers, the lenders from time to time party thereto, Citicorp North America, Inc., as agent (together with any successor agent appointed pursuant to Article VIII of the Credit Agreement, the "**Agent**"), and (ii) the Canadian Security Agreement dated January [ ], 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Canadian 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 Canadian Security Agreement and not otherwise defined herein are used herein as defined in the Canadian Security Agreement.

SECTION 1 GRANT OF SECURITY

The undersigned hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest and a security interest is taken in all of its right, title and interest in and to its Collateral, including without limitation 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 and hereinafter, the undersigned's "**Collateral**"): all Equipment, Inventory, Security Collateral (including, without limitation, 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, without limitation, customer lists, credit files, printouts and other computer output materials and records) of the undersigned pertaining to any of the undersigned's Collateral and including without limitation all its present and after acquired personal property, 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, without limitation, 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 Canadian Security Agreement Supplement and the Canadian Security Agreement secures the payment of all obligations of the undersigned now or hereafter existing under or in respect of the Loan Documents and the Canadian Secured Agreements, 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 Canadian Security Agreement Supplement and the Canadian 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 and the Canadian Secured Agreements 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, location, chief executive office, the jurisdiction in which it has tangible personal property, type of organization, jurisdiction of organization and organizational identification number is set forth in Schedule D hereto.

(b) All Equipment having a value in excess of $5,000,000 and all Inventory having a value in excess of $5,000,000 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 Canadian Security Agreement with respect to itself and the Collateral granted by it.

SECTION 4 OBLIGATIONS UNDER THE CANADIAN 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 Canadian 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 Canadian 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 Canadian Security Agreement to a Schedule shall also mean and be a reference to the schedules attached hereto.

SECTION 5 GOVERNING LAW

This Canadian Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.[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.

EXHIBIT F - FORM OF

GUARANTY SUPPLEMENT

_____ __, 20__

To each of the Lenders

party to the Credit Agreement

(as defined below) and to Citicorp North America, Inc.,

as Agent for such Lenders

Ladies and Gentlemen:

Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012 (as amended or modified from time to time, the "Credit Agreement") among Eastman Kodak Company and Kodak Canada Inc., as borrowers, the Lenders (as defined in the Credit Agreement) and Citicorp North America, Inc., as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

Section 1. Guaranty; Limitation of Liability. (a) The undersigned is a [US Subsidiary Guarantor][Canadian Subsidiary Guarantor] and hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all [Comprehensive Guaranteed Obligations] [Canadian Guaranteed Obligations], and agrees to pay any and all expenses (including, without limitation, fees and expenses of counsel) incurred by the Agent or any Lender in enforcing any rights under this Guaranty Supplement, the Guaranty or any other Loan Document. Without limiting the generality of the foregoing, the undersigned's liability shall extend to all amounts that constitute part of the applicable Guaranteed Obligations and would be owed by any other Loan Party to the Agent or any Lender under or in respect of 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 such other Loan Party.

(b) The undersigned, and by its acceptance of this Guaranty Supplement, the Agent and each Lender, hereby confirms that it is the intention of all such Persons that this Guaranty Supplement, the Guaranty and the obligations of the undersigned hereunder and thereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty Supplement, the Guaranty and the obligations of the undersigned hereunder and thereunder. To effectuate the foregoing intention, the Agent, the Lenders and the undersigned hereby irrevocably agree that the obligations of the undersigned under this Guaranty Supplement and the Guaranty at any time shall be limited to the maximum amount as will result in the obligations of the undersigned under this Guaranty Supplement and the Guaranty not constituting a fraudulent transfer or conveyance.

(c) The undersigned hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Agent or any Lender under this Guaranty Supplement, the Guaranty or any other guaranty, the undersigned will contribute, to the maximum extent permitted by applicable law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Agent and the Lenders under or in respect of the Loan Documents.

Section 2. Obligations Under the Guaranty. The undersigned hereby agrees, as of the date first above written, to be bound as a Guarantor by all of the terms and conditions of the Guaranty to the same extent as each of the other Guarantors thereunder. The undersigned further agrees, as of the date first above written, that each reference in the Guaranty to an "Additional Guarantor" or a "Guarantor" shall also mean and be a reference to the undersigned, and each reference in any other Loan Document to a ["US Subsidiary Guarantor"]["Canadian Subsidiary Guarantor"] or a "Loan Party" shall also mean and be a reference to the undersigned.

Section 3. Representations and Warranties. The undersigned hereby makes each representation and warranty set forth in Section 4.01 of the Credit Agreement to the same extent as each other Guarantor.

Section 4. Delivery by Telecopier. Delivery of an executed counterpart of a signature page to this Guaranty Supplement by telecopier or .pdf shall be effective as delivery of an original executed counterpart of this Guaranty Supplement.

Section 5. Governing Law; Jurisdiction; Waiver of Jury Trial, Etc. (a) THIS GUARANTY SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

(b) SUBMISSION TO JURISDICTION. THE UNDERSIGNED IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT AND, IF THE BANKRUPTCY COURT DOES NOT HAVE (OR ABSTAINS FROM) 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 GUARANTY SUPPLEMENT, THE GUARANTY OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND THE UNDERSIGNED 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. THE UNDERSIGNED 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 GUARANTY

SUPPLEMENT, THE GUARANTY OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT, ANY LENDER OR ANY ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY SUPPLEMENT, THE GUARANTY OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWERS OR ANY OTHER LOAN PARTIES OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE UNDERSIGNED 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 GUARANTY SUPPLEMENT, THE GUARANTY OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. THE UNDERSIGNED 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.

(d) SERVICE OF PROCESS. THE UNDERSIGNED IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.02 OF THE CREDIT AGREEMENT. NOTHING IN THIS GUARANTY SUPPLEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) THE UNDERSIGNED 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 GUARANTY SUPPLEMENT, THE GUARANTY OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE UNDERSIGNED 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 HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY SUPPLEMENT, THE GUARANTY AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Very truly yours,
[NAME OF ADDITIONAL GUARANTOR]
By:
Name:
Title:

Name:
Title:

EXHIBIT G - FORM OF
BORROWING BASE CERTIFICATE

[TO BE DELIVERED SEPARATELY]

EXHIBIT H - FORM OF
13-WEEK PROJECTION

[TO BE DELIVERED SEPARATELY]

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "**Agreement**") dated as of January [ ], 2012 among CITICORP NORTH AMERICA, INC., as administrative and collateral agent under the Revolver Facility on behalf of the Revolver Secured Parties (in such capacity, with its successors and assigns, the "**Revolver Agent**") and as administrative and collateral agent under the Term Facility on behalf of the Term Secured Parties (in such capacity, with its successors and assigns, the "**Term Agent**", and in its capacity as Revolver Agent or Term Agent, or both, as the context may require, the "**Agent**"), EASTMAN KODAK COMPANY (the "**Company**") and the Grantors.

WHEREAS, on January 19, 2012 (the "**Petition Date**"), each of the Grantors filed voluntary petitions with the Bankruptcy Court (as such term and each other capitalized term used but not defined in these recitals is defined in Section 1 below) commencing their respective cases that are pending under chapter 11 of the Bankruptcy Code (the "**Cases**") and have continued in the possession of their assets and in the management of their business pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, on January 20, 2012, the Bankruptcy Court entered the Interim Order approving on an interim basis the DIP Credit Agreement, and providing *inter alia*, that (i) the obligations under the Facilities shall constitute allowed senior administrative expense claims against each of the Grantors with priority over any and all administrative expenses, adequate protection claims, diminution claims and all other claims against the Grantors, now existing or hereafter arising, of any kind whatsoever, and (ii) the obligations under the Facilities shall be secured by fully perfected security interests in and Liens upon all pre-and post-petition property of the Grantors, subject to the Carve-Out, whether existing on the Petition Date or thereafter acquired, including any cash and any investments of such cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interest in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, equity interests, and the proceeds of all of the foregoing and, subject only to and effective upon entry of the Final Order, the Avoidance Proceeds (as further defined herein, collectively, the "**Collateral**");

WHEREAS, the respective priorities of the Revolver Facility, the Term Facility and other parties claiming Liens on all or any part of the Collateral are as set forth in the Interim Order and upon entry by the Bankruptcy Court of the Final Order shall be as set forth therein;

WHEREAS, the Company has entered into that certain Debtor-In-Possession Credit Agreement, dated as of January 20, 2012 (the "**DIP Credit Agreement**"), among the Company and Kodak Canada Inc., as borrowers, the lenders party thereto and the Agent, as agent for the lenders;

WHEREAS, concurrently with the entering into of this Agreement, the Grantors and the Agent entered into that certain US Security Agreement securing the obligations of such Grantors in respect of the Term Facility and the Revolver Facility (the "**Security Agreement**");

WHEREAS, the Grantors will from time to time after the date hereof execute and deliver Collateral Documents granting additional Liens securing both the Revolver Facility and the Term Facility;

WHEREAS, the Revolver Secured Parties and the Term Secured Parties have different Lien priorities with respect to the different Types of Collateral that are subject to the Liens granted under the Collateral Documents and the Orders; and

WHEREAS, it is a condition to effectiveness of the DIP Credit Agreement that the parties hereto enter into this Agreement to set forth the relative rights and priorities of the Secured Parties in the different Types of 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 hereto hereby agree as follows:

Section 1 *Definitions*.

1.1 *Defined Terms*. Terms defined in the DIP Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the DIP Credit Agreement. The following terms, as used herein, have the following meanings:

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

"**Avoidance Actions**" shall mean the Grantors' claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code and all Avoidance Proceeds.

"**Avoidance Proceeds**" shall mean all proceeds of any Avoidance Action and property received thereby, unencumbered or otherwise, whether by judgment, settlement, or otherwise.

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

"**Collateral**" means "US Collateral" as that term is defined in the DIP Credit **Agreement**.

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

"**Default Remedies**" means all rights and remedies of any Secured Party in respect of any Collateral, whether arising pursuant to the DIP Credit Agreement, the Collateral Documents, the Orders or applicable law, the exercise of which is contingent upon default (however defined); *provided*, *however*, that, prior to the Revolver Discharge Date, the ACH or wire transfer from a Collection Account to an Agent Sweep Account of ledger or available, as applicable, cash receipts shall not constitute a Default Remedy.

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

"**Discharge Date**" means the Revolver Discharge Date or the Term Discharge Date, as the context may require.

"**Facilities**" means, collectively, the Revolver Facility and the Term Facility.

"**Grantors**" means, collectively, the Company and each Affiliate of any the Company which grants a Lien pursuant to any Collateral Document.

"**Insolvency or Liquidation Proceeding**" means (a) any voluntary or involuntary proceeding under any bankruptcy, insolvency or similar law with respect to any Grantor, (b) any voluntary or involuntary appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Grantor or for a substantial part of the property or assets of any Grantor, (c) any voluntary or involuntary winding-up or liquidation of any Grantor, or (d) a general assignment for the benefit of creditors by any Grantor.

"**Junior Obligations**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Term Obligations and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Revolver Obligations.

"**Junior Secured Parties**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Term Secured Parties and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Revolver Secured Parties.

"**Obligations**" means "US Obligations" as that term is defined in the DIP Credit Agreement.

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

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

"**Revolver Collateral**" means all Revolving Credit Facility Collateral in respect of any US Loan Party.

"**Revolver Collateral Enforcement Actions**" has the meaning set forth in Section 4.3(a).

"**Revolver Collateral Processing and Sale Period**" has the meaning set forth in Section 4.3(a).

"**Revolver Discharge Date**" means the date upon which there has been (a) payment in full in cash of the principal of and interest and premium, if any, on all US Revolving Loans, (b) payment in full of all other Revolver Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (which, for avoidance of doubt, does not include contingent indemnification and similar obligations as to which no claim for payment has at the time been made), (c) cancellation of or the entry into arrangements reasonably satisfactory to the Revolver Agent and the applicable issuing bank with respect to all letters of credit issued and outstanding under the Revolver Facility, (d) with respect to all US Obligations in respect of US Secured Agreements not yet due and payable, the entry into arrangements reasonably satisfactory to the holders of such obligations with respect thereto and (e) termination or expiration of all commitments to lend and all obligations to issue or extend letters of credit under the Revolver Facility.

"**Revolver Facility**" means "US Revolving Credit Facility" as that term is defined in the DIP Credit Agreement.

"**Revolver Obligations**" means all US Obligations arising under the Loan Documents in connection with the Revolver Facility or under the US Secured Agreements.

"**Revolver Secured Party**" means the Revolver Agent and each other holder of a Revolver Obligation.

"**Secured Obligations**" means the Revolver Obligations and the Term Obligations.

"**Secured Parties**" means the Revolver Secured Parties and the Term Secured Parties.

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

"**Senior Obligations**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Revolver Obligations and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Term Obligations.

"**Senior Secured Parties**" means (i) with respect to any Revolver Collateral of the Grantors, the Revolver Secured Parties and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Term Secured Parties.

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

"**Term Facility Collateral Enforcement Action Notice**" has the meaning set forth in Section 4.3(a).

"**Term Facility Collateral Enforcement Actions**" has the meaning set forth in Section 4.3(a).

"**Term Discharge Date**" means the date upon which there has been (a) payment in full in cash of the principal of and interest and premium, if any, on all Term Loans, (b) payment in full of all other Term Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (which, for avoidance of doubt, does not include contingent indemnification and similar obligations as to which no claim for payment has at the time been made), and (c) termination or expiration of all commitments to lend under the Term Facility.

"**Term Obligations**" means all Obligations arising under the Loan Documents in connection with the Term Facility.

"**Term Secured Party**" means the Term Agent and any holder from time to time of Term Obligations, in their capacity as such.

"**Type**" means either (i) Revolver Collateral or (ii) Term Facility Collateral, as the case may be.

1.2 *Terms Generally*. The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (but subject to Section 7.1), (1) any reference herein to any Person shall be construed to include such Person's successors and assigns, (2) the words

"herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (3) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (4) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2 *Priorities*.

2.1 *Lien Priorities*. Each of the Secured Parties hereby covenants and agrees that:

(a) Any and all Liens securing Junior Obligations with respect to Collateral of the applicable Type now existing or hereafter created or arising, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, are expressly junior to any and all Liens securing Senior Obligations with respect to such Collateral now existing or hereafter created or arising, notwithstanding (1) anything to the contrary contained in any agreement or filing to which any 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 and (2) any provision of the UCC or any applicable law or any other circumstance whatsoever.

(b) Each Junior Secured Party, and the Agent in its capacity as administrative agent for any Junior Secured Parties (i) shall be deemed to have consented to any sale by the Agent for the Senior Secured Parties, upon exercise of its Default Remedies, of any Collateral of the Type as to which the selling Agent represents the holders of Senior Obligations and (ii) agrees that without the consent of the Agent for the Senior Secured Parties, it will not use or apply all or any part of the Junior Obligations to bidding on, or making settlement or payment for any Collateral of the Type as to which it is holder of Junior Obligations, unless the Senior Obligations are paid in full in cash. It is understood that nothing in this clause (b) is intended to prohibit any Junior Secured Party from exercising any rights expressly granted to it under this Agreement.

(c) (i) Each Revolver Secured Party agrees that until the Term Discharge Date shall have occurred, it shall not exercise any Default Remedy, direct or indirect, against any Term Facility Collateral without the prior written consent of the Term Agent and (ii) each Term Secured Party agrees that until the Revolver Discharge Date shall have occurred, it shall not exercise any Default Remedy, direct or indirect, against any Revolver Collateral without the prior written consent of the Revolver Agent.

(d) It is understood that Sections 2.1(c) and (d) do not restrict the following:

(i) in any Insolvency or Liquidation Proceeding commenced by or against any Grantor, the Agent for the Junior Secured Parties may file a claim or statement of interest with respect to the Collateral of the Type which it holds on their behalf;

(ii) the Agent for the Junior Secured Parties may take any action (not adverse to the prior Liens securing the Senior Obligations, or the rights of the Agent for the Senior Secured Parties or the Senior Secured Parties to exercise remedies in respect thereof) in order to preserve, perfect or protect its Lien on the Collateral which it holds on behalf of the Junior Secured Parties;

(iii) the Junior Secured Parties 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 Junior Secured Parties, including without limitation any claims on account of Senior Obligations secured by the applicable Type of Collateral, if any, in each case in accordance with the terms of this Agreement; and

(iv) the Junior Secured Parties 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 in accordance with the terms of this Agreement.

2.2 *Prohibition on Contesting Liens*. Each of the Revolver Agent, for itself and on behalf of the Revolver Secured Parties, and the Term Agent, for itself and on behalf of the Term Secured Parties, agrees that it will not, and hereby waives any right to, contest or support any other person in contesting, in any proceeding, the priority, validity or enforceability of any Lien securing Term Obligations or any Lien securing Revolver Obligations, as the case may be; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the Agent or any other Secured Party to enforce this Agreement.

2.3 *No New Liens.* The parties hereto agree that, so long as the repayment in full in cash of the Senior Obligations has not occurred (and, in the case of Senior Obligations in respect of letters of credit and US Secured Agreements, the lack of arrangements with respect thereto reasonably satisfactory to the applicable issuing bank or holder thereof, as appropriate), none of the Grantors shall, nor shall permit any of its subsidiaries to, (a) grant or permit any additional Liens on any asset to secure any Junior Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Senior Obligations or (b) grant or permit any additional Liens on any asset to secure any Senior Obligations unless it has granted, or concurrently therewith

grants, a Lien on such asset to secure the Junior Obligations, with each such Lien to be subject to the provisions of this Agreement. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other right or remedy available to the Secured Parties, the Secured Party to whom such Lien shall have been granted shall, without the need for any further consent of any party to any Loan Document and notwithstanding anything to the contrary in any other Loan Document, be deemed to hold and have held such Lien for the benefit of all Secured Parties as security for all Secured Obligations, subject to the priorities set forth in Section 2.1.

2.4 *Automatic Release of Liens Securing Junior Obligations*. If, in connection with the enforcement or exercise of any Default Remedies with respect to the Collateral, including any Disposition of Collateral, the Agent for the Senior Secured Parties, for itself and on behalf of the Senior Secured Parties, releases any of the Liens securing Senior Obligations, the Liens securing Junior Obligations on such Collateral (but not in any proceeds thereof), shall be automatically, unconditionally and simultaneously released, and the Agent for the Junior Secured Parties shall, for itself and on behalf of the other Junior Secured Parties, promptly execute and deliver to the Agent for the Senior Secured Parties (or to another Person upon the instruction of such Agent) such termination statements, releases and other documents as the Agent for the Senior Secured Parties may reasonably request to effectively confirm such release.

2.5 *Nature of Revolver Obligations; Priority Not Affected*. The Term Agent, on behalf of itself and the Term Secured Parties, acknowledges that the Revolver Obligations are revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be repaid and reborrowed without affecting the provisions hereof. The priorities provided in Section 2.1 shall not be altered or otherwise affected by any amendment, modification, supplement or extension of any Secured Obligation, in each case that is permitted under this Agreement, or by repayment and reborrowing under the Revolver Facility.

2.6 *Agreements Regarding Actions to Perfect Liens; Turnover of Collateral*. The Agent 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 UCC) over Collateral, such possession or control is for the benefit of all of the Secured Parties. Upon the applicable Discharge Date, the Revolver Agent (in the case of the Revolver Discharge Date) or the Term Agent (in the case of the Term Discharge Date) shall take such steps, and execute such documents, agreements and instruments, as the Agent representing the Junior Secured Parties may reasonably request to deliver physical possession or control of the applicable Collateral to such Agent.

2.7 *Reinstatement*. If, in any Insolvency or Liquidation Proceeding or otherwise, all or part of any payment with respect to the Senior Obligations or Junior Obligations previously made shall be rescinded for any reason whatsoever,

then the Senior Obligations or Junior Obligations, as applicable, shall be reinstated to the extent of the amount so rescinded and, if theretofore terminated, this Agreement shall be reinstated in full force and effect and such prior termination shall not diminish, release, discharge, impair or otherwise affect the Lien priorities and the relative rights and obligations of the Senior Secured Parties and the Junior Secured Parties provided for herein.

Section 3 *Enforcement Rights*.

3.1 *No Additional Rights for the Grantors Hereunder*. 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 such Secured Party; *provided*, *however*, that no Grantor shall have any liability to any Secured Party or the Agent as a result of any such violation of the terms of this Agreement by any Secured Party or Agent. Except to the extent expressly set forth in this Agreement, each Grantor shall retain all of its rights and remedies under the Loan Documents and any defense otherwise available to it in any action by any Secured Party.

3.2 *Cooperation*. Subject to Section 2.1(d), the Agent, on behalf of itself and in its capacity as administrative agent for each applicable Junior Secured Party, agrees that, unless and until the Discharge Date with respect to the Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Agent for the Senior Secured Parties upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Collateral or any other collateral under any of the applicable Collateral Documents or otherwise in respect of the applicable Junior Obligations relating to the Collateral.

3.3 *Actions Upon Breach*.

(a) If any Junior Secured Party with respect to a certain Type of Collateral (or any agent or other representative thereof) commences or participates in any action or proceeding with respect to the Collateral in violation of this Agreement, any Senior Secured Party with respect to that same Type of Collateral may intervene and interpose as a defense or dilatory plea, in its name or in the name of one or more of the Grantors, the making of this Agreement.

(b) Should any Junior Secured Party with respect to a certain Type of Collateral (or any agent or other representative thereof) in any way take, attempt to or threaten to take any action with respect to the Collateral (including any attempt to enforce any remedy on the Collateral) in violation of this Agreement, or fail to take any action required by this Agreement, any Senior Secured Party with respect to that same Type of Collateral (in its or their own name or in the name of one or more of the Grantors) may obtain relief against such Junior

Secured Party or agent or other representative thereof, by injunction, specific performance and/or other appropriate equitable relief.

Section 4 *Cooperation with Respect to Revolver Collateral*

4.1 *Consent to License to Use Intellectual Property*. The Term Agent (and any purchaser, assignee or transferee of assets as provided in Section 4.3) (a) consents (without any representation, warranty or obligation whatsoever) to the grant by any Grantor to the Revolver Agent of a non-exclusive royalty-free license to use during the Revolver Collateral Processing and Sale Period any Patent, Trademark or proprietary information of such Grantor that is subject to a Lien held by the Term Agent (or any Patent, Trademark or proprietary information 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 Revolver Agent a non-exclusive royalty-free license to use during the Revolver Collateral Processing and Sale Period any Patent, Trademark or proprietary information that is subject to a Lien held by the Term Agent (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 Revolver Agent upon any inventory or other Revolver Collateral of any Grantor and to the extent the use of such Patent, Trademark or proprietary information is necessary or appropriate, in the good faith opinion of the Revolver Agent, to process, ship, produce, store, complete, supply, lease, sell or otherwise dispose of any such inventory in any lawful manner.

4.2 *Access to Information*. If the Term Agent takes actual possession of any documentation 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 Term Agent), then upon request of the Revolver Agent and reasonable advance notice, the Term Agent will permit the Revolver Agent or its representative to inspect and copy such documentation if and to the extent the Revolver Agent certifies to the Term Agents that:

(a) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of the Revolver Agent, to the enforcement of the Revolver Agent's Liens upon any Revolver Collateral; and

(b) the Revolver Agent and the Revolver 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.

4.3 *Access to Property to Process and Sell Inventory*.

(a) (i) If the Revolver Agent commences any action or proceeding with respect to any of its rights or remedies (including, but not limited to, any

action of foreclosure), enforcement, collection or execution with respect to the Revolver Collateral ("Revolver Collateral Enforcement Actions") or if the Term Agent commence any action or proceeding with respect to any of its rights or remedies (including any action of foreclosure), enforcement, collection or execution with respect to the Term Facility Collateral and the Term Agent (or a purchaser at a foreclosure sale conducted in foreclosure of the Term Agent's Liens) takes actual or constructive possession of Term Facility Collateral of any Grantor ("Term Facility Collateral Enforcement Actions"), then the Term Secured Parties and the Term Agent shall (subject to, in the case of any Term Facility Collateral Enforcement Action, a prior written request by the Revolver Agent to the Term Agent (the "Term Facility Collateral Enforcement Action Notice")) (x) cooperate with the Revolver Agent (and with its officers, employees, representatives and agents) in its efforts to conduct Revolver Collateral Enforcement Actions in the Revolver 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 Revolver Collateral, (y) not hinder or restrict in any respect the Revolver Agent from conducting Revolver Collateral Enforcement Actions in the Revolver 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 Revolver Collateral, and (z) permit the Revolver Agent, its employees, agents, advisers and representatives, at the cost and expense of the Revolver Secured Parties (but with the Grantors' reimbursement and indemnity obligation with respect thereto, which shall not be limited), to enter upon and use the Term Facility 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 (I) the date of the initial Revolver Facility Collateral Enforcement Action or the date of delivery of the Term Facility Collateral Enforcement Action Notice, as the case may be, and (II) ending on the earlier of the date occurring 180 days thereafter and the date on which all Revolver Collateral (other than Revolver Collateral abandoned by the Revolver Agent in writing) has been removed from the Term Facility Collateral (such period, as the same may be extended with the written consent of the Term Agent as contemplated by the final sentence of this Section 4.3(a)(i), the "Revolver Collateral Processing and Sale Period"), for purposes of:

(a) assembling and storing the Revolver Collateral and completing the processing of and turning into finished goods any Revolver Collateral consisting of work-in-process;

(b) selling any or all of the Revolver Collateral located in or on such Term Facility 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 Revolver Collateral located in or on such Term Facility 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 Term Facility Collateral; and/or

(e) taking reasonable actions to protect, secure, and otherwise enforce the rights or remedies of the Revolver Secured Parties and/or the Revolver Agent (including with respect to any Revolver Collateral Enforcement Actions) in and to the Revolver Collateral;

provided, *however*, that nothing contained in this Agreement shall restrict the rights of the Term Agent from selling, assigning or otherwise transferring any Term Facility Collateral prior to the expiration of such Revolver Collateral Processing and Sale Period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the Revolver Agent and the Revolver Secured Parties) to be bound by the provisions of this Section 4.3 and Section 4.1. If any stay or other order prohibiting the exercise of remedies with respect to the Revolver Collateral has been entered by a court of competent jurisdiction, such Revolver Collateral Processing and Sale Period shall be tolled during the pendency of any such stay or other order. The Term Agent, upon request by the Revolver Agent, may in their sole discretion extend the Revolver Collateral Processing and Sale Period for an additional period of time.

(ii) During the period of actual occupation, use and/or control by the Revolver Secured Parties and/or the Revolver Agent (or their respective employees, agents, advisers and representatives) of any Term Facility Collateral, the Revolver Secured Parties and the Revolver Agent shall be obligated to repair at their expense any physical damage to such Term Facility Collateral resulting from such occupancy, use or control, and to leave such Term Facility 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 Revolver Secured Parties or the Revolver Agent have any liability to the Term Secured Parties and/or to the Term Agent pursuant to this Section 4.3(a) as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Facility Collateral existing prior to the date of the exercise by the Revolver Secured Parties (or the Revolver Agent, as the case may be) of their rights under this Section 4.3(a) and the Revolver Secured Parties shall have no duty or liability to maintain the Term Facility Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the Revolver Secured Parties, or for any diminution in the value of the Term Facility Collateral that results from ordinary wear and tear resulting from the use of the Term Facility Collateral by the Revolver Secured Parties in the manner and for the time periods specified under this Section 4.3(a). Without limiting the rights granted in this Section 4.3(a), the Revolver Secured Parties and the Revolver Agent shall cooperate with the Term

Secured Parties and/or the Term Agent in connection with any efforts made by the Term Secured Parties and/or the Term Agent to sell the Term Facility Collateral.

(b) The Term Agent 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 Term Agent and the holders of the Term Obligations, at no cost to the Term Agent or such holders.

The Term Agent (x) shall provide reasonable cooperation to the Revolver Agent in connection with the manufacture, production, completion, handling, removal and sale of any Revolver Collateral by the Revolver Agent as provided above and (y) shall be entitled to receive, from the Revolver Agent, fair compensation and reimbursement for their reasonable costs and expenses incurred in connection with such cooperation, support and assistance to the Revolver Agent. Notwithstanding the foregoing sentence, the Term Agent 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 Lien held by the Revolver Agent or to provide any support, assistance or cooperation to the Revolver Agent in respect thereof.

4.4 *Term Agent's Assurances*. The Term Agent may condition its performance of any obligations set forth in this Section 4 upon its prior receipt (without cost to it) of:

(a) such assurances as it may reasonably request to confirm that the performance of such obligation and all activities of the Revolver Agent or its officers, employees and agents in connection therewith or incidental thereto:

(i) will be permitted, lawful and enforceable under applicable law; and

(ii) will not impose upon the Term Agent (or any Term Secured Party) any legal duty, legal liability, expense or risk of uninsured loss; and

(b) such indemnity, security and insurance as the Term Agent may reasonably request in connection therewith.

4.5 *Grantor Consent*. The Company and the other Grantors consent to the performance by the Term Agent of its obligations set forth in this Section 4

and acknowledge and agree that neither the Term Agent (nor any holder of Term Obligations) shall ever be accountable or liable for any action taken or omitted by the Revolver Agent or any Revolver Secured Party or its or any of their officers, employees, agents successors or assigns in connection therewith or incidental thereto or in consequence thereof, including any improper use or disclosure of any proprietary information or other intellectual property by the Revolver Agent or any Revolver 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 the Revolver Agent or its officers, employees, agents, successors or assigns.

Section 5 *Application of Proceeds of Collateral*. All cash proceeds received by the Agent in respect of any exercise of Default Remedies with respect to all or any part of the Collateral shall promptly be applied to the Secured Obligations in accordance with the following order of priority:

First: to the Agent for the Senior Secured Parties with respect to such Collateral, to be applied to the expenses of such sale or other realization of Collateral, including reasonable compensation to agents of and counsel for such Agent, and all expenses, liabilities and advances incurred or made by such Agent in connection therewith;

Second: to such Agent to be applied to the repayment of Senior Obligations then outstanding with respect to such Collateral whether or not then due and payable (including without limitation amounts required to cash collateralize undrawn letters of credit and other contingent obligations then outstanding that are Senior Obligations, if any, in accordance with the terms of the DIP Credit Agreement) until the Senior Obligations with respect to such Collateral are repaid in full;

Third: to such Agent to be applied to the repayment of the Junior Obligations then outstanding with respect to such Collateral whether or not then due and payable (including without limitation amounts required to cash collateralize undrawn letters of credit and other contingent obligations then outstanding that are Junior Obligations, in accordance with the terms of the DIP Credit Agreement) until the Junior Obligations with respect to such Collateral are repaid in full;

Fourth: any surplus then remaining shall be paid to the applicable Grantor or its successors or assigns or to whomsoever may be lawfully entitled to receive the same.

Any proceeds of Collateral that may be received by any Junior Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Agent for the Senior Secured Parties for the benefit of the Senior Secured Parties, in the same form as received,

with any necessary endorsements and each Junior Secured Party hereby authorizes the Agent to make such endorsements as agent for such Junior Secured Party (which authorization, being coupled with an interest, is irrevocable).

Section 6 *Access to Information; No Warranties or Liability*.

6.1 *Access to Information*. If either Agent takes actual possession of any documentation 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 either Agent) identifying or pertaining to the Collateral, then upon request of the other Agent and reasonable advance notice, the Agent in possession thereof will permit the other Agent or its representative to inspect and copy such documentation if and to the extent it certifies that in its reasonable belief:

(a) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of that other Agent, to the enforcement of the Liens upon any Collateral of the Type held by that other Agent; and

(b) the other Agent and the applicable Secured Parties on whose behalf it holds Liens 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.

6.2 *No Warranties or Liability*.

(a) The Term Agent and the Revolver Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any Loan Document.

(b) The Revolver Agent agrees that Term Agent shall have no liability to the Revolver Agent or any Revolver Secured Party, and hereby waives any claim against the Term Agent, arising out of any and all actions which the Term Agent or the Loan Secured Parties may take or permit or omit to take with respect to (i) the Loan Documents (other than this Agreement), (ii) the collection of the Term Obligations or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Term Loan Collateral.

(c) The Term Agent agrees that the Revolver Agent shall have no liability to the Term Agent or any Term Secured Party, and hereby waives any claim against the Revolver Agent, arising out of any and all actions which the Revolver Agent or the Revolver Secured Parties may take or permit or omit to take with respect to (i) the Loan Documents (other than this Agreement), (ii) the collection of the Revolver Obligations or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Revolver Collateral.

Section 7 *Miscellaneous*.

7.1 *Matters Relating to Loan Documents*. The Loan Documents may be amended, supplemented, waived or otherwise modified in accordance with their terms; *provided*, *however*, that, without the consent of the Agent, no such amendment, supplement, modification or waiver shall (i) contravene any provision of this Agreement, (ii) increase the aggregate committed amount under the Revolver Facility to an amount greater than the full amount of Revolving Commitments authorized by the Bankruptcy Court in the Final Order plus $50,000,000, or (iii) increase the aggregate principal amount of the Term Loans under the Term Facility to an amount greater than the full amount of Term Loans authorized by the Bankruptcy Court in the Final Order, or permit any Term Loans repaid or prepaid in accordance with the DIP Credit Agreement to be reborrowed.

7.2 *Conflicts*. In the event of any conflict between the provisions of this Agreement and the provisions of any Loan Document, the provisions of this Agreement shall govern.

7.3 *Continuing Nature of Provisions*. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the later of the Revolver Discharge Date and the Term Discharge Date; *provided* the provisions of Section 2.6 hereof shall continue to be effective until all of the obligations to take action on and after the applicable Discharge Date shall be complete. This is a continuing agreement and the 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, Grantors or any other grantors on the faith hereof.

7.4 *Amendments; Waivers*. No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the Agent on behalf of the Secured Parties and to the extent any such amendment or modification shall alter the rights or obligations of any Grantor, the Company.

7.5 *Governing Law*.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

(b) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT AND, IF THE BANKRUPTCY COURT DOES NOT HAVE (OR ABSTAINS FROM) 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.

(c) 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 (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.02 OF THE DIP CREDIT AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

7.6 *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.

7.7 *Notices*. Unless otherwise specifically provided herein, all notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by facsimile or electronic communication equipment of the sender, or on the date five (5) business days after dispatch by certified or registered mail if mailed.

7.8 *Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the 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 Collateral.

7.9 *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.

7.10 *Severability*. If any provision of this Agreement is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions of this Agreement shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Agent and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (ii) the invalidity or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

7.11 *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 of this Agreement by telecopy 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.

7.12 *Provisions Solely to Define Relative Rights*. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Secured Parties. None of the Grantors or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement. Nothing in this Agreement is intended to or shall impair the obligations of the Grantors, which are absolute and unconditional, to pay the Revolver Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

7.13 *Grantor Consent*. By their respective signatures below, the Grantors consent to this Agreement, and accept the benefits of and agree to be bound by the provisions of Sections 2.3, 3.1, 4.5, 5, 6.1 and this Section 7.13.

The Company shall cause each future Grantor to execute and deliver to the Agent an instrument setting forth the same consent and agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITICORP NORTH AMERICA, INC., as

Revolver Agent

By: _____

Name:

Title:

CITICORP NORTH AMERICA, INC., as

Term Agent

By: _____

Name:

The undersigned consent to the foregoing Intercreditor Agreement, and accept the benefits of and agree to be bound by Sections 2.3, 3.1, 4.5, 5, 6.1 and 7.13 thereof.

[GRANTORS]

Exhibit (4.23)

EXECUTION VERSION

AMENDMENT NO. 1
TO
DEBTOR-IN-POSSESSION CREDIT AGREEMENT

AMENDMENT NO. 1 (this "**Amendment**"), dated as of January 25, 2012, to the Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as heretofore amended, supplemented or otherwise modified, the "**DIP Credit Agreement**") among Eastman Kodak Company (the "**Company**"), a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code, and Kodak Canada Inc. ("**Kodak Canada**"), as Borrowers, the US Subsidiaries of the Company party thereto, each a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code, the Canadian Subsidiaries of Kodak Canada party thereto, the Lenders party thereto and Citicorp North America, Inc., as Administrative Agent and Collateral Agent.

The parties hereto agree as follows:

SECTION 1 . *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the DIP Credit Agreement.

SECTION 2 . *Amendments to the DIP Credit Agreement*.

(A) The definition of "Applicable Margin" in Section 1.01 of the DIP Credit Agreement is amended by (1) deleting "8.50%" in part (iii) thereof and replacing it with "7.50%" and (2) deleting "7.50%" in part (iv) thereof and replacing it with "6.50%".

(B) The definition of "Eurodollar Base Rate" in Section 1.01 of the DIP Credit Agreement is amended by deleting "1.50%" in the proviso thereof and replacing it with "1.00%".

(C) Section 9.08(a) of the DIP Credit Agreement is amended by replacing "$5,000,000 or an integral multiple of $1,000,000 in excess thereof" with "$1,000,000" in part (iii), subpart (z) in the first proviso thereof.

(D) Schedule 1 to Exhibit C of the DIP Credit Agreement is amended and restated in the form attached hereto as Annex I.

SECTION 3 . *Representations of the Loan Parties.* Each of the Loan Parties represents and warrants that (i) the representations and warranties set forth in Article 4 of the DIP Credit Agreement and in the other Loan Documents are true and correct in all material respects (except to the extent qualified by materiality, "Material Adverse Effect" or like qualification, in which case such representations and warranties are true and correct in all respects) on and as of the date hereof, and (ii) no Default will have occurred and be continuing on the date hereof.

SECTION 4 . *Loan Document.* This Amendment shall constitute a Loan Document.

SECTION 5 . *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 6 . *Effectiveness.* This Amendment shall become effective on the date on which the Agent shall have received counterparts hereof executed by the Loan Parties and by each Term Lender.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EASTMAN KODAK COMPANY

By/s/ William G Love

Name: William G Love

Title: Treasurer

KODAK CANADA INC.

By /s/ William G Love

Name: William G Love

Title: Assistant Secretary and Assistant Treasurer

CREO MANUFACTURING AMERICA LLC KODAK AVIATION LEASING LLC

By /s/ William G Love

Name: William G Love
Title: Manager

EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
FPC INC.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD
KODAK IMAGING NETWORK, INC.
KODAK PORTUGUESA LIMITED
KODAK REALTY, INC.
LASER-PACIFIC MEDIA CORPORATION
PAKON, INC.
QUALEX, INC.

By /s/ William G Love

Name: William G Love
Title: Treasurer

KODAK PHILIPPINES, LTD.
NPEC, INC.

By /s/ William G Love

Name: William G Love
Title: Assistant Treasurer

CITICORP NORTH AMERICA, INC.

as Administrative Agent

By/s/ Shane V. Azzara

Name: Shane V. Azzara

Title: Director

TERM LENDERS:

CITICORP NORTH AMERICA, INC.

By/s/ Shane V. Azzara

Name: Shane V. Azzara

Title: Director

Schedule 1

to

Assignment and Acceptance

1. Assignor[s]: _____

_____

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrower(s): _____

4. Agent: Citicorp North America, Inc., as the administrative agent under the Credit Agreement

5. Credit Agreement: Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among Eastman Kodak Company, Kodak Canada Inc., the Lenders from time to time party thereto, and Citicorp North America, Inc., as Agent

6. Assigned Interest[s]: _____

Assignor[s][1]	Assignee[s][2]	US or Canadian Revolving Credit Facility or Term Facility[3]	Aggregate Amount of Commitments for all Lenders[4]	Amount of Commitments Assigned	Percentage Assigned of Commitment[5]	CUSIP Number
			$_____	$_____	_____%	
			$_____	$_____	_____%	
			$_____	$_____	_____%	

[7. Trade Date: _____]

List each Assignor, as appropriate.

List each Assignee, as appropriate.

Prior to the date on which the unused Term Commitments shall have terminated, any assignment of funded Term Loans shall also include an assignment to the Assign of a ratable interest in the Assignor's unused Term Commitment.

Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made betw the Trade Date and the Effective Date.

Set forth, to at least 9 decimals, as a percentage of the Commitment of all Lenders thereunder.

To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

Exhibit (4.24)

EXECUTION COPY

US SECURITY AGREEMENT

Dated January 20, 2012

From

The Grantors referred to herein

as Grantors

to

Citicorp North America, Inc.

as Agent

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US SECURITY AGREEMENT

US SECURITY AGREEMENT dated January 20, 2012 (this "***Agreement***"), made by Eastman Kodak Company, a New Jersey corporation, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement, defined herein) (the "***Company***"), and the Subsidiaries of the Company listed on the signature pages hereof, each of which is a debtor and debtor-in-possession, or which at any time execute and deliver a Security Agreement Supplement in substantially the form attached hereto as Exhibit C (the Company and such Subsidiaries, collectively, the "***Grantors***"), to Citicorp North America, Inc., as Agent (in such capacity, together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement, the "***Agent***") for the Secured Parties (as hereinafter defined).

PRELIMINARY STATEMENTS.

(1) Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Company, Kodak Canada, Inc., the Subsidiaries of the Company party thereto, the Agent and Lenders from time to time party thereto (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***").

(2) Each Grantor is the owner of the shares of stock or other equity interests in its Subsidiaries set forth on Part I of Schedule I hereto and issued by the Persons named therein (such shares of stock or other equity interests, the "***Initial Pledged Equity***"). Each Grantor is the holder of the indebtedness owed to such Grantor (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.

(3) 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 "***Deposit Accounts***").

(4) The Company is the owner of an L/C Cash Deposit Account (as defined in the Credit Agreement) created in accordance with the Credit Agreement and subject to the security interest granted under this Agreement on terms and conditions acceptable to the Agent.

(5) It is a condition precedent to the making of Loans and the issuance of Letters of Credit by the Lenders under the Credit Agreement that the Grantors shall supplement the Orders, without in any way diminishing or limiting the effect of the Orders or the security interest, pledge and Lien granted thereunder, by more fully setting forth in this Agreement their respective rights in connection with such security interest, pledge and Lien. Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(6) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. 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 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

(7) 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 (or would be governed, absent the Orders) 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 Loans and issue Letters of Credit under the Credit Agreement, each Grantor hereby agrees with the Agent for the ratable benefit of the Secured Parties as follows:

Section 1. Grant of Security

In addition to the security interest set forth in the Interim Order (and, when applicable, the Final Order), each Grantor hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest in 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***") (*provided*, *however*, that notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under this Section 1 hereof attach to: (A) any deposit account for taxes, payroll, employee benefits or similar items and any other account or financial asset in which such security interest would be unlawful or in violation of any Plan or employee benefit agreement, (B) any lease, license, contract, or agreement or other property right (including any United States of America intent-to-use trademark or service mark application), to which any Grantor is a party or of any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in: (x) the abandonment, invalidation, unenforceability or other impairment of any right, title or interest of any Grantor therein, or (y) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, agreement or other property right pursuant to any provision thereof, in the case of each of clause (x) and (y) to the extent the applicable provision is not rendered ineffective by applicable law or the Orders, (C) any of the outstanding capital stock of a CFC in excess of 65% of the voting power of all classes of capital stock of such CFC entitled to vote, (D) any real property or fixture, or (E) if and to the extent invoked pursuant to the Orders, proceeds in an amount equal to the Carve-Out):

(a) all equipment in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all fixtures), and all parts thereof and all accessions thereto, including, without limitation, 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, without limitation, (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, without limitation, 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, without

limitation, 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, without limitation, promissory notes), deposit accounts, chattel paper, general intangibles (including, without limitation, 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, whether or not 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 shares of stock and other equity interests from time to time acquired by such Grantor in any manner of (X) the issuers of the Initial Pledged Equity and (Y) each other Subsidiary of such Grantor, provided that (1) the stock of any Subsidiary held by a CFC or held by a Subsidiary of a CFC shall not be required to be pledged and (2) not more than 65% of the voting equity in any CFC shall be subject to the pledge hereunder (such shares and other equity interests, together with the Initial Pledged Equity, being the "***Pledged Equity***"), and the certificates, if any, representing such additional shares or other 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 shares or other 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 a securities account or commodity account, all security entitlements with respect to all financial assets from time to time credited to the L/C Cash Deposit Account and 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, without limitation, 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 Hedge 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, without limitation, (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 Deposit Accounts, the L/C Cash Deposit Account and all funds and financial assets from time to time credited thereto (including, without limitation, all cash equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Deposit Accounts or the L/C Cash Deposit Account;

(ii) 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

(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 (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, 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, without limitation, copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered ("***Copyrights***"); all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, 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, without limitation, industrial designs and mask works;

(iv) all registrations and applications for registration for any of the foregoing, including, without limitation, those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(v) all agreements, licenses and covenants providing for the granting of any right in or to 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; and

(i) 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, without limitation, 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.

Section 2. Security for Obligations

In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and, when applicable, the Final Order), 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 (a) the Loan Documents and (b) to the extent constituting US Obligations, the US Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings) (all such obligations being the "***Secured Obligations***") owing to the US Secured Parties and the Canadian Secured Parties (collectively, 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 or Secured Agreements 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) All certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered (provided, that in the case of any such certificates or instruments owned by the Grantors as of the Effective Date, such certificates or instruments shall be delivered within 30 days following the Closing Date (except as otherwise specified on Schedule 5.01(m) of the Credit Agreement) or in each case prior to such later date as the Agent shall agree in its discretion) following the date of this Agreement, without further order from the Bankruptcy Court, 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 (x) prohibited by applicable law, including the

Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases or (y) subject to certain corporate actions by the holders or issuers of non-US Initial Pledged Equity which have not occurred as of the Effective Date and governmental approvals or consents to pledge or transfer with respect to the issuers of non-US Pledged Equity which have not yet been obtained as to which Grantor shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further notice from the Bankruptcy Court, use commercially reasonable efforts to complete as soon as practicable after the date hereof.

(b) With respect to any Security Collateral representing interests in Subsidiaries in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, use commercially reasonable efforts to cause the issuer thereof to agree in an authenticated record with such Grantor and the Agent that, upon notice from the Agent that an Event of Default has occurred and is continuing, such issuer will comply with instructions with respect to such security originated by the Agent without further consent of such Grantor, such authenticated record to be in form and substance reasonably satisfactory to the Agent. Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of other Security Collateral as provided in Section 4(e) below.

(c) With respect to any securities or commodity account, any Security Collateral that constitutes a security entitlement as to which the financial institution acting as Agent hereunder is not the securities intermediary, upon the request of the Agent upon the occurrence and during the continuance of an Event of Default the relevant Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, use its commercially reasonable efforts to 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.

(d) Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 L/C Cash Deposit 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 L/C Cash Deposit Account.

(e) Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will, to the extent permitted by and in

accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, notify each issuer of Security Collateral granted by it hereunder that such Security Collateral is subject to the security interest granted hereunder.

Section 5. Maintaining the Account Collateral

So long as any Loan or any other payment obligation of any Loan Party of which the Company has notice under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment:

(a) Each Grantor will, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, enter into an agreement with the financial institution holding the Pledged Account pursuant to which such financial institution shall agree with such Grantor and the Agent to, upon notice from the Agent upon the occurrence and during the continuance of an Event of Default, comply with instructions originated by the Agent directing the disposition of funds in such deposit account without the further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Agent (a ***"Deposit Account Control Agreement"***), and, upon the occurrence and during the continuance of an Event of Default, instruct each Person obligated at any time to make any payment to such Grantor for any reason (an ***"Obligor"***) to make such payment to such a Deposit Account or the L/C Cash Deposit Account.

(b) The Agent may, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, at any time and without notice to, or consent from, the Grantor, transfer, or direct the transfer of, funds from the Deposit Accounts or the L/C Cash Deposit Account to satisfy the Grantor's obligations under the Loan Documents if an Event of Default shall have occurred and be continuing. As soon as reasonably practicable after any such transfer, the Agent agrees to give written notice thereof to the applicable Grantor.

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 and organizational identification number as of the date hereof is set forth in Schedule V hereto. Within the twelve months preceding the date hereof, such Grantor has not changed its name, chief executive office, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule V hereto except as set forth in Schedule VI hereto.

(b) Such Grantor is the legal and beneficial owner of the Collateral granted or purported to be granted by it free and clear of any Lien, claim, option or right of others, except for the security interest created under this Agreement, by the Interim Order (and, when applicable, the Final Order) or Liens permitted under the Credit Agreement. 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.

(c) All Equipment of such Grantor having a value in excess of $5,000,000 and Inventory of such Grantor having a value in excess of $5,000,000 as of the date hereof is located at the places specified therefor in Schedule VIII and Schedule IX hereto, respectively. Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(d) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of $5,000,000 that has not been delivered to the Agent. All such Receivables or Agreement Collateral valued in excess of $5,000,000 is listed on Schedule III attached hereto.

(e) All Security Collateral consisting of certificated securities and instruments with an aggregate fair market value in excess of $5,000,000 for all such Security Collateral of the Grantors has been delivered to the Agent in accordance with the time periods set forth in Section 4(a).

(f) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(g) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non assessable. 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 note, such promissory notes have been delivered to the Agent in accordance with the time periods set forth in Section 4(a), and is not in default.

(h) The Initial Pledged Equity pledged by such Grantor constitutes, as of the date hereof, all of the issued and outstanding equity interests of the issuers thereof (or, in the case of any issuer that is a CFC, 100% of the non-voting equity interests (if any) of such issuer and 65% of the voting equity interests of such issuer) indicated on Part I of Schedule I hereto. The Initial Pledged Debt constitutes all of the outstanding Debt for Borrowed Money owed to such Grantor by the issuers thereof.

(i) Such Grantor has no Investment Property with a market value in excess of $5,000,000 as of the date hereof, other than the Investment Property listed on Part III of Schedule I hereto.

(j) 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.

(k) Such Grantor has no material deposit accounts subject to the grant or security in Section 1 of this Agreement as of the date hereof, other than the Deposit Accounts listed on Schedule II hereto.

(l) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of $5,000,000 and issued by a United States financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(m) Upon and subject to the entry of the Interim Order, the security interest created hereunder constitutes a legal, valid and perfected security interest in all Collateral to the extent set forth in the Interim Order (and, when applicable, the Final Order); *provided, however*, that the Agent will receive a security interest, but not a first priority security interest, in (1) Collateral subject to Liens permitted by the terms of the Credit Agreement which Liens are in existence at the date of the Interim Order or such later date which the applicable Grantor acquired rights in such Collateral and (2) other Collateral to the extent consented to by the Agent and approved by the Required Lenders (collectively, the "***Specified Collateral***").

(n) Upon entry of the Interim Order (and, when applicable, the Final Order), no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body 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 the first priority nature of such security interest in Collateral other than the Specified Collateral), except for the governmental filings required to be made or approvals obtained prior to the creation of a security interest in any Security Collateral issued by a non-US Person and any filings or approvals required prior to realizing on any such Pledged Equity 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.

(o) 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.

(p) As to itself and its Intellectual Property Collateral:

(i) Except as set forth on Schedule IV hereto, to the knowledge of the Company, neither the operation of such Grantor's business nor the use of the Intellectual Property Collateral by Grantor in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any third party, except, in each case, as are not reasonably 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 hereto with respect to co-ownership of certain Patents, and except for such failures to have exclusive ownership that are not reasonably expected to have a Material Adverse Effect.

(iii) The Intellectual Property Collateral set forth on Schedule IV 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, in each case, as are not reasonably expected 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 in full force and effect and protect its interest in each and every material item of Intellectual Property Collateral owned by such Grantor that is registered or the subject of an application for registration.

(vi) Except as set forth on Schedule IV hereto, no claim has been asserted and is pending or to the knowledge of such Grantor, threatened, by any Person challenging the use of any Intellectual Property Collateral by a Grantor or the validity or enforceability 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 individually or 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 material impairment of any of the Intellectual Property Collateral.

(vii) Except as set forth on Schedule IV hereto, with respect to each material IP Agreement: (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, to the knowledge of such Grantor, 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) Such Grantor has used commercially reasonable efforts to maintain the confidentiality of the Trade Secrets of such Grantor and to protect such Trade Secrets from unauthorized use, disclosure, or appropriation and no such Trade Secrets have been disclosed by such Grantor other than to employees, representatives, agents, consultants and contractors of such Grantor or other Persons, all of whom are bound by written confidentiality agreements.

Section 7. Further Assurances

(a) Each Grantor agrees that from time to time, in accordance with the terms of this Agreement to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order), at the expense of such Grantor and at the reasonable request of the Agent and without further order from the Bankruptcy Court, 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 and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order), without further order from the Bankruptcy Court, 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; (ii) 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) at the request of the Agent, take all action to ensure that the Agent's security interest is noted on any certificate of title related to any Collateral evidenced by a certificate of title; 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, including, without limitation, 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 other than assets now or hereafter constituting Principal Properties or the equity of Restricted Subsidiaries, 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 $5,000,000 and Inventory having a value in excess of $5,000,000 (other than Inventory sold in the ordinary course of business) at the places 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.

(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, without limitation, 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, at its own expense, maintain or cause to be maintained, insurance with respect to its Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be customary for similar businesses of the size and scope of the Company on a consolidated basis, provided however that the Grantor 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, except for losses of less than $12,500,000[1] per occurrence, to be paid, in accordance with the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Agent. So long as no Event of Default shall have occurred and be continuing, all property damage insurance payments received by the Agent in connection with any loss, damage or destruction of Inventory will be released by the Agent to the applicable Grantor. 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 there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto, (iii) provide that at least 10 days'

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[1] Company to confirm coverage amounts.

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 and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, without further order from the Bankruptcy Court, 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 and to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, without further order from the Bankruptcy Court, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 1(i) and cause the insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 9 may be paid directly to the Person who shall have incurred damages covered by such insurance. 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, by the Credit Agreement or the Interim Order (and when applicable, the Final Order), 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)(v) of the Credit Agreement.

(c) So long as no Event of Default shall have occurred and be continuing, all insurance payments received by the Agent in connection with any loss, damage or destruction of any Inventory or Equipment will be released by the Agent to the applicable Grantor. Upon the occurrence and during the continuance of any Event of Default, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, all insurance payments in respect of such Equipment or Inventory shall be paid to the Agent and shall, in the Agent's sole discretion, (i) be released to the applicable Grantor for the repair, replacement or restoration thereof, (ii) be held as additional Collateral hereunder or applied as specified in Section 19(b) or (iii) be released to the Agent Sweep Account and applied as provided in Section 2.18(h) of the Credit Agreement.

Section 10. Post-Closing Changes; Collections on Assigned Agreements and Receivables

(a) No Grantor will change its name, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule V of this Agreement without first giving at least 15 Business Days prior written notice to the Agent, or such lesser period of time as agreed by the Agent, and taking 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, without limitation, 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 Credit Agreement. If any Grantor does not have an organizational identification number and later obtains one, it will forthwith notify the Agent of such organizational identification number.

(b) Except as otherwise provided in this subsection (b), each Grantor will continue to collect, at its own expense, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, such Grantor may take (and, at the Agent's direction, will take) such action as such Grantor or the Agent may deem necessary or advisable to enforce collection of the Assigned Agreements and Receivables; *provided*, *however*, that the Agent shall have the right at any time, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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, without limitation, 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, without limitation, 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 Sweep Account in the United States and either (A) released to such Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 19(b) of this Agreement or as provided in Section 2.18(h) of 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.

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 Subsidiaries, each Grantor agrees to take, at its expense, all commercially reasonable steps as determined in Grantor's reasonable discretion, including, without limitation, in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other governmental authority, to (i) maintain 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, without limitation, 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, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings initiated by third parties, in each case except where the failure to so file, register, maintain or participate 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 or otherwise abandon any such material Intellectual Property Collateral, or abandon any right to file an application for patent, trademark, or copyright, unless such Grantor shall have reasonably determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer reasonably necessary or desirable in the conduct of such Grantor's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide, annually to the Agent an updated Schedule of its Patents, Trademarks and registered Copyrights.

(c) In the event that any Grantor becomes aware that any item of the Intellectual Property Collateral is being infringed, misappropriated or otherwise violated by a third party in any material respect, 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, without limitation, suing for infringement, misappropriation or other violation and for an injunction against such infringement, misappropriation or other violation.

(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, without limitation, taking all reasonable steps which it deems appropriate under the circumstances to maintain substantially the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking all reasonable steps which it deems appropriate under the circumstances to ensure that all licensed users of any of the 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***") identifying the Intellectual Property Collateral pledged by such Grantor, 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 Collateral.

Section 12. Voting Rights; Dividends; Etc.

(a) So long as no Default under Section 6.01(a) or (e) of the Credit Agreement 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, however*, 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, be promptly delivered to the Agent to hold as Security Collateral and shall, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 a Default under Section 6.01(a) or (e) of the Credit Agreement:

(i) All rights of each Grantor (x) 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, upon notice to such Grantor by the Agent, cease and (y) 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 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, at its expense:

(i) perform and observe 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 in excess of $25,000,000 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 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 Section 5 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, this Agreement and the Interim Order (and when applicable, the Final Order), 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, to the extent permitted by and in accordance with the Interim Order (and when

applicable, the Final Order) and without further order from the Bankruptcy Court, promptly use commercially reasonable efforts to cause the issuer of each letter-of-credit with a stated amount in excess of $5,000,000 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 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, to the extent permitted by and in accordance with the Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, 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 $20,000,000 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; provided, however, that, with respect to any commercial tort claim in respect of Intellectual Property Collateral, the obligation set forth in this Section 14(c) shall only be applicable with respect to any such commercial tort claims to the extent relating to Intellectual Property Collateral with respect to which the applicable Grantors have executed or otherwise authenticated (or have an obligation pursuant to Section 11(e) to execute or otherwise authenticate) an Intellectual Property Security Agreement.

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, upon the occurrence and during the continuance of an Event of Default, in the Agent’s discretion, to take any action and to execute any instrument, to the extent permitted by and in accordance with the

Interim Order (and when applicable, the Final Order) and without further order from the Bankruptcy Court, that the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 9,

(b) 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) to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above, and

(d) 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.

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 20.

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 ratable 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

Subject to the Orders, if any Event of Default shall have occurred and be continuing:

(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 (including the Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases), 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, without limitation, (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, without limitation, 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, including the Bankruptcy Code or any Order entered in connection with the Cases, 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.

(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 ratable 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 (including the Bankruptcy Code or any Order of the Bankruptcy Court entered in connection with the Cases) 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, to the extent practicable, tangible embodiments of such Grantor's know-how and expertise, and documents 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.

With respect to the foregoing, the Agent shall provide the Company (with a copy to counsel for the Official Creditors' Committee in the Cases and to the United States Trustee for the Southern District of New York) with seven (7) days' written notice prior to taking the actions contemplated by this Section 19; *provided*, that the Agent may take the actions contemplated by this Section 19 without further order from the Bankruptcy Court.

Section 20. 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, without limitation, 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, without limitation, 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, without limitation, 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 21. 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 22. 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)
Agreement	Preamble
Agreement Collateral	Section 1(e)
Assigned Agreements	Section 1(e)
Company	Preamble
Collateral	Section 1
Copyrights	Section 1 (g)(iii)
Credit Agreement	Recitals (1)
Deposit Account Control Agreement	Section 5(a)
Deposit Accounts	Recitals (3)
Equipment	Section 1(a)
Grantor, Grantors	Preamble
Initial Pledged Debt	Recitals (2)
Initial Pledged Equity	Recitals (2)
Intellectual Property Collateral	Section 1(g)
Inventory	Section 1(b)
IP Agreements	Section 1(g)(v)
Obligor	Section 5(a)
Patents	Section 1(g)(i)
Pledged Debt	Section 1(d)(iv)
Pledged Equity	Section 1(d)(iii)
Receivables	Section 1(c)
Related Contracts	Section 1(c)
Secured Obligations	Section 2
Secured Parties	Section 2
Security Collateral	Section 1(d)
Specified Collateral	Section 6(m)
Trademarks	Section 1(g)(ii)
Trade Secrets	Section 1(g)(iii)
UCC	Recitals (6)

Section 23. 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 or expiration of all Letters of Credit, or otherwise as set forth in any order of the Bankruptcy Court, (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, without limitation, all or any portion

of its Commitments, the Loans 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 24. Release; Termination

(a) Upon any sale, lease, transfer or other disposition of any item of Collateral of any Grantor in accordance with the terms of the Loan Documents or as otherwise directed or required by any order of the Bankruptcy Court, the security interests granted under this Agreement by such Grantor in such Collateral shall immediately terminate and automatically be released and Agent will 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, 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*, *however*, 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 and a certificate of such Grantor to the effect that the transaction is 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 25. 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 26. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York and (to the extent applicable) the Bankruptcy Code.

Section 27. 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 the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from jurisdiction), 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 the Bankruptcy Court or any such New York State court, as applicable, 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 Company 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 the Bankruptcy Court or 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 28. Intercreditor Agreement Controlling

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 for 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.

Section 29. Marshalling

Neither the Agent nor the Secured Parties shall be required to marshal any present or future collateral security (including but not limited to the Collateral for, or other assurance of payment of, the Secured Obligations or any of them) or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising.

Section 30. Inconsistency

In the event of any inconsistency or conflict between the provisions of this Agreement and the Interim Order (and, when applicable, the Final Order), the provisions of the Interim Order (and, when applicable, the Final Order) shall govern.

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

EASTMAN KODAK COMPANY
EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
FPC INC.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK IMAGING NETWORK, INC.
KODAK PORTUGUESA LIMITED
KODAK REALTY, INC.
LASER-PACIFIC MEDIA CORPORATION
PAKON, INC.
QUALEX INC.

By_/s/ William G. Love_____
Name: William G. Love
Title: Treasurer

CREO MANUFACTURING AMERICA LLC
KODAK AVIATION LEASING LLC

By_/s/ William G. Love_____
Name: William G. Love
Title: Manager

KODAK PHILIPPINES, LTD.
NPEC INC.

By_/s/ William G. Love_____
Name: William G. Love
Title: Assistant Treasurer

CITICORP NORTH AMERICA, INC.

as Agent

By /s/ Shane V. Azzara

Name: Shane V. Azzara

Title: Director

SCHEDULE I
INVESTMENT PROPERTY

PART I
INITIAL PLEDGED EQUITY

Issuer	Jurisdiction of Organization of Issuer	Holder	# of Shares Owned	Total Shares Outstanding	Ownership Percentage	Percentage of Outstanding Stock Pledged	Certificate Number(s) and Number of Shares
Creo Manufacturing America LLC	Wyoming	Eastman Kodak Company	N/A	N/A	100%	100%	Uncertificated
Eastman Kodak Holdings B.V.	The Netherlands	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Eastman Kodak International Capital Company, Inc.	Delaware	Eastman Kodak Company	8,200	8,200	100%	65%	No. 5- 5,330 shares
Far East Development Ltd.	Delaware	Eastman Kodak Company	10	10	100%	100%	No. 1- 10 shares
FPC Inc.	California	Laser-Pacific Media Corporation	80	80	100%	100%	No. 2- 80 shares
Kodak (Australasia) Pty. Ltd.*	Australia	Eastman Kodak Company	65,000,000	66,901,626	97.1576%	65%	No. 1- 43,486,057 shares
Kodak (Malaysia) Sdn. Bhd.*	Malaysia	Eastman Kodak Company	8,509,341	8,509,343	99.98%	65%	No. 20- 5,531,072
Kodak (Near East), Inc.	New York	Eastman Kodak Company	5,000	5,000	100%	100%	No. 4- 5,000 shares
Kodak (Singapore) Pte. Limited*	Singapore	Eastman Kodak Company	90,000	90,000	100%	65%	No. 12- 58,500 shares
Kodak*	France	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak Americas, Ltd.	New York	Eastman Kodak Company	34,500	34,500	100%	100%	No. 6- 34,500 shares
Kodak Argentina S.A.I.C.*	Argentina	Eastman Kodak Company	527,668	989,437	53.33%	53.33%	No. 1- 527,668
Kodak Aviation Leasing LLC	Delaware	Eastman Kodak Company	N/A	N/A	100%	100%	Uncertificated
Kodak Chilena S.A.F.*	Chile	Eastman Kodak Company	128,847,183	129,246,565	99.69%	65%	No. 10- 84,010,268 shares
Kodak Cinelabs Romania SRL*	Romania	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak G.m.b.H.*	Austria	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak Graphic Communications Canada Company*	Canada	Eastman Kodak Company	7,655,813	7,655,813	100%	65%	No. 2- 4,976,278 shares
Kodak Holding GmbH	Germany	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak Imaging Network B.V.*	Netherlands	Kodak Imaging Network, Inc.	N/A	N/A	100%	65%	Uncertificated
Kodak Imaging Network, Inc.	Delaware	Eastman Kodak Company	100	100	100%	100%	No. 5- 100 shares
Kodak Kft.*	Hungary	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak Korea Ltd.*	Korea (South)	Eastman Kodak Company	964,000	964,000	100%	65%	No. 1- 626,600 shares
Kodak Limited	United Kingdom	Eastman Kodak Company	130,000,000	130,000,000	100%	65%	No. 93- 19,500,000 shares No. 89- 65,000,000 shares
Kodak New Zealand Limited*	New Zealand	Eastman Kodak Company	1,000,000	1,000,000	100%	65%	No. 11- 650,000 shares
Kodak Nordic AB*	Sweden	Eastman Kodak Company	270,000	270,000	100%	65%	No. 94,501 – 270,000- 175,500 shares
Kodak OOO*	Russia	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated

Kodak Oy*	Finland	Eastman Kodak Company	534,000	534,000	100%	65%	No. 2- 347,100 shares
Kodak Philippines, Ltd.	New York	Eastman Kodak Company	6,000	6,000	100%	100%	No. 3- 1,000 shares No. 4- 1,500 shares No. 5- 2,000 shares No. 6- 1,500 shares
Kodak Polska Sp.zo.o*	Poland	Eastman Kodak Company	N/A	N/A	100%	65%	Uncertificated
Kodak Portuguesa Limited	New York	Eastman Kodak Company	1,000	1,000	100%	100%	No. 1- 1,000 shares
Kodak Polychrome Graphics Company Ltd.*	Barbados	Eastman Kodak Company	4	4	100%	65%	No. 6- 2.6 shares
Kodak Realty, Inc.	New York	Eastman Kodak Company	100	100	100%	100%	No. 3- 100 shares
Kodak, S.A.*	Spain	Eastman Kodak Company	284,759	284,760	99.99%	65%	No. 1- 19,508 shares No. 3- 165,587 shares
Kodak S.p.A.*	Italy	Eastman Kodak Company	72,998,639	73,000,000	99.998%	65%	No. 7- 47,450,000
Kodak Venezuela, S.A.*	Venezuela	Eastman Kodak Company	16,830	16,830	100%	65%	No. 13- 10,940 shares
Laser-Pacific Media Corporation	Delaware	Eastman Kodak Company	1,110	1,110	100%	100%	No. 1- 1,000 shares No. 2- 100 shares No. 3- 10 shares
NPEC Inc.	California	Eastman Kodak Company	100	100	100%	100%	No. 2- 100 shares
Pakon, Inc.	Indiana	Eastman Kodak Company	300	300	100%	100%	No. 1- 300 shares
Qualex Inc.	Delaware	Eastman Kodak Company	1,000	1,000	100%	100%	No. C-1- 1,000 shares
Wheeling Insurance Ltd.*	Bermuda	Eastman Kodak Company	120,000	120,000	100%	100%	No. 35- 120,000 shares

* Pledged under New York law only; no local law perfection required.

SCHEDULE I
INVESTMENT PROPERTY

PART II
INITIAL PLEDGED DEBT

Grantor	Debt Issuer	Principal Amount[2]	Currency
Eastman Kodak Company	Kodak Graphic Communications Canada Co.	$126,205,510.00	USD
Eastman Kodak Company	Kodak Americas, Ltd.	$3,644,231.70	USD
Kodak (Near East), Inc.	Eastman Kodak Company	$16,707,835.50	USD
Kodak Portuguesa Limited	Eastman Kodak Company	$4,757,358.60	USD

[2] Amount reflects outstanding principal and accrued interest as of January 31, 2012. Loan maturities typically roll on a monthly basis

SCHEDULE I
INVESTMENT PROPERTY

PART III
OTHER INVESTMENT PROPERTY

NONE.

SCHEDULE II

DEPOSIT ACCOUNTS

Grantor	Name and Address of Bank	Contact Information		
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]		
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]		
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]		
Eastman Kodak Company	Bank of America, 602 Peachtree St. NE 10th Floor, Atlanta, GA 30308	[*]		
Eastman Kodak Company	Bank of Colorado−Front Range, 501 Main Street, PO Box 939, CO 80550	[*]		
Eastman Kodak Company	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]		
Eastman Kodak Company	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]		
Eastman Kodak Company	Bank of the West, 1977 Saturn St Montery Park, CA 91755	[*]		
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]		
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]		
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]		
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	
Eastman Kodak Company	Citibank, N.A., 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank, 55 First Street Northwest, Clara City, MN 56222	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank, 55 First Street Northwest, Clara City, MN 56222	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank, 55 First Street Northwest, Clara City, MN 56222	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	Citizens Alliance Bank -Lake Lillian, 431 Lakeview Street Lake Lillain, MN 56253	[*]	[*]	
Eastman Kodak Company	ESL Federal Credit Union, 225 Chestnut Street, Rochester, NY 14604	[*]	[*]	
Eastman Kodak Company	J P Morgan Chase, 270 Park Ave., New York, NY 10080	[*]	[*]	
Eastman Kodak Company	J P Morgan Chase, 270 Park Ave., New York, NY 10080	[*]	[*]	
Eastman Kodak Company	J P Morgan Chase, 270 Park Ave., New York, NY 10080	[*]	[*]	
Eastman Kodak Company	Keybank, 303 Broadway, 16th Floor OH−18−30−1603 Cincinnati, OH 45202	[*]	[*]	
Eastman Kodak Company	Keybank, 303 Broadway, 16th Floor OH−18−30−1603 Cincinnati, OH 45202	[*]	[*]	
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	
Eastman Kodak Company	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	
Eastman Kodak International Capital Company Inc.	Citibank, N.A, 388 Greenwich Street 23rd Floor, New York, NY 10013	[*]	[*]	
FPC Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
FPC Inc.	Bank of America, 602 Peachtree Street NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
FPC Inc.	Bank of America, 602 Peachtree Street NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]

Kodak Imaging Network, Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Laser-Pacific Media Corporation	Bank of America, 602 Peachtree Street NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
NPEC Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Laser-Pacific Media Corporation	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]	[*]	[*]
Qualex Inc.	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]	[*]	[*]
Qualex Inc.	J P Morgan Chase, 270 Park Ave., New York, NY 10081	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]	[*]	[*]
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]		
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]		
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]		
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]		
Qualex Inc.	Bank of America, 600 Peachtree St NE 10th Floor, Atlanta, GA 30308	[*]		
Qualex Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]		
Qualex Inc.	Bank of New York Mellon, 500 Ross Street, Suite 154−1320, Pittsburgh, PA 15262−0001	[*]		
Qualex Inc.	Ozark Mountain Bank 1115 James Wpps Road Branson, Mo 65616	[*]		
Qualex Inc.	Ozark Mountain Bank 1115 James Wpps Road Branson, Mo 65616	[*]		
Qualex Inc.	Ozark Mountain Bank 1115 James Wpps Road Branson, Mo 65616	[*]		
Qualex Inc.	Ozark Mountain Bank 1115 James Wpps Road Branson, Mo 65616	[*]		
Qualex Inc.	Ozark Mountain Bank 1115 James Wpps Road Branson, Mo 65616	[*]		
Qualex Inc.	PNC Bank, Two Tower Center 23rd Floor, E. Brunswick, NJ 08816	[*]		
Qualex Inc.	SunTrust Bank 3325 Parkway Pigeon Forge, TN 37863	[*]	[*]	[*]
Qualex Inc.	SunTrust Bank 3325 Parkway Pigeon Forge, TN 37863	[*]	[*]	[*]
Qualex Inc.	US Bank 425 Walnut Street Cincinnati, OH 45202	[*]	[*]	[*]

FOREIGN DEPOSIT ACCOUNTS

Account Name	Account Number	Branch Name
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Dubai
Kodak (Near East), Inc.	[*]	Citibank Intl PLC, Greece Branch
Kodak (Near East), Inc.	[*]	Cairo CB 801
Kodak Americas, Ltd.	[*]	Peru Citibank

Kodak Americas, Ltd.	[*]	Peru Citibank
Kodak Americas, Ltd.	[*]	Peru Citibank
Kodak Americas, Ltd.	[*]	Peru Citibank
Kodak Americas, Ltd.	[*]	Peru Citibank
Kodak Portuguesa Limited	[*]	Citibank Portugal
Kodak Portuguesa Limited	[*]	Citibank Portugal

[*] Certain confidential information contained in this document has been omitted from public filing pursuant to a request for confidential treatment submitted to the U.S. Securities and Exchange Commission. The omitted information, which has been identified with the symbol "[*]," has been filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SCHEDULE III
RECEIVABLES AND AGREEMENT COLLATERAL

Note Payor	Note Payee	Description of Receivable	Amount	Final Maturity
Image Sensor Tech	Eastman Kodak Company	Escrow for Benefit of Eastman Kodak Company	$8,000,000	May 7, 2013

SCHEDULE IV
INTELLECTUAL PROPERTY

Patents — To be provided separately.

Trademarks — To be provided separately.

Domain Names — To be provided separately.

Trade Names — see table below

Grantor	Jurisdiction of Organization	FEIN	Organizational ID Number	Trade Names	Alternate Names Used During Last Five Years
Eastman Kodak Company	New Jersey	16-0417150	3590801000		
Creo Manufacturing America LLC	Wyoming	20-0754412	200400460497		
Eastman Kodak International Capital Company, Inc.	Delaware	16-0952341	0675517		
Far East Development Ltd.	Delaware	16-1152300	0899514		
FPC Inc. *(incorporated as Metro Film Products; named changed to FPC Inc. eff 10/19/88)*	California	95-3519183	C0957735	Pro-Tek	
Kodak (Near East), Inc.	New York	16-6027936	N/A		
Kodak Americas, Ltd. *(incorporated as Kodak Puerto Rico, Limited; name changed to Kodak Caribbean, Limited eff 12/8/70; changed to Kodak Americas, Ltd. eff 3/31/97)*	New York	66-0216256	N/A		
Kodak Aviation Leasing LLC	Delaware	06-1585224	3241322		
Kodak Imaging Network, Inc. *(incorporated as Ofoto, Inc.; name changed to Kodak Imaging Network, Inc. eff 2/25/05)*	Delaware	94-3334107	3059736	Kodak Gallery	
Kodak Philippines, Ltd.	New York	16-0747862	N/A		
Kodak Portuguesa Limited	New York	16-0839171	N/A		
Kodak Realty, Inc. *(incorporated as Recordak Sales Corporation; name changed to Eastman Kodak Exposition Company, Ltd. eff 5/24/94; changed to Eastman Kodak Communications, Inc. eff 1/2/95; changed to Kodak Realty, Inc. eff 10/28/03)*	New York	16-0912045	N/A		
Laser-Pacific Media Corporation	Delaware	95-3824617	2236415	Laser Edit, Inc. Pacific Video, Inc.	
NPEC Inc. *(incorporated as 360 North Pastoria Environmental Corporation; name changed to NPEC Inc. eff 10/25/01)*	California	16-1375677	C1513754		
Pakon, Inc. *(incorporated as Pakon Corporation; name changed to Pakon, Inc. eff 8/5/85)*	Indiana	35-1643462	198507-375		
Qualex Inc. *(incorporated as Ektra Photofinishing Corporation; name changed to Qualex Inc. eff 3/29/88)*	Delaware	16-1306019	2133251	QLX Photoprocessing QLX Photoprocessing, Inc. QLX Imaging Kodalux Processing Services Event Imaging Solutions	

Copyrights

Grantor	Title	Reg. No.	Reg. Date
Eastman Kodak Company	Everyday Pictures: Because the Best Moments in Life Happen Every Day	TX5308424	11/26/03
Eastman Kodak Company	Everyday Pictures: Because the Best Moments in Life Happen Every Day	TX5193278	9/22/00
Eastman Kodak Company	Kodak Pocket Guide to Digital Photography	TX5489187	2/25/02
Eastman Kodak Company	Kodak Pocket Guide to Point−and−Shoot Photography	TX5489184	2/25/02
Eastman Kodak Company	Kodak Pocket Photoguide	TX5489083	2/25/02

Eastman Kodak Company	Everyday Pictures: Because the Best Moments in Life Happen Every Day	TX5439509	11/2/01
Eastman Kodak Company	More Slides — Planning, Producing and Presenting Digital Images	TX3861333	6/14/94
Eastman Kodak Company	Basic Police Photography	RE6000936	12/11/92
Eastman Kodak Company	How to Organize a Camera Club	RE6000933	12/11/92
Eastman Kodak Company	You’re the Director	RE6000928	12/11/92
Eastman Kodak Company	Fifteen Babies	VA533975	9/8/92
Eastman Kodak Company	Fifteen Babies	VA511574	6/22/92
Eastman Kodak Company	How to Take a Good Picture	TX3347758	6/25/92
Eastman Kodak Company	The Joy of Photography	TX3179149	11/5/91
Eastman Kodak Company	Kodak Pocket Reference Guide	RE500134	12/3/90
Eastman Kodak Company	How to Take Good Pictures	TX2792732	4/23/90
Eastman Kodak Company	More Joy of Photography	TX2531314	2/3/89
Eastman Kodak Company	Encyclopedia of Practical Photography	TX253931	4/30/79
Eastman Kodak Company	Encyclopedia of Practical Photography	TX253930	4/30/79
Eastman Kodak Company	Encyclopedia of Practical Photography	TX253929	4/30/79
Eastman Kodak Company	Encyclopedia of Practical Photography	TX228362	12/14/78
Eastman Kodak Company	Encyclopedia of Practical Photography	TX228361	12/14/78
Eastman Kodak Company	Encyclopedia of Practical Photography	TX228360	12/14/78
Eastman Kodak Company	Encyclopedia of Practical Photography	TX228359	12/14/78
Eastman Kodak Company	Encyclopedia of Practical Photography	TX98817	6/30/78

Claims Asserted

Patents with Challenged Claims

- Re-examination: US5414811A: Re-Examination application number 90/009,590 was filed on October 2, 2009 and is currently pending.
- Re-issue: US6600510B1: Continuation application 13/182,700 was filed on July 14, 2011 from Re-Issue Application 12/370,098 (now abandoned) and is currently pending.

- Re-issue: US6222646B1: Re-Issue application number 11/807,348 was filed on May 25, 2007 and is currently pending. A notice of allowance was mailed on September 15, 2011.

- European Opposition: EP1963445: Opposition began November 13, 2009. Pending.

- European Opposition: EP1157829: Opposition began May 11, 2007. Pending.

- European Opposition: EP1545878: Opposition began June 27, 2007. Pending.

- European Opposition: EP1989058: Opposition began September 30, 2010. Pending.

- European Opposition: EP1996408: Opposition began March 24, 2010. Pending.

Agreements with a Claim of Breach

Cases	Date Opened	Type of Action	Asserted Patents	Trial Date	Outside Counsel	Opposing Counsel
Kodak v. Kyocera (WDNY) (6:10cv6334)	6/22/2010	Breach of Contract	N/A	Trial date not yet scheduled	Wilmer Hale	Morrison & Foerster
Kodak v. Asia Optical (SDNY) (11-cv-6036)	8/26/2011 (filed)	Breach of Contract	N/A	Trial date not yet scheduled	Wilmer Hale	Dorsey & Whitney LLP
Kodak v. Altek (SDNY) (12-cv-0246)	1/12/2012 (filed)	Breach of Contract	N/A	Trial date not yet scheduled	Wilmer Hale	Unknown

SCHEDULE V

CHIEF EXECUTIVE OFFICE, TYPE OF ORGANIZATION, JURISDICTION OF

ORGANIZATION AND ORGANIZATIONAL IDENTIFICATION NUMBER

Grantor	Chief Executive Office	Type of Organization	Jurisdiction of Organization	Organizational ID number
Eastman Kodak Company	343 State Street Rochester, New York 14650	Corporation	New Jersey	3590801000
Creo Manufacturing America LLC	1821 Logan Avenue, Cheyenne, WY 82001	LLC	Wyoming	200400460497
Eastman Kodak International Capital Company, Inc.	343 State Street Rochester, NY 14650	Corporation	Delaware	0675517
Far East Development Ltd.	343 State Street Rochester, NY 14650	Corporation	Delaware	0899514
FPC Inc.	6677 Santa Monica Blvd. Hollywood, CA 90038	Corporation	California	C0957735
Kodak (Near East), Inc.	343 State Street Rochester, NY 14650	Corporation	New York	N/A
Kodak Americas, Ltd.	343 State Street Rochester, NY 14650	Corporation	New York	N/A
Kodak Aviation Leasing LLC	343 State Street Rochester, NY 14650	LLC	Delaware	3241322
Kodak Imaging Network, Inc.	1480 64th Street Suite 300 Emeryville, CA 94608	Corporation	Delaware	3059736
Kodak Philippines, Ltd.	343 State Street Rochester, NY 14650	Corporation	New York	N/A
Kodak Portuguesa Limited	343 State Street Rochester, NY 14650	Corporation	New York	N/A
Kodak Realty, Inc.	343 State Street Rochester, NY 14650	Corporation	New York	N/A
Laser-Pacific Media Corporation	343 State Street Rochester, NY 14650	Corporation	Delaware	2236415
NPEC Inc.	343 State Street Rochester, NY 14650	Corporation	California	C1513754
Pakon, Inc.	251 E. Ohio Street Suite 1100 Indianapolis, IN 46204	Corporation	Indiana	198507-375
Qualex Inc.	4020 Stirrup Creek Drive, Suite 100, Durham, NC 27703	Corporation	Delaware	2133251

SCHEDULE VI
CHANGES IN NAME, LOCATION, ETC. WITHIN TWELVE MONTHS

PRIOR TO THE DATE OF THE AGREEMENT

Grantor	Chief Executive Office	Type of Organization	Jurisdiction of Organization	Organizational ID Number
Creo Manufacturing America LLC	PRIOR ADDRESS FOR EXECUTIVE OFFICE: 1720 Carey Avenue Cheyenne, WY 82001 NEW ADDRESS FOR EXECUTIVE OFFICE: 1821 Logan Avenue, Cheyenne, WY 82001	LLC	Wyoming	200400460497
Qualex Inc.	PRIOR ADDRESS FOR EXECUTIVE OFFICE: 2040 Stirrup Creek Drive, Suite 100, Durham, NC 27703 NEW ADDRESS FOR EXECUTIVE OFFICE: 4020 Stirrup Creek Drive, Suite 100, Durham, NC 27703	Corporation	Delaware	2133251

SCHEDULE VII
LETTERS OF CREDIT

None.

SCHEDULE VIII
EQUIPMENT LOCATIONS

Grantor	Location
Eastman Kodak Company	Kodak Research Labs, 1999 Lake Avenue, Rochester, NY 14650
Eastman Kodak Company	Eastman Business Park 1964 & 1991 Lake Avenue Rochester, NY 14652
Eastman Kodak Company	Kodak Office 343 State Street Rochester, NY 14650
Eastman Kodak Company	Kodak Colorado 9952 Eastman Park Drive Windsor, CO 80551-1308
Eastman Kodak Company	#1 Litho Plate Drive Windsor, CO 80550
Eastman Kodak Company	3000 Research Blvd Dayton, OH 45420

SCHEDULE IX
INVENTORY LOCATIONS

Grantor	Location
Eastman Kodak Company	Eastman Business Park Rochester, NY 14652
Eastman Kodak Company	2600 Manitou Road Rochester, NY 14624
Eastman Kodak Company	9952 Eastman Park Drive Windsor, CO 80551
Eastman Kodak Company	6100 East Holmes Road Memphis, TN 38141
Eastman Kodak Company	4585 Cargo Drive Columbus, GA 31907
Eastman Kodak Company	3000 Research Blvd Dayton, OH 45420
Eastman Kodak Company	4900 Creekside Parkway Lockbourne, OH 43137
Eastman Kodak Company	127 East Elk Trail Blvd Carol Stream, IL 60188
Eastman Kodak Company	1 Polychrome Park Corporate Ridge Industrial Park Columbus, GA 31907
Eastman Kodak Company	12035 Moya Blvd Reno, NV 89506
Eastman Kodak Company	2225 Cedars Road Lawrenceville, GA 30043

SCHEDULE X

COMMERCIAL TORTS

Case No.	Parties	Venue
ITC-337-TA-703	Eastman Kodak Co. v. Apple Inc., Research In Motion Corp. & Research In Motion Ltd.	International Trade Commission
6:10-cv-6021	Eastman Kodak Co. v. Apple Inc.	U.S. District Court, Western District of New York
6:10-cv-6022	Eastman Kodak Co. v. Apple Inc.	U.S. District Court, Western District of New York
3:08-cv-02075	Research In Motion Corp. & Research In Motion Ltd. v. Eastman Kodak Co. (Counterclaim to DJ)	U.S. District Court, Northern District of Texas
1:10-cv-1079	Kodak v. Shutterfly Inc.	U.S. District Court, District of Delaware
ITC-337-TA-xxx Docket No. 2869 (Investigation not yet instituted)	Eastman Kodak Co. v. Apple Inc., HTC Corp., HTC America, Inc. and Exedea, Inc.	International Trade Commission
6:12-cv-6020	Eastman Kodak Co. v. Apple Inc.	U.S. District Court, Western District of New York
6:12-cv-6021	Eastman Kodak Co. v. HTC Corp., HTC America, Inc. and Exedea, Inc.	U.S. District Court, Western District of New York
6:12-cv-06025	EKC v. FujiFilm Corporation	U.S. District Court, Western District of New York
6:12-cv-6036	Eastman Kodak Co. v. Samsung Electronics Co., Ltd., Samsung Electronics America, Inc. and Samsung Telecommunications America, LLC	U.S. District Court, Western District of New York

Exhibit A to the

US Security Agreement

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 [_____], 20[__], is made by the Persons listed on the signature pages hereof (collectively, the "***Grantors***") in favor of Citicorp North America, Inc., 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, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), has entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with Citicorp North America, Inc., as 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 making of Loans and the issuance of Letters of Credit by the Lenders under the Credit Agreement, each Grantor has executed and delivered that certain US Security Agreement dated January 20, 2012, 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 ratable 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 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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), each Grantor hereby grants to the Agent for the ratable 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;

(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;

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(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. In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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, and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the cases, regardless of whether allowed or allowable in such proceedings). 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 and the Secured Agreements 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 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 and (to the extent applicable) the Bankruptcy Code.

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:

_____

_____

_____

Exhibit B to the

US Security Agreement

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "***IP Security Agreement Supplement***") dated _____, 20__, is made by the Person listed on the signature page hereof (the "***Grantor***") in favor of Citicorp North America, Inc., 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, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), has entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with Citicorp North America, Inc., as 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 US Security Agreement dated January 20, 2012 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 [_____], 2011 (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 ratable 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 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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), each Grantor hereby grants to the Agent, for the ratable 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;

(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;

(iii) the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(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. In addition to the security for payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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 and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings).

SECTION 3. Recordation. The Grantor authorizes and requests that the Register of Copyrights 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 and (to the extent applicable) the Bankruptcy Code.

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:

_____

_____

_____

Exhibit C to the

US Security Agreement

FORM OF SECURITY AGREEMENT SUPPLEMENT

[Date of Security Agreement Supplement]

Citicorp North America, Inc., as the Agent for
the Secured Parties referred to in the
Credit Agreement referred to below

[ ]
Attn: [ ]

Eastman Kodak Company

Ladies and Gentlemen:

Reference is made to (i) the Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Eastman Kodak Company, a New Jersey corporation, a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., a corporation organized under the laws of the province of Ontario, Canada, as the Borrowers, the Lenders party thereto, Citicorp North America, Inc., as Agent (together with any successor Agent appointed pursuant to Article VII of the Credit Agreement, the "***Agent***"), and as administrative agent for the Lenders, and (ii) the US Security Agreement dated January 20, 2012 (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. In addition to the security interest set forth in the Interim Order (and when applicable, the Final Order), the undersigned hereby grants to the Agent, for the ratable 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, without limitation, 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, without limitation, customer lists, credit 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, without limitation, 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. In addition to the security for the payment of the Secured Obligations to the Secured Parties provided by the Interim Order (and when applicable, the Final Order), 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 and the Secured Agreements, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest (including interest accruing during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings), premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise (including monetary obligations incurred during the pendency of the Cases, regardless of whether allowed or allowable in such proceedings). 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 and the Secured Agreements 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 $5,000,000 and all Inventory having a value in excess of $5,000,000 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 and (to the extent applicable) the Bankruptcy Code.[3]

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

By _____

Title:

Address for notices:

_____

_____

_____

[3] 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.

Exhibit (4.25)

EXECUTION VERSION

CANADIAN SECURITY AGREEMENT

Dated January 20, 2012

From

The Grantors referred to herein

as Grantors

to

Citicorp North America, Inc.

as Agent

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CANADIAN SECURITY AGREEMENT

CANADIAN SECURITY AGREEMENT dated January 20, 2012 (this "**Agreement**") made by Kodak Canada Inc., an Ontario corporation (the "**Borrower**"), and the other Persons listed on the signature pages hereof, or which at any time execute and deliver a Canadian Security Agreement Supplement (as hereinafter defined) in substantially the form attached hereto as Exhibit C (the Borrower and such other Persons, collectively, the "**Grantors**"), to Citicorp North America, Inc., as agent (in such capacity, together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement (as hereinafter defined), the "**Agent**") for the Secured Parties (as hereinafter defined).

PRELIMINARY STATEMENTS

(1) Reference is made to the Debtor-in-Possession Credit Agreement, dated as of January 20, 2012, among the Borrower, Eastman Kodak Company (the "**Company**"), the Subsidiaries of the Company party thereto, the Agent and Lenders from time to time party thereto (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

(2) Each Grantor is the owner of the shares of stock or other equity interests in its Subsidiaries set forth on Part I of Schedule I hereto and issued by the Persons named therein (such shares of stock or other equity interests, the "**Initial Pledged Equity**"). Each Grantor is the holder of the indebtedness owed to such Grantor (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.

(3) 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**").

(4) It is a condition precedent to the making of Canadian Revolving Loans by the Lenders under the Credit Agreement that the Grantors shall have granted the security interests contemplated by this Agreement. Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(5)Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. Further, unless otherwise defined in this Agreement or in the Credit Agreement and unless the context otherwise requires, all the terms used in this Agreement without initial capitals, which are defined in the PPSA (as defined below) or the STA (as defined below), have the same meanings in this Agreement as in the PPSA or the STA, as applicable. "**PPSA**" means the *Personal Property Security Act* as in effect from time to time in the Province of Ontario; *provided* that, if the validity, perfection or the effect of perfection or non-perfection or the priority of the security interest in any Collateral is governed by the *Personal Property Security Act* as in effect in a jurisdiction other than the Province of Ontario, "**PPSA**" means the *Personal Property*

Security Act as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection or priority. "**STA**" means the *Securities Transfer Act*, 2006, S.O. 2006, c.8 or similar legislation of any other applicable jurisdiction.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make Canadian Revolving Loans under the Credit Agreement, each Grantor hereby agrees with the Agent for the ratable benefit of the Secured Parties (as hereinafter defined) as follows:

SECTION 1 GRANT OF SECURITY

(1) Each Grantor hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest and a security interest is taken in such Grantor's right, title and interest in and to all of such Grantor's present and future undertaking and property (collectively, the "**Collateral**") including, without limitation, all its present and after acquired personal property and 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, *provided*, *however*, that notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under this Section 1 hereof attach to: (A) any deposit account for taxes, payroll, employee benefits or similar items and any other account or financial asset in which such security interest would be unlawful or in violation of any Plan or employee benefit agreement, (B) subject to Section 3(b), any lease, license, contract, or agreement or other property right ("**Contractual Rights**"), to which any Grantor is a party or of any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in: (x) the abandonment, invalidation, unenforceability or other impairment of any right, title or interest of any Grantor therein, or (y) in a breach or termination pursuant to the terms of, or a default under, any such Contractual Rights, (C) any real property or fixture, or (D) the last day of the term of any lease or any agreement therefor now held or hereafter acquired by a Grantor, but should the Agent enforce its security interest therein the Grantor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of such security interest, or (E) any capital stock or assets of 1680382 Ontario Limited:

(a) all equipment in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all fixtures), all parts thereof and all accessions thereto and all other tangible personal property which is not Inventory (as hereafter defined) or consumer goods (any and all such property being the "**Equipment**");

(b) all inventory in all of its forms, including, without limitation, (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, without limitation, 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 (any and all such property being the "**Inventory**");

(c) all accounts, instruments (including, without limitation, promissory notes), deposit accounts, chattel paper, general intangibles (including, without limitation, 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 (f), (g) or (h) 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**");

(d) all chattel paper, warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(e) all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(f) 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 shares of stock and other equity interests from time to time acquired by such Grantor in any manner of each Subsidiary of such Grantor (other than 1680382 Ontario Limited) (such shares and other equity interests, together with the Initial Pledged Equity, being the "**Pledged Equity**"), and the certificates, if any, representing such additional shares or other 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 shares or other 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 or futures contracts carried in a securities account or commodity or futures account, all security entitlements with respect to all financial assets from time to time credited to the Pledged Deposit Accounts and 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, without limitation, all (A) securities, whether certificated or uncertificated, (B) security entitlements, (C) securities accounts, (D) commodity or futures contracts and (E) commodity or futures 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**");

(g) each Hedge 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, without limitation, (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 guarantee 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**");

(h) the following (collectively, the "**Account Collateral**"):

(i) the Pledged Deposit Accounts and all funds and financial assets from time to time credited thereto (including, without limitation, all Cash Equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Pledged Deposit Accounts;

(ii) all promissory notes, certificates of deposit, cheques 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

(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;

(i) 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, 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, without limitation, copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered ("**Copyrights**"); all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, 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, without limitation, industrial designs and integrated circuit topographies;

(iv) all registrations and applications for registration for any of the foregoing, including, without limitation, those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(v) all agreements, licenses and covenants providing for the granting of any right in or to 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;

(j) 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, without limitation, proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (i) 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

(k) all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 1 and all contracts, instruments and other rights and benefits in respect thereof and all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 1.

(2) Each of the Grantors acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the security interests granted hereby, (iv) the security interests granted hereby in Collateral in which it acquires an interest after the execution of this Agreement attach when it acquires such interest, and (v) it has received a duplicate copy of this Agreement.

SECTION 2 SECURITY FOR OBLIGATIONS

This Agreement secures, in the case of each Grantor, the payment and performance of all obligations of such Grantor and the Subsidiaries of the Company now or hereafter existing under (a) the Loan Documents, and (b) to the extent constituting Canadian Obligations, the Canadian Secured Agreements, 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 Canadian Secured Parties (collectively, the "**Secured Parties**"); *provided* that the Secured Obligations shall not include any such obligations of any US Guarantor. 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 or Canadian Secured Agreements but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, insolvency, reorganization or similar proceeding involving any of the Loan Parties and other Subsidiaries of the Company.

SECTION 3 GRANTORS REMAIN LIABLE

(a) 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.

(b) With respect to any Contractual Rights of any Grantor not subject to the security interest granted herein as provided in Section 1(c), such Grantor shall hold its interest in such Contractual Rights in trust for the Agent and will assign such Contractual Rights to the Agent on behalf of the Secured Parties forthwith upon obtaining the consent of the other party thereto. Each Grantor agrees that it will, upon the request of the Agent, following the occurrence and during the continuance of an Event of Default, use its reasonable best efforts to obtain any consent required to permit any Contractual Rights to be subjected to the security interest granted herein.

SECTIONDELIVERY AND CONTROL OF SECURITY COLLATERAL
4

(a) All certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered (provided, that in the case of any such certificates or instruments owned by the Grantors as of the Effective Date, such certificates or instruments shall be delivered within 60 days following the Closing Date (except as otherwise specified on Schedule 5.01(m) of the Credit Agreement) or in each case prior to such later date as the Agent shall agree in its discretion) following the date of this Agreement 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 (x) prohibited by applicable law or (y) subject to certain corporate actions by the holders or issuers of Initial Pledged Equity which have not occurred as of the Effective Date and governmental approvals or consents to pledge or transfer with respect to the issuers of Pledged Equity which have not yet been obtained as to which Grantor shall use commercially reasonable efforts to complete as soon as practicable after the date hereof.

(b) With respect to any Security Collateral representing interests in Subsidiaries in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will use commercially reasonable efforts to cause the issuer thereof to agree in an authenticated record with such Grantor and the Agent that, upon notice from the Agent that an Event of Default has occurred and is continuing, such issuer will comply with instructions with respect to such Security Collateral originated by the Agent without further consent of such Grantor, such authenticated record to be in form and substance reasonably satisfactory to the Agent. Upon the request of the Agent upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of Security Collateral as provided in Section 4(e) below.

(c) With respect to any securities or commodity or futures account, any Security Collateral that constitutes a security entitlement as to which the financial institution acting as Agent hereunder is not the securities intermediary, upon the request of the Agent upon the occurrence and during the continuance of an Event of Default the relevant Grantor will use its commercially reasonable efforts to cause the securities intermediary with respect to such security or commodity or futures account or security entitlement to identify in its records the Agent as the entitlement holder thereof.

(d) Upon the request of the Agent 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 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 or futures account.

(e) Upon the request of the Agent 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 MAINTAINING THE ACCOUNT COLLATERAL

So long as any Loan or any other payment obligation of any Loan Party of which the Borrower has notice under any Loan Document shall remain unpaid, or any Lender shall have any Commitment:

(a) Each Grantor will enter into an agreement with the financial institution holding a Pledged Deposit Account pursuant to which such financial institution shall agree with such Grantor and the Agent to, upon notice from the Agent upon the occurrence and during the continuance of an Event of Default, comply with instructions originated by the Agent directing the disposition of funds in such deposit account without the further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Agent (a "**Deposit Account Control Agreement**"), and, upon the occurrence and during the continuance of an Event of Default, instruct each Person obligated at any time to make any payment to such Grantor for any reason (an "**Obligor**") to make such payment to such a Pledged Deposit Account.

(b) The Agent may, at any time and without notice to, or consent from, the Grantor, transfer, or direct the transfer of, funds from the Pledged Deposit Accounts to satisfy the Grantor's obligations under the Loan Documents if an Event of Default shall have occurred and be continuing. As soon as reasonably practicable after

any such transfer, the Agent agrees to give written notice thereof to the applicable Grantor.

SECTION 6 REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants as follows:

(a) Such Grantor's exact legal name, place of business, chief executive office, each jurisdiction in which it has tangible personal property, type of organization and jurisdiction of formation as of the date hereof is set forth in Schedule V hereto.

(b) Such Grantor is the legal and beneficial owner of the Collateral granted or purported to be granted by it 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. 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, has been filed in favour of the Agent relating to the Loan Documents or is otherwise permitted under the Credit Agreement.

(c) All Equipment of such Grantor having a value in excess of $5,000,000 and Inventory of such Grantor having a value in excess of $5,000,000 as of the date hereof is located at the places specified therefor in Schedule VIII and Schedule IX hereto, respectively. Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(d) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of $5,000,000 that has not been delivered to the Agent. All Receivables or Agreement Collateral valued in excess of $5,000,000 is listed on Schedule III attached hereto.

(e) All Security Collateral consisting of certificated securities and instruments with an aggregate fair market value in excess of $5,000,000 for all such Security Collateral of the Grantors has been delivered to the Agent in accordance with the time periods set forth in Section 4(a).

(f) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(g) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non assessable. The Pledged Debt pledged by such Grantor hereunder (i) has been duly authorized, authenticated or issued and delivered, (ii) is the legal, valid and binding obligation of the issuers thereof, (iii) if evidenced by any promissory note, such promissory note has been delivered to the Agent in accordance with the time periods set forth in Section 4(a), and (iv) is not in default.

(h) The Initial Pledged Equity pledged by such Grantor constitutes, as of the date hereof, 100% of the issued and outstanding equity interests of the issuers thereof indicated on Part I of Schedule I hereto. The Initial Pledged Debt constitutes all of the outstanding Debt for Borrowed Money owed to such Grantor by the issuers thereof as indicated on Part II of Schedule I hereof.

(i) Such Grantor has no Investment Property with a market value in excess of $5,000,000 as of the date hereof, other than the Investment Property listed on Part III of Schedule I hereto.

(j) 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.

(k) Such Grantor has no material deposit accounts subject to the grant or security in Section 1 of this Agreement as of the date hereof, other than the Pledged Deposit Accounts listed on Schedule II hereto.

(l) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of $5,000,000 and issued by a United States or Canadian financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(m) This Agreement creates in favour 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) federal registration which may be necessary to perfect the Agent's security interest with respect to Collateral consisting of vessels, rolling stock 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; provided however, that the Agent will receive a security interest, but not a first priority security interest, in (1) Collateral subject to Liens permitted by the terms of the Credit Agreement which rank in priority to the security interest granted herein and (2) other Collateral to the extent consented to by the Agent and approved by the Required Lenders (collectively, the "**Specified Collateral**").

(n) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body 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 the

first priority nature of such security interest in Collateral other than the Specified Collateral), except for (A) the filing of financing statements and financing change statements under the PPSA, which financing statements or financing change statements, as the case may be, have been duly filed and are in full force and effect, (B) certain corporate actions by the holders or issuers of non-US Initial Pledged Equity which have not occurred as of the Effective Date, necessary to transfer or assign, (C) the actions described in Section 4 with respect to the Security Collateral, (D) federal filings which may be necessary in respect of vessels, rolling stock or aircraft, 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.

(o) 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.

(p) As to itself and its Intellectual Property Collateral:

(i) Except as set forth on Schedule IV hereto, to the knowledge of such Grantor, neither the operation of such Grantor's business nor the use of the Intellectual Property Collateral by such Grantor in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any third party, except, in each case, as are not reasonably 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 hereto with respect to co-ownership of certain Patents, and except for such failures to have exclusive ownership that are not reasonably expected to have a Material Adverse Effect.

(iii) The Intellectual Property Collateral set forth on Schedule IV 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 such Grantor, are valid and enforceable, except to the extent such Grantor has ceased use of any such registered Trademarks, and except, in each case, as are not reasonably expected 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 in full force and effect and protect its interest in each and every material item of Intellectual Property Collateral owned by such Grantor that is registered or the subject of an application for registration.

(vi) Except as set forth in Schedule IV hereto, no claim has been asserted and is pending or, to the knowledge of such Grantor, threatened by any Person challenging the use of any Intellectual Property Collateral by a Grantor or the validity or enforceability of any such Intellectual Property Collateral, nor does such Grantor know of any valid basis for any such claim, except, in either case, for such claims that individually or 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 material impairment of any of the Intellectual Property Collateral.

(vii) Except as set forth on Schedule IV hereto, with respect to each material IP Agreement: (A) to the knowledge of such Grantor, 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, to the knowledge of such Grantor, 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) Such Grantor has used commercially reasonable efforts to maintain the confidentiality of the Trade Secrets of such Grantor and to protect such Trade Secrets from unauthorized use, disclosure or appropriation and no such Trade Secrets have been disclosed by such Grantor other than to employees, representatives, agents, consultants and contractors of such Grantor or other Persons, all of whom are bound by written confidentiality agreements.

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; (ii) 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 endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Agent; (iii) file such financing 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) at the request of the Agent, take all action to ensure that the Agent's security interest is noted on any certificate of title related to any Collateral evidenced by a certificate of title; 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 statements, and amendments thereto, including, without limitation, 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 Canada other than any real property or fixtures, regardless of whether any particular asset described in such financing statements falls within the scope of the PPSA. 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 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 $5,000,000 and Inventory having a value in excess of $5,000,000 (other than Inventory sold in the ordinary course of business) at the places therefor specified in Schedule VIII and Schedule IX, respectively, or, upon 30 days' prior written notice to the Agent (or lesser time as may be agreed by the Agent), at such other places designated by such Grantor in such notice.

(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, without limitation, 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, at its own expense, maintain or cause to be maintained, insurance with respect to its Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be customary for similar businesses of the size and scope of the Borrower on a consolidated basis, provided however that the Grantor 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, except for losses of less than $12,500,000 per occurrence, to be paid in accordance with the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Agent. So long as no Event of Default shall have occurred and be continuing, all property damage insurance payments received by the Agent in connection with any loss, damage or destruction of Inventory will be released by the Agent to the applicable Grantor. 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 there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto, (iii) provide that 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(g) and cause the insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 9 may be paid directly to the Person who shall have incurred damages covered by such insurance. 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)(v) of the Credit Agreement.

(c) So long as no Event of Default shall have occurred and be continuing, all insurance payments received by the Agent in connection with any loss, damage or destruction of any Inventory or Equipment will be released by the Agent to the applicable Grantor. Upon the occurrence and during the continuance of any Event of Default, all insurance payments in respect of such Equipment or Inventory shall be paid to the Agent and shall, in the Agent's sole discretion, (i) be released to the applicable Grantor for the repair, replacement or restoration thereof, (ii) be held as additional Collateral hereunder or applied as specified in Section 19(o) or (iii) be released to the Agent Sweep Account and applied as provided in Section 2.18(h) of the Credit Agreement.

SECTION 10 POST-CLOSING CHANGES; COLLECTIONS ON ASSIGNED AGREEMENTS AND RECEIVABLES

(a) No Grantor will change its name, place of business, chief executive office, type of organization, jurisdiction of formation or jurisdiction in which it has tangible personal property from those set forth in Schedule V of this Agreement without first giving at least 15 Business Days prior written notice to the Agent, or such lesser period of time as agreed by the Agent, and taking 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, without limitation, 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 Credit Agreement.

(b) Except as otherwise provided in this subsection (b), each Grantor will continue to collect, at its own expense, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, such Grantor may take (and, at the Agent's direction, will take) such action as such Grantor or the Agent may deem necessary or advisable to enforce collection of the Assigned Agreements and Receivables; *provided*, *however*, 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. 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, without limitation, 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 endorsement) to be deposited in the Agent Sweep Account in Canada and either (A) released to such Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 19(o) of this Agreement or as provided in Section 2.18(h) of 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.

SECTION 11 AS TO INTELLECTUAL PROPERTY COLLATERAL

(a) With respect to each item of its Intellectual Property Collateral material to the business of the Grantors, each Grantor agrees to take, at its expense, all commercially reasonable steps as determined in Grantor's reasonable discretion, including, without limitation, in the Canadian Intellectual Property Office and any other governmental authority, to (i) maintain 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, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the Canadian Intellectual Property Office or other governmental authorities, the filing of applications for renewal or extension, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings initiated by third parties, in each case except where the failure to so file, register, maintain or participate 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 or otherwise abandon any such material Intellectual Property Collateral, or abandon any right to file an application for patent, trademark, or copyright, unless such Grantor shall have reasonably determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer reasonably necessary or desirable in the conduct of such Grantor's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide, annually to the Agent an updated Schedule of its Patents, Trademarks and registered Copyrights.

(c) In the event that any Grantor becomes aware that any item of the Intellectual Property Collateral is being infringed, misappropriated or otherwise violated by a third party in any material respect, 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, without limitation, suing for infringement, misappropriation or other violation and for an injunction against such infringement, misappropriation or other violation.

(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, without limitation, taking all reasonable steps which it deems appropriate under the circumstances to maintain substantially the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking all reasonable steps which it deems appropriate under the circumstances to ensure that all licensed users of any of the 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 Canadian Intellectual Property Office and any other governmental authorities necessary to register, file or record the security interest hereunder in such Intellectual Property Collateral.

(f) Each entity which executes a Canadian Security Agreement Supplement (as hereinafter defined) 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**") identifying the Intellectual Property Collateral pledged by such Grantor, which IP Security Agreement Supplement shall be recorded with the Canadian Intellectual Property Office and any other

governmental authorities necessary to register, file or record the security interest hereunder in such Intellectual Property Collateral.

SECTION 12 VOTING RIGHTS; DIVIDENDS; ETC.

(a) So long as no Default under Section 6.01(a) or (e) of the Credit Agreement 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*, *however*, 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 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 endorsement).

(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 a Default under Section 6.01(a) or (e) of the Credit Agreement:

(i) All rights of each Grantor (x) 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 (y) 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 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 endorsement).

SECTION 13 AS TO THE ASSIGNED AGREEMENTS

(a) Each Grantor will at its expense:

(i) perform and observe 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 judgement, 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 in excess of $25,000,000 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 Section 5 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(o).

SECTION 14 AS TO LETTER-OF-CREDIT RIGHTS

(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, 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 $5,000,000 and each nominated person (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.

SECTION 15 TRANSFERS AND OTHER LIENS; ADDITIONAL SHARES

(a) Each Grantor agrees that it will not (i) sell, assign or dispose of Collateral except as 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, upon the occurrence and during the continuance of an Event of Default, 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, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 9,

(b) 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) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above, and

(d) 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.

The powers granted to the Agent under this Section 16 are coupled with an interest and are irrevocable until the security interest granted hereunder is released and this Agreement is terminated in accordance with Section 24.

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 Grantor with a copy to the Company at least five Business Days in advance and if any Grantor 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 20.

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 branches (or, with the consent of the Borrower, 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 ratable 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

(1) If any Event of Default shall have occurred and be continuing:

(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 PPSA, Civil Code of Quebec or UCC (whether or not any of the PPSA, the Civil Code of Quebec or UCC applies to the affected Collateral);

(b) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 19 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Agent" when used in this Section 19 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Agent will not be in any way responsible for any misconduct or negligence of any such Receiver;

(c) the Agent may take possession of the Collateral and require the Grantors to assemble the Collateral and deliver or make the Collateral available to the Agent at such place or places as may be specified by the Agent;

(d) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(e) the Agent may enforce any rights of the Grantors in respect of the Collateral by any manner permitted by applicable law;

(f) the Agent may withdraw, or cause the direct withdrawal, of all funds with respect to the Account Collateral;

(g) the Agent may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Grantors unless required by law and no person dealing with the Agent or its servants shall be concerned to inquire whether the security hereby constituted has become enforceable, whether the powers which the Agent is purporting to

exercise have become exercisable, whether any money remains due on the security of the Collateral, as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease or disposition shall be made, otherwise as to the propriety or regularity of any sale or any other dealing by the Agent with the Collateral or to see to the application of any money paid to the Agent;

(h) the Agent may carry on, or concur in the carrying on of, all or any part of the business or undertaking of any Grantor, may, to the exclusion of all others, including such Grantor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by such Grantor and may use all or any of the tools, machinery, equipment and intangibles of such Grantor for such time as the Agent sees fit, free of charge, to carry on the business of such Grantor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product;

(i) the Agent may accept the Collateral in satisfaction of the Secured Obligations upon notice to the Grantors of its intention to do so in the manner required by applicable law;

(j) the Agent may, on a non-exclusive basis, occupy any premises owned or leased by any Grantor 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 for rent in respect of such occupation;

(k) the Agent may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Agent hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Agent deems reasonable, will be added to and form part of the Secured Obligations hereby secured;

(l) to the extent permitted by law, the Agent may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Secured Obligations hereby secured;

(m) the Agent may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Grantors, debtors of the Grantors, sureties and others and with the Collateral and other security as the Agent sees fit without prejudice to the liability of the Grantors to the Agent or the Agent's rights hereunder;

(n) the Agent will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Agent, the Grantors or any other person, in respect of the Collateral;

(o) 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 ratable benefit of the Secured Parties against, all or any part of the Secured Obligations, in accordance with Section 6.04 of the Credit Agreement;

(p) 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 endorsement);

(q) 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;

(r) 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, to the extent practicable, tangible embodiments of such Grantor's know-how and expertise, and documents 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; and

(s) 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 Borrower 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 Borrower as a basis for the preparation of the Borrower's financial statements in accordance with GAAP.

SECTIONINDEMNITY AND EXPENSES
20

(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, without limitation, 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, without limitation, enforcement of this Agreement), except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgement 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, without limitation, 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 21 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 Borrower 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 "**Canadian 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 Canadian Security Agreement Supplement.

SECTION 22 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(h)
Additional Grantor	Section 21(b)
Agreement	Preamble
Agreement Collateral	Section 1(g)
Assigned Agreements	Section 1(g)
Borrower	Preamble
Canadian Security Agreement Supplement	Section 21(b)
Collateral	Section 1
Company	Preliminary Statements (1)
Contractual Rights	Section 1
Copyrights	Section 1(i)(iii)
Credit Agreement	Preliminary Statements (1)
Deposit Account Control Agreement	Section 5(a)
Equipment	Section 1(a)
Grantor, Grantors	Preamble
Initial Pledged Debt	Preliminary Statements (2)
Initial Pledged Equity	Preliminary Statements (2)
Intellectual Property Collateral	Section 1(i)
Inventory	Section 1(b)
Investment Property	Section 1(f)(vi)
IP Agreements	Section 1(i)(v)
Obligor	Section 5(a)
Patents	Section 1(i)(i)
Pledged Debt	Section 1(f)(iv)
Pledged Deposit Accounts	Preliminary Statements (3)
Pledged Equity	Section 1(f)(iii)
PPSA	Preliminary Statements (5)
Receivables	Section 1(c)
Receiver	Section 19(b)
Related Contracts	Section 1(c)
Secured Obligations	Section 2
Secured Parties	Section 2
Security Collateral	Section 1(f)
Specified Collateral	Section 6(m)
STA/Recitals	Preliminary Statements (5)
Trademarks	Section 1(i)(ii)
Trade Secrets	Section 1(i)(iii)

SECTION 23 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, and (ii) the Termination Date, (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, without limitation, all or any portion of its Commitments, the Canadian Revolving Loans 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 24 RELEASE; TERMINATION

(a) Upon any sale, lease, transfer or other disposition of any item of Collateral of any Grantor in accordance with the terms of the Loan Documents, the security interests granted under this Agreement by such Grantor in such Collateral shall immediately terminate and automatically be released and Agent will 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, 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, however*, that (i) 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 and a certificate of such Grantor to the effect that the transaction is 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. Upon any such termination, the Agent will, at the applicable Grantor's expense, promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

SECTION 25 CURRENCY REFERENCES

Intentionally Deleted

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 Province of Ontario and the federal laws of Canada applicable therein.

SECTION 28 MARSHALLING

Neither the Agent nor the Secured Parties shall be required to marshal any present or future collateral security (including but not limited to the Collateral for, or other assurance of payment of, the Secured Obligations or any of them) or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising.

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[Remainder of page intentionally left blank]

6 Monogram Place, Suite 200
Toronto, Ontario, M9R 0A1
Facsimile: 416.761.4399
Attention: Legal Department

KODAK CANADA INC.

By: /s/ William G. Love
Name: William G. Love
Title: Assistant Secretary and Assistant Treasurer

CITICORP NORTH AMERICA, INC.
as Agent

By: /s/ Shane V. Azzara
Name: Shane V. Azzara
Title: Director

Schedule I to the

Canadian Security Agreement

INVESTMENT PROPERTY

Part I

Initial Pledged Equity

Grantor	Issuer of Pledged Equity	Class of Equity Interest	Par Value	Certificate No(s)	Total Number of Shares Outstanding	Number of Shares Pledged	Percentage of Outstanding Shares Pledged
None.							

INVESTMENT PROPERTY

Part II

Initial Pledged Debt

Grantor	Debt Issuer	Description of Debt	Final Maturity
Kodak Canada Inc.	Eastman Kodak Company	Intercompany Receivable	Monthly
Kodak Canada Inc.	Kodak Graphic Communications Canada Company	Intercompany Receivable	Monthly
Kodak Canada Inc.	Qualex, Inc. (United States)	Intercompany Receivable	Monthly

INVESTMENT PROPERTY

Part III

Other Investment Property

Grantor	Issuer	Name of Investment	Certificate No(s)	Other Identification
None over $5,000,000				

Schedule II to the

Canadian Security Agreement

PLEDGED DEPOSIT ACCOUNTS

CAD ACCOUNTS

Grantor	Name and Address of Bank	Account Number	Contact Name	Contact Information
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Caisse Populaire Desjardins, 14 Place de Commerce Bureau 150, Verdun, Québec Canada H3E IT5	[*]	[*]	[*]

USD ACCOUNTS

Grantor	Name and Address of Bank	Account Number	Contact Name	Contact Information
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]
Kodak Canada Inc.	Scotiabank, 44 King Street West Toronto, Ontario, Canada M5H 1H1	[*]	[*]	[*]

[*] Certain confidential information contained in this document has been omitted from public filing pursuant to a request for confidential treatment submitted to the U.S. Securities and Exchange Commission. The omitted information, which has been identified with the symbol “[*],” has been filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule III to the

Canadian Security Agreement

RECEIVABLES AND AGREEMENT COLLATERAL

Grantor	Note Payee	Description of Receivable	Amount ($M)	Final Maturity
		None over $5,000,000		

Schedule IV to the

Canadian Security Agreement

INTELLECTUAL PROPERTY

A. Patents

No Patents Held for Sale

No Patents

B. Domain Names and Trademarks

Domain Names:

kodak.ca

kodakgallery.ca

shopkodak.ca

Trademarks – to be provided separately

C. Copyrights

No Copyrights

D. Claims

None

Schedule V to the

Canadian Security Agreement

CHIEF EXECUTIVE OFFICE, TYPE OF ORGANIZATION, JURISDICTION OF ORGANIZATION AND ORGANIZATIONAL IDENTIFICATION NUMBER

Grantor	Location	Chief Executive Office	Type of Organization	Jurisdiction of Organization	Corporation Number
Kodak Canada Inc	Ontario	6 Monogram Place, Suite 200, Toronto, Ontario, M9R 0A1	Corporation	Ontario	001841028

Location of Tangible Personal Property:

4 Place du Commerce, Ste. 100
Montréal, Québec
H3E IJ4

4225 Kincaid St.
Burnaby, British Columbia
V5G 4P5

215 Courtneypark Drive East
Mississauga, Ontario
L5T 2T6

6060 White Hart Lane
Mississauga, Ontario
L5R 3Y4

Schedule VI to the

Canadian Security Agreement

[Reserved]

Schedule VII to the

Canadian Security Agreement

LETTERS OF

CREDIT

Beneficiary (Grantor)	Financial Institution Issuing Letter of Credit	Nominated Person (if any)	Account Party	Number	Maximum Available Amount	Date
None over $5,000,000						

Schedule VIII to the

Canadian Security Agreement

EQUIPMENT LOCATIONS

Grantor	Location
None over $5,000,000	

Schedule IX to the

Canadian Security Agreement

INVENTORY LOCATIONS

Grantor	Location
None over $5,000,000	

Exhibit A to the

Canadian Security Agreement

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 _____, 20_, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favour of Citicorp North America, Inc., as agent (the "**Agent**") for the Secured Parties (as defined in the Canadian Security Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, have entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Citicorp North America, Inc., as 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 making of Canadian Revolving Loans by the Lenders under the Credit Agreement, each Grantor has executed and delivered that certain Canadian Security Agreement dated January 20, 2012, made by the Grantors to the Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Canadian Security Agreement**").

WHEREAS, under the terms of the Canadian Security Agreement, the Grantors have granted to the Agent, for the ratable 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 Canadian Intellectual Property 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 ratable 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**"):

(a) the patents and patent applications set forth in Schedule A hereto;

(b) the trademark and service mark registrations and applications set forth in Schedule B hereto, together with the goodwill symbolized thereby;

(c) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(d) 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;

(e) 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

(f) 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.

SECTIONSECURITY FOR OBLIGATIONS
2

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 and the Canadian Secured Agreements, 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 and the Canadian Secured Agreements 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 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 Canadian 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 Canadian Security Agreement, the terms and provisions of which are incorpoarated 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 Province of Ontario and the laws of Canada applicable therein.

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.

KODAK CANADA INC.

By: _____

Name:
Title:

Address for Notices:

Exhibit B to the

Canadian Security Agreement

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "**IP Security Agreement Supplement**") dated _____, 20__, is made by the Person listed on the signature page hereof (the "**Grantor**") in favor of Citicorp North America, Inc., as agent (the "**Agent**") for the Secured Parties (as defined in the Canadian Security Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, have entered into a Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Citicorp North America, Inc., as 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 Canadian Security Agreement dated January 20, 2012 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 "**Canadian Security Agreement**") and that certain Intellectual Property Security Agreement dated _____, 20__ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**").

WHEREAS, under the terms of the Canadian Security Agreement, the Grantor has granted to the Agent, for the ratable 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 Canadian Intellectual Property 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 ratable 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**"):

(a) the patents and patent applications set forth in Schedule A hereto;

(b) the trademark and service mark registrations and applications set forth in Schedule B hereto, together with the goodwill symbolized thereby;

(c) the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto;

(d) 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;

(e) 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

(f) 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.

SECTIONSECURITY FOR OBLIGATIONS
2

The grant of a security interest in the Additional Collateral by the Grantor under this IP Security Agreement Supplement secures the payment of all Secured Obligations of the Grantor now or hereafter existing under or in respect of the Loan Documents and the Canadian Secured Agreements, 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 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 Canadian 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 Canadian 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 Province of Ontario and the laws of Canada applicable therein.

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:

Exhibit C to the

Canadian Security Agreement

FORM OF CANADIAN SECURITY AGREEMENT SUPPLEMENT

[Date of Canadian Security Agreement Supplement]

Citicorp North America, Inc., as Agent for

the Secured Parties referred to in the

Credit Agreement referred to below

_____

_____

Attn: _____

Kodak Canada Inc.

Ladies and Gentlemen:

Reference is made to (i) the Debtor-in-Possession Credit Agreement dated as of January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among, Eastman Kodak Company, a New Jersey corporation and debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (as defined in the Credit Agreement), and Kodak Canada Inc., an Ontario corporation, as borrowers, the lenders from time to time party thereto, Citicorp North America, Inc., as agent (together with any successor agent appointed pursuant to Article VIII of the Credit Agreement, the "**Agent**"), and (ii) the Canadian Security Agreement dated January 20, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Canadian 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 Canadian Security Agreement and not otherwise defined herein are used herein as defined in the Canadian Security Agreement.

SECTION 1 GRANT OF SECURITY

The undersigned hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest and a security interest is taken in all of its right, title and interest in and to its Collateral, including without limitation 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 and hereinafter, the undersigned's "**Collateral**"): all Equipment, Inventory, Security Collateral (including, without limitation, 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, without limitation, customer lists, credit files, printouts and other computer output materials and records) of the undersigned pertaining to any of the undersigned's Collateral and including without limitation all its present and after acquired personal property, 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, without limitation, 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.

SECTIONSECURITY FOR OBLIGATIONS
2

The grant of a security interest in, the Collateral by the undersigned under this Canadian Security Agreement Supplement and the Canadian Security Agreement secures the payment of all obligations of the undersigned now or hereafter existing under or in respect of the Loan Documents and the Canadian Secured Agreements, 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 Canadian Security Agreement Supplement and the Canadian 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 and the Canadian Secured Agreements 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, location, chief executive office, the jurisdiction in which it has tangible personal property, type of organization, jurisdiction of organization and organizational identification number is set forth in Schedule D hereto.

(b) All Equipment having a value in excess of $5,000,000 and all Inventory having a value in excess of $5,000,000 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 Canadian Security Agreement with respect to itself and the Collateral granted by it.

SECTION 4 OBLIGATIONS UNDER THE CANADIAN 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 Canadian 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 Canadian 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 Canadian Security Agreement to a Schedule shall also mean and be a reference to the schedules attached hereto.

SECTION 5 GOVERNING LAW

This Canadian Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.[1]

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

By: _____

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.

Exhibit (4.26)

EXECUTION COPY

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "**Agreement**") dated as of January 20, 2012 among CITICORP NORTH AMERICA, INC., as administrative and collateral agent under the Revolver Facility on behalf of the Revolver Secured Parties (in such capacity, with its successors and assigns, the "**Revolver Agent**") and as administrative and collateral agent under the Term Facility on behalf of the Term Secured Parties (in such capacity, with its successors and assigns, the "**Term Agent**", and in its capacity as Revolver Agent or Term Agent, or both, as the context may require, the "**Agent**"), EASTMAN KODAK COMPANY (the "**Company**") and the Grantors.

WHEREAS, on January 19, 2012 (the "**Petition Date**"), each of the Grantors filed voluntary petitions with the Bankruptcy Court (as such term and each other capitalized term used but not defined in these recitals is defined in Section 1 below) commencing their respective cases that are pending under chapter 11 of the Bankruptcy Code (the "**Cases**") and have continued in the possession of their assets and in the management of their business pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, on January 20, 2012, the Bankruptcy Court entered the Interim Order approving on an interim basis the DIP Credit Agreement, and providing *inter alia*, that (i) the obligations under the Facilities shall constitute allowed senior administrative expense claims against each of the Grantors with priority over any and all administrative expenses, adequate protection claims, diminution claims and all other claims against the Grantors, now existing or hereafter arising, of any kind whatsoever, and (ii) the obligations under the Facilities shall be secured by fully perfected security interests in and Liens upon all pre-and post-petition property of the Grantors, subject to the Carve-Out, whether existing on the Petition Date or thereafter acquired, including any cash and any investments of such cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interest in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, equity interests, and the proceeds of all of the foregoing and, subject only to and effective upon entry of the Final Order, the Avoidance Proceeds (as further defined herein, collectively, the "**Collateral**");

WHEREAS, the respective priorities of the Revolver Facility, the Term Facility and other parties claiming Liens on all or any part of the Collateral are as set forth in the Interim Order and upon entry by the Bankruptcy Court of the Final Order shall be as set forth therein;

WHEREAS, the Company has entered into that certain Debtor-In-Possession Credit Agreement, dated as of January 20, 2012 (the "**DIP Credit Agreement**"), among the Company and Kodak Canada Inc., as borrowers, the lenders party thereto and the Agent, as agent for the lenders;

WHEREAS, concurrently with the entering into of this Agreement, the Grantors and the Agent entered into that certain US Security Agreement securing the obligations of such Grantors in respect of the Term Facility and the Revolver Facility (the "**Security Agreement**");

WHEREAS, the Grantors will from time to time after the date hereof execute and deliver Collateral Documents granting additional Liens securing both the Revolver Facility and the Term Facility;

WHEREAS, the Revolver Secured Parties and the Term Secured Parties have different Lien priorities with respect to the different Types of Collateral that are subject to the Liens granted under the Collateral Documents and the Orders; and

WHEREAS, it is a condition to effectiveness of the DIP Credit Agreement that the parties hereto enter into this Agreement to set forth the relative rights and priorities of the Secured Parties in the different Types of 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 hereto hereby agree as follows:

Section 1 *Definitions*.

1.1 *Defined Terms.* Terms defined in the DIP Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the DIP Credit Agreement. The following terms, as used herein, have the following meanings:

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

"**Avoidance Actions**" shall mean the Grantors' claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code and all Avoidance Proceeds.

"**Avoidance Proceeds**" shall mean all proceeds of any Avoidance Action and property received thereby, unencumbered or otherwise, whether by judgment, settlement, or otherwise.

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

"**Collateral**" means "US Collateral" as that term is defined in the DIP Credit Agreement.

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

"**Default Remedies**" means all rights and remedies of any Secured Party in respect of any Collateral, whether arising pursuant to the DIP Credit Agreement, the Collateral Documents, the Orders or applicable law, the exercise of which is contingent upon default (however defined); *provided, however*, that, prior to the Revolver Discharge Date, the ACH or wire transfer from a Collection Account to an Agent Sweep Account of ledger or available, as applicable, cash receipts shall not constitute a Default Remedy.

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

"**Discharge Date**" means the Revolver Discharge Date or the Term Discharge Date, as the context may require.

"**Facilities**" means, collectively, the Revolver Facility and the Term Facility.

"**Grantors**" means, collectively, the Company and each Affiliate of any the Company which grants a Lien pursuant to any Collateral Document.

"**Insolvency or Liquidation Proceeding**" means (a) any voluntary or involuntary proceeding under any bankruptcy, insolvency or similar law with respect to any Grantor, (b) any voluntary or involuntary appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Grantor or for a substantial part of the property or assets of any Grantor, (c) any voluntary or involuntary winding-up or liquidation of any Grantor, or (d) a general assignment for the benefit of creditors by any Grantor.

"**Junior Obligations**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Term Obligations and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Revolver Obligations.

"**Junior Secured Parties**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Term Secured Parties and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Revolver Secured Parties.

"**Obligations**" means "US Obligations" as that term is defined in the DIP Credit Agreement.

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

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

"**Revolver Collateral**" means all Revolving Credit Facility Collateral in respect of any US Loan Party.

"**Revolver Collateral Enforcement Actions**" has the meaning set forth in Section 4.3(a).

"**Revolver Collateral Processing and Sale Period**" has the meaning set forth in Section 4.3(a).

"**Revolver Discharge Date**" means the date upon which there has been (a) payment in full in cash of the principal of and interest and premium, if any, on all US Revolving Loans, (b) payment in full of all other Revolver Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (which, for avoidance of doubt, does not include contingent indemnification and similar obligations as to which no claim for payment has at the time been made), (c) cancellation of or the entry into arrangements reasonably satisfactory to the Revolver Agent and the applicable issuing bank with respect to all letters of credit issued and outstanding under the Revolver Facility, (d) with respect to all US Obligations in respect of US Secured Agreements not yet due and payable, the entry into arrangements reasonably satisfactory to the holders of such obligations with respect thereto and (e) termination or expiration of all commitments to lend and all obligations to issue or extend letters of credit under the Revolver Facility.

"**Revolver Facility**" means "US Revolving Credit Facility" as that term is defined in the DIP Credit Agreement.

"**Revolver Obligations**" means all US Obligations arising under the Loan Documents in connection with the Revolver Facility or under the US Secured Agreements.

"**Revolver Secured Party**" means the Revolver Agent and each other holder of a Revolver Obligation.

"**Secured Obligations**" means the Revolver Obligations and the Term Obligations.

"**Secured Parties**" means the Revolver Secured Parties and the Term Secured Parties.

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

"**Senior Obligations**" means (i) with respect to any Revolver Collateral of any of the Grantors, the Revolver Obligations and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Term Obligations.

"**Senior Secured Parties**" means (i) with respect to any Revolver Collateral of the Grantors, the Revolver Secured Parties and (ii) with respect to any Term Facility Collateral of any of the Grantors, the Term Secured Parties.

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

"**Term Facility Collateral Enforcement Action Notice**" has the meaning set forth in Section 4.3(a).

"**Term Facility Collateral Enforcement Actions**" has the meaning set forth in Section 4.3(a).

"**Term Discharge Date**" means the date upon which there has been (a) payment in full in cash of the principal of and interest and premium, if any, on all Term Loans, (b) payment in full of all other Term Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (which, for avoidance of doubt, does not include contingent indemnification and similar obligations as to which no claim for payment has at the time been made), and (c) termination or expiration of all commitments to lend under the Term Facility.

"**Term Obligations**" means all Obligations arising under the Loan Documents in connection with the Term Facility.

"**Term Secured Party**" means the Term Agent and any holder from time to time of Term Obligations, in their capacity as such.

"**Type**" means either (i) Revolver Collateral or (ii) Term Facility Collateral, as the case may be.

1.2 *Terms Generally.* The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (but subject to Section 7.1), (1) any reference herein to any Person shall be construed to include such Person's successors and assigns, (2) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (3) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (4) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2 *Priorities.*

2.1 *Lien Priorities.* Each of the Secured Parties hereby covenants and agrees that:

(a) Any and all Liens securing Junior Obligations with respect to Collateral of the applicable Type now existing or hereafter created or arising, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, are expressly junior to any and all Liens securing Senior Obligations with respect to such Collateral now existing or hereafter created or arising, notwithstanding (1) anything to the contrary contained in any agreement or filing to which any 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 and (2) any provision of the UCC or any applicable law or any other circumstance whatsoever.

(b) Each Junior Secured Party, and the Agent in its capacity as administrative agent for any Junior Secured Parties (i) shall be deemed to have consented to any sale by the Agent for the Senior Secured Parties, upon exercise of its Default Remedies, of any Collateral of the Type as to which the selling Agent represents the holders of Senior Obligations and (ii) agrees that without the consent of the Agent for the Senior Secured Parties, it will not use or apply all or any part of the Junior Obligations to bidding on, or making settlement or payment for any Collateral of the Type as to which it is holder of Junior Obligations, unless the Senior Obligations are paid in full in cash. It is understood that nothing in this clause (b) is intended to prohibit any Junior Secured Party from exercising any rights expressly granted to it under this Agreement.

(c) (i) Each Revolver Secured Party agrees that until the Term Discharge Date shall have occurred, it shall not exercise any Default Remedy, direct or indirect, against any Term Facility Collateral without the prior written consent of the Term Agent and (ii) each Term Secured Party agrees that until the Revolver Discharge Date shall have occurred, it shall not exercise any Default Remedy, direct or indirect, against any Revolver Collateral without the prior written consent of the Revolver Agent.

(d) It is understood that Sections 2.1(c) and (d) do not restrict the following:

(i) in any Insolvency or Liquidation Proceeding commenced by or against any Grantor, the Agent for the Junior Secured Parties may file a claim or statement of interest with respect to the Collateral of the Type which it holds on their behalf;

(ii) the Agent for the Junior Secured Parties may take any action (not adverse to the prior Liens securing the Senior Obligations, or the rights of the Agent for the Senior Secured Parties or the Senior Secured Parties to exercise remedies in respect thereof) in order to preserve, perfect or protect its Lien on the Collateral which it holds on behalf of the Junior Secured Parties;

(iii) the Junior Secured Parties 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 Junior Secured Parties, including without limitation any claims on account of Senior Obligations secured by the applicable Type of Collateral, if any, in each case in accordance with the terms of this Agreement; and

(iv) the Junior Secured Parties 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 in accordance with the terms of this Agreement.

2.2 *Prohibition on Contesting Liens.* Each of the Revolver Agent, for itself and on behalf of the Revolver Secured Parties, and the Term Agent, for itself and on behalf of the Term Secured Parties, agrees that it will not, and hereby waives any right to, contest or support any other person in contesting, in any proceeding, the priority, validity or enforceability of any Lien securing Term Obligations or any Lien securing Revolver Obligations, as the case may be; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the Agent or any other Secured Party to enforce this Agreement.

2.3 No New Liens. The parties hereto agree that, so long as the repayment in full in cash of the Senior Obligations has not occurred (and, in the case of Senior Obligations in respect of letters of credit and US Secured Agreements, the lack of arrangements with respect thereto reasonably satisfactory to the applicable issuing bank or holder thereof, as appropriate), none of the Grantors shall, nor shall permit any of its subsidiaries to, (a) grant or permit any additional Liens on any asset to secure any Junior Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Senior Obligations or (b) grant or permit any additional Liens on any asset to secure any Senior Obligations unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Junior Obligations, with each such Lien to be subject to the provisions of this Agreement. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other right or remedy available to the Secured Parties, the Secured Party to whom such Lien shall have been granted shall, without the need for any further consent of any party to any Loan Document and notwithstanding anything to the contrary in any other Loan Document, be deemed to hold and have held such Lien for the benefit of all Secured Parties as security for all Secured Obligations, subject to the priorities set forth in Section 2.1.

2.4 *Automatic Release of Liens Securing Junior Obligations.* If, in connection with the enforcement or exercise of any Default Remedies with respect to the Collateral, including any Disposition of Collateral, the Agent for the Senior Secured Parties, for itself and on behalf of the Senior Secured Parties, releases any of the Liens securing Senior Obligations, the Liens securing Junior Obligations on such Collateral (but not in any proceeds thereof), shall be automatically, unconditionally and simultaneously released, and the Agent for the Junior Secured Parties shall, for itself and on behalf of the other Junior Secured Parties, promptly execute and deliver to the Agent for the Senior Secured Parties (or to another Person upon the instruction of such Agent) such termination statements, releases and other documents as the Agent for the Senior Secured Parties may reasonably request to effectively confirm such release.

2.5 *Nature of Revolver Obligations; Priority Not Affected*. The Term Agent, on behalf of itself and the Term Secured Parties, acknowledges that the Revolver Obligations are revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be repaid and reborrowed without affecting the provisions hereof. The priorities provided in Section 2.1 shall not be altered or otherwise affected by any amendment, modification, supplement or extension of any Secured Obligation, in each case that is permitted under this Agreement, or by repayment and reborrowing under the Revolver Facility.

2.6 *Agreements Regarding Actions to Perfect Liens; Turnover of Collateral*. The Agent 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 UCC) over Collateral, such possession or control is for the benefit of all of the Secured Parties. Upon the applicable Discharge Date, the Revolver Agent (in the case of the Revolver Discharge Date) or the Term Agent (in the case of the Term Discharge Date) shall take such steps, and execute such documents, agreements and instruments, as the Agent representing the Junior Secured Parties may reasonably request to deliver physical possession or control of the applicable Collateral to such Agent.

2.7 *Reinstatement*. If, in any Insolvency or Liquidation Proceeding or otherwise, all or part of any payment with respect to the Senior Obligations or Junior Obligations previously made shall be rescinded for any reason whatsoever, then the Senior Obligations or Junior Obligations, as applicable, shall be reinstated to the extent of the amount so rescinded and, if theretofore terminated, this Agreement shall be reinstated in full force and effect and such prior termination shall not diminish, release, discharge, impair or otherwise affect the Lien priorities and the relative rights and obligations of the Senior Secured Parties and the Junior Secured Parties provided for herein.

Section 3 *Enforcement Rights*.

3.1 *No Additional Rights for the Grantors Hereunder*. 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 such Secured Party; *provided*, *however*, that no Grantor shall have any liability to any Secured Party or the Agent as a result of any such violation of the terms of this Agreement by any Secured Party or Agent. Except to the extent expressly set forth in this Agreement, each Grantor shall retain all of its rights and remedies under the Loan Documents and any defense otherwise available to it in any action by any Secured Party.

3.2 *Cooperation*. Subject to Section 2.1(d), the Agent, on behalf of itself and in its capacity as administrative agent for each applicable Junior Secured Party, agrees that, unless and until the Discharge Date with respect to the Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Agent for the Senior Secured Parties upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Collateral or any other collateral under any of the applicable Collateral Documents or otherwise in respect of the applicable Junior Obligations relating to the Collateral.

3.3 *Actions Upon Breach*.

(a) If any Junior Secured Party with respect to a certain Type of Collateral (or any agent or other representative thereof) commences or participates in any action or proceeding with respect to the Collateral in violation of this Agreement, any Senior Secured Party with respect to that same Type of Collateral may intervene and interpose as a defense or dilatory plea, in its name or in the name of one or more of the Grantors, the making of this Agreement.

(b) Should any Junior Secured Party with respect to a certain Type of Collateral (or any agent or other representative thereof) in any way take, attempt to or threaten to take any action with respect to the Collateral (including any attempt to enforce any remedy on the Collateral) in violation of this Agreement, or fail to take any action required by this Agreement, any Senior Secured Party with respect to that same Type of Collateral (in its or their own name or in the name of one or more of the Grantors) may obtain relief against such Junior Secured Party or agent or other representative thereof, by injunction, specific performance and/or other appropriate equitable relief.

Section 4 *Cooperation with Respect to Revolver Collateral*

4.1 *Consent to License to Use Intellectual Property*. The Term Agent (and any purchaser, assignee or transferee of assets as provided in Section 4.3) (a) consents (without any representation, warranty or obligation whatsoever) to the grant by any Grantor to the Revolver Agent of a non-exclusive royalty-free license to use during the Revolver Collateral Processing and Sale Period any Patent, Trademark or proprietary information of such Grantor that is subject to a Lien held by the Term Agent (or any Patent, Trademark or proprietary information 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 Revolver Agent a non-exclusive royalty-free license to use during the Revolver Collateral Processing and Sale Period any Patent, Trademark or proprietary information that is subject to a Lien held by the Term Agent (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 Revolver Agent upon any inventory or other Revolver Collateral of any Grantor and to the extent the use of such Patent, Trademark or proprietary information is necessary or appropriate, in the good faith opinion of the Revolver Agent, to process, ship, produce, store, complete, supply, lease, sell or otherwise dispose of any such inventory in any lawful manner.

4.2 *Access to Information.* If the Term Agent takes actual possession of any documentation 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 Term Agent), then upon request of the Revolver Agent and reasonable advance notice, the Term Agent will permit the Revolver Agent or its representative to inspect and copy such documentation if and to the extent the Revolver Agent certifies to the Term Agents that:

(a) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of the Revolver Agent, to the enforcement of the Revolver Agent's Liens upon any Revolver Collateral; and

(b) the Revolver Agent and the Revolver 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.

4.3 *Access to Property to Process and Sell Inventory*.

(a) (1) If the Revolver Agent commences any action or proceeding with respect to any of its rights or remedies (including, but not limited to, any action of foreclosure), enforcement, collection or execution with respect to the Revolver Collateral ("Revolver Collateral Enforcement Actions") or if the Term Agent commence any action or proceeding with respect to any of its rights or remedies (including any action of foreclosure), enforcement, collection or execution with respect to the Term Facility Collateral and the Term Agent (or a purchaser at a foreclosure sale conducted in foreclosure of the Term Agent's Liens) takes actual or constructive possession of Term Facility Collateral of any Grantor ("Term Facility Collateral Enforcement Actions"), then the Term Secured Parties and the Term Agent shall (subject to, in the case of any Term Facility Collateral Enforcement Action, a prior written request by the Revolver Agent to the Term Agent (the "Term Facility Collateral Enforcement Action Notice")) (x) cooperate with the Revolver Agent (and with its officers, employees, representatives and agents) in its efforts to conduct Revolver Collateral Enforcement Actions in the Revolver 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 Revolver Collateral, (y) not hinder or restrict in any respect the Revolver Agent from conducting Revolver Collateral Enforcement Actions in the Revolver 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 Revolver Collateral, and (z) permit the Revolver Agent, its employees, agents, advisers and representatives, at the cost and expense of the Revolver Secured Parties (but with the Grantors' reimbursement and indemnity obligation with respect thereto, which shall not be limited), to enter upon and use the Term Facility 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 (I) the date of the initial Revolver Facility Collateral Enforcement Action or the date of delivery of the Term Facility Collateral Enforcement Action Notice, as the case may be, and (II) ending on the earlier of the date occurring 180 days thereafter and the date on which all Revolver Collateral (other than Revolver Collateral abandoned by the Revolver Agent in writing) has been removed from the Term Facility Collateral (such period, as the same may be extended with the written consent of the Term Agent as contemplated by the final sentence of this Section 4.3(a)(i), the "Revolver Collateral Processing and Sale Period"), for purposes of:

(a) assembling and storing the Revolver Collateral and completing the processing of and turning into finished goods any Revolver Collateral consisting of work-in-process;

(b) selling any or all of the Revolver Collateral located in or on such Term Facility 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 Revolver Collateral located in or on such Term Facility 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 Term Facility Collateral; and/or

(e) taking reasonable actions to protect, secure, and otherwise enforce the rights or remedies of the Revolver Secured Parties and/or the Revolver Agent (including with respect to any Revolver Collateral Enforcement Actions) in and to the Revolver Collateral;

provided, *however*, that nothing contained in this Agreement shall restrict the rights of the Term Agent from selling, assigning or otherwise transferring any Term Facility Collateral prior to the expiration of such Revolver Collateral Processing and Sale Period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the Revolver Agent and the Revolver Secured Parties) to be bound by the provisions of this Section 4.3 and Section 4.1. If any stay or other order prohibiting the exercise of remedies with respect to the Revolver Collateral has been entered by a court of competent jurisdiction, such Revolver Collateral Processing and Sale Period shall be tolled during the pendency of any such stay or other order. The Term Agent, upon request by the Revolver Agent, may in their sole discretion extend the Revolver Collateral Processing and Sale Period for an additional period of time.

(ii) During the period of actual occupation, use and/or control by the Revolver Secured Parties and/or the Revolver Agent (or their respective employees, agents, advisers and representatives) of any Term Facility Collateral, the Revolver Secured Parties and the Revolver Agent shall be obligated to repair at their expense any physical damage to such Term Facility Collateral resulting from such occupancy, use or control, and to leave such Term Facility 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 Revolver Secured Parties or the Revolver Agent have any liability to the Term Secured Parties and/or to the Term Agent pursuant to this Section 4.3(a) as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Facility Collateral existing prior to the date of the exercise by the Revolver Secured Parties (or the Revolver Agent, as the case may be) of their rights under this Section 4.3(a) and the Revolver Secured Parties shall have no duty or liability to maintain the Term Facility Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the Revolver Secured Parties, or for any diminution in the value of the Term Facility Collateral that results from ordinary wear and tear resulting from the use of the Term Facility Collateral by the Revolver Secured Parties in the manner and for the time periods specified under this Section 4.3(a). Without limiting the rights granted in this Section 4.3(a), the Revolver Secured Parties and the Revolver Agent shall cooperate with the Term Secured Parties and/or the Term Agent in connection with any efforts made by the Term Secured Parties and/or the Term Agent to sell the Term Facility Collateral.

(b) The Term Agent 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 Term Agent and the holders of the Term Obligations, at no cost to the Term Agent or such holders.

The Term Agent (x) shall provide reasonable cooperation to the Revolver Agent in connection with the manufacture, production, completion, handling, removal and sale of any Revolver Collateral by the Revolver Agent as provided above and (y) shall be entitled to receive, from the Revolver Agent, fair compensation and reimbursement for their reasonable costs and expenses incurred in connection with such cooperation, support and assistance to the Revolver Agent. Notwithstanding the foregoing sentence, the Term Agent 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 Lien held by the Revolver Agent or to provide any support, assistance or cooperation to the Revolver Agent in respect thereof.

4.4 *Term Agent's Assurances*. The Term Agent may condition its performance of any obligations set forth in this Section 4 upon its prior receipt (without cost to it) of:

(a) such assurances as it may reasonably request to confirm that the performance of such obligation and all activities of the Revolver Agent or its officers, employees and agents in connection therewith or incidental thereto:

(i) will be permitted, lawful and enforceable under applicable law; and

(ii) will not impose upon the Term Agent (or any Term Secured Party) any legal duty, legal liability, expense or risk of uninsured loss; and

(b) such indemnity, security and insurance as the Term Agent may reasonably request in connection therewith.

4.5 *Grantor Consent*. The Company and the other Grantors consent to the performance by the Term Agent of its obligations set forth in this Section 4 and acknowledge and agree that neither the Term Agent (nor any holder of Term Obligations) shall ever be accountable or liable for any action taken or omitted by the Revolver Agent or any Revolver Secured Party or its or any of their officers, employees, agents successors or assigns in connection therewith or incidental thereto or in consequence thereof, including any improper use or disclosure of any proprietary information or other intellectual property by the Revolver Agent or any Revolver 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 the Revolver Agent or its officers, employees, agents, successors or assigns.

Section 5 *Application of Proceeds of Collateral.* All cash proceeds received by the Agent in respect of any exercise of Default Remedies with respect to all or any part of the Collateral shall promptly be applied to the Secured Obligations in accordance with the following order of priority:

First: to the Agent for the Senior Secured Parties with respect to such Collateral, to be applied to the expenses of such sale or other realization of Collateral, including reasonable compensation to agents of and counsel for such Agent, and all expenses, liabilities and advances incurred or made by such Agent in connection therewith;

Second: to such Agent to be applied to the repayment of Senior Obligations then outstanding with respect to such Collateral whether or not then due and payable (including without limitation amounts required to cash collateralize undrawn letters of credit and other contingent obligations then outstanding that are Senior Obligations, if any, in accordance with the terms of the DIP Credit Agreement) until the Senior Obligations with respect to such Collateral are repaid in full;

Third: to such Agent to be applied to the repayment of the Junior Obligations then outstanding with respect to such Collateral whether or not then due and payable (including without limitation amounts required to cash collateralize undrawn letters of credit and other contingent obligations then outstanding that are Junior Obligations, in accordance with the terms of the DIP Credit Agreement) until the Junior Obligations with respect to such Collateral are repaid in full;

Fourth: any surplus then remaining shall be paid to the applicable Grantor or its successors or assigns or to whomsoever may be lawfully entitled to receive the same.

Any proceeds of Collateral that may be received by any Junior Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Agent for the Senior Secured Parties for the benefit of the Senior Secured Parties, in the same form as received, with any necessary endorsements and each Junior Secured Party hereby authorizes the Agent to make such endorsements as agent for such Junior Secured Party (which authorization, being coupled with an interest, is irrevocable).

Section 6 *Access to Information; No Warranties or Liability*.

6.1 *Access to Information.* If either Agent takes actual possession of any documentation 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 either Agent) identifying or pertaining to the Collateral, then upon request of the other Agent and reasonable advance notice, the Agent in possession thereof will permit the other Agent or its representative to inspect and copy such documentation if and to the extent it certifies that in its reasonable belief:

(a) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of that other Agent, to the enforcement of the Liens upon any Collateral of the Type held by that other Agent; and

(b) the other Agent and the applicable Secured Parties on whose behalf it holds Liens 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.

6.2 *No Warranties or Liability*.

(a) The Term Agent and the Revolver Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any Loan Document.

(b) The Revolver Agent agrees that Term Agent shall have no liability to the Revolver Agent or any Revolver Secured Party, and hereby waives any claim against the Term Agent, arising out of any and all actions which the Term Agent or the Loan Secured Parties may take or permit or omit to take with respect to (i) the Loan Documents (other than this Agreement), (ii) the collection of the Term Obligations or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Term Loan Collateral.

(c) The Term Agent agrees that the Revolver Agent shall have no liability to the Term Agent or any Term Secured Party, and hereby waives any claim against the Revolver Agent, arising out of any and all actions which the Revolver Agent or the Revolver Secured Parties may take or permit or omit to take with respect to (i) the Loan Documents (other than this Agreement), (ii) the collection of the Revolver Obligations or (iii) the maintenance of, the preservation of, the foreclosure upon or the Disposition of any Revolver Collateral.

Section 7 *Miscellaneous*.

7.1 *Matters Relating to Loan Documents*. The Loan Documents may be amended, supplemented, waived or otherwise modified in accordance with their terms; *provided*, *however*, that, without the consent of the Agent, no such amendment, supplement, modification or waiver shall (i) contravene any provision of this Agreement, (ii) increase the aggregate committed amount under the Revolver Facility to an amount greater than the full amount of Revolving Commitments authorized by the Bankruptcy Court in the Final Order plus $50,000,000, or (iii) increase the aggregate principal amount of the Term Loans under the Term Facility to an amount greater than the full amount of Term Loans authorized by the Bankruptcy Court in the Final Order, or permit any Term Loans repaid or prepaid in accordance with the DIP Credit Agreement to be reborrowed.

7.2 *Conflicts*. In the event of any conflict between the provisions of this Agreement and the provisions of any Loan Document, the provisions of this Agreement shall govern.

7.3 *Continuing Nature of Provisions*. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the later of the Revolver Discharge Date and the Term Discharge Date; *provided* the provisions of Section 2.6 hereof shall continue to be effective until all of the obligations to take action on and after the applicable Discharge Date shall be complete. This is a continuing agreement and the 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, Grantors or any other grantors on the faith hereof.

7.4 *Amendments; Waivers*. No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the Agent on behalf of the Secured Parties and to the extent any such amendment or modification shall alter the rights or obligations of any Grantor, the Company.

7.5 *Governing Law.*

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

(b) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT AND, IF THE BANKRUPTCY COURT DOES NOT HAVE (OR ABSTAINS FROM) 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.

(c) 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 (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.02 OF THE DIP CREDIT AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

7.6 *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.

7.7 *Notices*. Unless otherwise specifically provided herein, all notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by facsimile or electronic communication equipment of the sender, or on the date five (5) business days after dispatch by certified or registered mail if mailed.

7.8 *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the 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 Collateral.

7.9 *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.

7.10 *Severability.* If any provision of this Agreement is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions of this Agreement shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Agent and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (ii) the invalidity or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

7.11 *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 of this Agreement by telecopy 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.

7.12 *Provisions Solely to Define Relative Rights*. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Secured Parties. None of the Grantors or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement. Nothing in this Agreement is intended to or shall impair the obligations of the Grantors, which are absolute and unconditional, to pay the Revolver Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

7.13 *Grantor Consent.* By their respective signatures below, the Grantors consent to this Agreement, and accept the benefits of and agree to be bound by the provisions of Sections 2.3, 3.1, 4.5, 5, 6.1 and this Section 7.13. The Company shall cause each future Grantor to execute and deliver to the Agent an instrument setting forth the same consent and agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITICORP NORTH AMERICA, INC., as Revolver Agent
By: /s/ Shane V. Azzara
Name: Shane V. Azzara
Title: Director

CITICORP NORTH AMERICA, INC., as Term Agent
By: /s/ Shane V. Azzara
Name: Shane V. Azzara
Title: Director

The undersigned consent to the foregoing Intercreditor Agreement, and accept the benefits of and agree to be bound by Sections 2.3, 3.1, 4.5, 5, 6.1 and 7.13 thereof.

EASTMAN KODAK COMPANY
EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
FPC INC.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK IMAGING NETWORK, INC.
KODAK PORTUGUESA LIMITED
KODAK REALTY, INC.
LASER-PACIFIC MEDIA CORPORATION
PAKON, INC.
QUALEX INC.

By_/s/ William G. Love_____
Name: William G. Love
Title: Treasurer

CREO MANUFACTURING AMERICA LLC
KODAK AVIATION LEASING LLC

By_/s/ William G. Love_____
Name: William G. Love
Title: Manager

KODAK PHILIPPINES, LTD.
NPEC INC.

By_/s/ William G. Love_____
Name: William G. Love
Title: Assistant Treasurer

***** TEXT OMITTED AND FILED SEPARATELY, CONFIDENTIAL TREATMENT REQUESTED**

Personal and Confidential

October 31, 2011

TO: Laura Quatela
FROM: Robert Berman, Chief Human Resources Officer and Senior Vice President, Eastman Kodak Company
SUBJECT: Special Performance Bonus Plan

Dear Laura:

In recognition of your expanded responsibility in leading the strategic patent portfolio project (Project Komodo), I am pleased to inform you of your eligibility to participate in a one-time Individualized Special Performance Bonus Plan associated with the above project. For purposes of this letter, "Kodak" refers to Eastman Kodak Company, and its related affiliates.

One-time Special Performance Bonus Plan

A. In General

You will be eligible to participate in a one-time individualized special performance bonus plan (the "Bonus Plan"). The purpose of the Bonus Plan is to incent you to achieve certain pre-established goals. Your target award under the plan will be $1,500,000. This amount will also be the maximum award you may receive under the Bonus Plan, subject to the potential application of an early completion incentive as described in paragraph D below. The Executive Compensation and Development Committee of the Board (the "Committee") retains the discretion to award alternative incentive compensation to you in the event that the goals under the Bonus Plan are not achieved, or the payout is determined to be insufficient in recognition of the performance, due to Kodak's decision to pursue an alternative transaction(s) to Project Komodo, including, without limitation, one or more potential patent licensing transactions.

B. Target Performance Goals

"Target performance goals" will be established for the Bonus Plan performance period and set forth in Appendix A to this Agreement. To receive the $1,500,000 target award for the Bonus Plan, it will be necessary for you to achieve 100% of the established "target performance goals" before the end of the Bonus Plan performance period on *** ("Performance Period"). The "target performance goals" will be approved by the Committee. Kodak will provide you with a detailed description of the target performance goals within ninety (90) days of the signing of this agreement by both yourself and the Plan Administrator (as defined in Subsection G), which will mark the start of the performance period.

C. Minimum Performance Goals

If you do not achieve the "target performance goals" for the performance period of the Bonus Plan, you may nevertheless receive a portion of the target award if you achieve "minimum performance goals" (as set forth in Appendix A to this Agreement) before the end of the Bonus Plan performance period on ***, subject to the potential application of a reduction for completion *** as described in paragraph D below. Separate "minimum performance goals" will be approved by the Committee and communicated to you by the Plan Administrator within ninety (90) days of the start of the performance period. The exact amount of the award will be determined pursuant to the payment methodology set forth in Appendix A together with the minimum performance goals.

D. Early Completion Incentive; Incentive Reduction for Completion in the ***

As an additional incentive for the early completion of the target or minimum performance goals, a 25% early completion incentive will be applied to the earned award payment if you achieve at least the minimum performance goals on or before ***. If however, the performance goals are achieved after ***, but on or before ***, there will be a reduction in the earned incentive of up to 25% as described in Appendix A.

E. Continued Employment

Subject to paragraph F below, you will be eligible to receive either a full or partial award under the Bonus Plan unless prior to ***, you terminate your employment with Kodak or Kodak terminates your employment for "cause", as defined in paragraph J below (referred to collectively as a "Disqualification Event"). In the case of a Disqualification Event, you will forfeit its entirety any award earned under the Bonus Plan. If a Disqualification Event occurs after an award under this Bonus Plan has been paid, you agree to repay the net amount of the award. The net amount will be based on the tax year in which you terminate employment with Kodak and will be calculated by Kodak. You also agree, except as prohibited by law, that your obligations to repay Kodak under the terms of this letter may be satisfied by Kodak, at its option with or without prior notice to you, by its set-off against any amounts payable by Kodak to you, including compensation or benefits for or on account of any reason. Kodak will

advise you of any set-off effected under this paragraph. This paragraph shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which Kodak is at any time otherwise entitled (whether by operation of law, contract or otherwise).

F. Termination on Account of Death or Disability

If prior to the closing of the transactions and certification by the Committee of an earned award, and prior to the end of the Performance Period, Kodak terminates your employment on account of your death or "Disability," as defined below, you will receive a pro-rated award. The amount of the pro-rated award will be determined by multiplying the award you would have otherwise earned based on the achievement of the performance goals had you remained employed for the entire Performance Period by a fraction, the numerator of which is the number of days you were employed by Kodak during the Performance Period and the denominator of which is the total number of days in the Performance Period.

G. Administration

Any award under the Bonus Plan will be administered by the Chief Human Resource Officer or comparable position (the "Administrator") as delegated by the Committee in accordance with the terms of this letter agreement. The Administrator will present the Bonus Plan results at the next regularly scheduled Committee meeting that follows the completion of the target or minimum performance goals as defined in Appendix A, or as soon thereafter as is administratively practicable. The Committee will determine whether you have achieved the performance goals and, if so, the amount of payment of the award that will be provided to you. The Administrator, will have complete and exclusive responsibility to control, operate, manage and administer the Bonus Plan in accordance with its terms and all the authority that may be necessary or helpful to enable him/her to discharge his/her responsibilities with respect to the Bonus Plan. Without limiting the generality of the preceding sentence, the Administrator will have the exclusive right to: interpret the Bonus Plan, correct any default, supply any omission, reconcile any inconsistency, and decide all questions arising in the administration, interpretation and application of the Bonus Plan. The Administrator will have full discretionary authority in all matters related to the discharge of his/her responsibilities and the exercise of his/her authority under the Bonus Plan. The Committee will have approval of the construction of the terms of the Bonus Plan and the determination of eligibility for awards under the Bonus Plan. It is the intent of both parties under the Bonus Plan, that the decisions of the Administrator and his/her action with respect to the Bonus Plan will be final and binding upon all persons having or claiming to have any right or interested under the plan and that no such decision or actions shall be modified upon judicial review unless such decision or actions is proven to be arbitrary or capricious.

H. Payment

Payment of any award earned by you under the Bonus Plan will be made in Cash. The Cash payment will be made, as soon as practicable following the approval by the Committee based on the financial results necessary to calculate the award and the completion of all transactions under Project Komodo as described in Appendix A. Kodak will withhold from the bonus payment all income, payroll, and employment taxes required by applicable law or regulation to be withheld.

I. Benefits Bearing

The awards paid under the Bonus Plan will not be "benefits bearing." In other words, the amount will not be taken into account, or considered for any reason, for purposes of determining any company provided benefits or compensation to which you become eligible, including, by way of illustration and not by way of limitation, any pension or other retirement benefit.

J. Cause For purposes of this letter, "Cause" will mean:

i. your continued failure, for a period of at least 30 calendar days following a written warning, to perform your duties in a manner deemed satisfactory by your supervisor, in the exercise of his/her sole discretion; or

ii. your failure to follow a lawful written directive of the Chief Executive Officer or your supervisor; or

iii. your willful violation of any material rule, regulation, or policy that may be established from time to time for the conduct of Kodak's business; or

iv. your unlawful possession, use or sale of narcotics or other controlled substances, or, performing job duties while illegally used controlled substances are present in your system; or

v. any act of omission or commission by you in the scope of your employment (a) which results in the assessment of a civil or criminal penalty against you or Kodak, or (b) which in the reasonable judgment of your 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; or

vi. your conviction of or plea of guilty or no contest to any crime involving moral turpitude; or

vii. any misrepresentation of a material fact to, or concealment of a material fact from, your supervisor or any other person in Kodak to whom you have a reporting relationship in any capacity; or

viii. your breach of Kodak's Business Conduct Guide or the Eastman Kodak Company Executive Employee's Agreement.

K. Disability For purposes of this letter, the term "Disability" means disability under the terms of the Kodak Long-Term Disability Plan.

Miscellaneous

You agree and acknowledge that this letter agreement contains the entire understanding between Kodak and yourself with respect to this Bonus Plan and supersedes all previous written or oral negotiations, commitments, and agreements with respect to such subject matter.

You are expected to devote your best efforts and all of your business time to the affairs of Kodak. You may, however, engage in any charitable, civic and community activities, provided, however, such activity(ies) does (do) not materially interfere with your duties and responsibilities.

Please also keep in mind that, regardless of any provision contained in this letter to the contrary, your employment at Kodak is "at will". That is, you will be free to terminate your employment at any time, for any reason, and Kodak is free to do the same.

You agree to keep the existence of this letter confidential except that you may review it with your financial advisor, attorney or spouse/partner and with me or my designee.

If any portion of this letter is deemed to be void or unenforceable by a court of competent jurisdiction, the remaining portions will remain in full force and effect to the maximum extent allowed by law. The parties intend and desire that each portion of this letter be given the maximum possible effect by law.

To extent that the terms of this Agreement relate to a compensation or benefit plan, such terms are subject to the provisions of the applicable governing documents (such as plan documents, administrative guides and award notices), which are subject to change.

The arrangements described in this letter are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and this letter shall be interpreted and administered in accordance with such intention. The parties agree that they will negotiate in good faith regarding amendments necessary to bring the arrangements into compliance with the terms of that Section or an exemption therefrom as interpreted by guidance issued by the Internal Revenue Service; provided, however, that Kodak may unilaterally amend this Agreement for purposes of compliance if, in it's sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to your rights under the Agreement. The parties further agree that to the extent an arrangement described in this letter fails to qualify for exemption from or satisfy the requirements of Section 409A, the affected arrangement may be operated in compliance with Section 409A pending amendment to the extent authorized by the Internal Revenue Service. In such circumstances Kodak will administer the letter in a manner which adheres as closely as reasonably possible to the existing terms and intent of the letter while complying with Section 409A. This paragraph does not restrict Kodak's rights (including, without limitation, the right to amend or terminate) with respect to arrangements described in this letter to the extent such rights are reserved under the terms of such arrangements.

This letter, and its interpretation and application, will be governed and controlled by the laws of the State of New York without giving effect to principles of conflicts of laws.

* * * * *

Please indicate your acceptance of the terms and conditions of this letter agreement by signing your name on the signature line provided and return the signed original of this letter directly to my attention, no later than November 3, 2011.

Please feel free to contact me if you have any questions.

Sincerely,

/s/ Robert L. Berman

Robert L. Berman

Attachments

cc: Antonio M. Perez
Virginia M. Meredith
Patrick Sheller

Signature: /s/ Laura G. Quatela Date: November 7, 2011

Laura G. Quatela

Eastman Kodak Company • 343 State Street • Rochester, NY 14650-0233
Phone: 585-724-7674 • Fax: 585-724-1655 • Email: robert.berman@kodak.com

Appendix A

Target and Minimum Performance Goals

The Company is exploring strategic options for the sale or other disposition of two of its patent portfolios relating to digital capture and Kodak Imaging Systems and Services ("KISS") (the "IP Assets") to one or more Buyers (Project Komodo). You will lead Project Komodo which is expected to generate gross proceeds and other consideration in a range of $***to $***.

A. Timing of Sale Transactions

In order for you to be eligible for the Special Incentive Bonus Plan under this Agreement, the Closing for all sale transactions under Project Komodo must be completed on or before *** (the "Performance Period"). If the Closing for all sale transactions under Project Komodo are completed on or before ***, you will be eligible for an Early Completion Incentive as described in paragraph D of this Agreement. If the sale transactions under Project Komodo are completed after ***, but prior to ***, you will be eligible for an earned award, but the award will be subject to the following reductions:

Transaction(s) Completion Date	Award Reduction Percentage
After ***, but on or before ***	10%
After ***, but before ***	25%

B. Bonus Plan Performance Goals

Subject to your satisfaction of the terms of this Agreement, you will be eligible to receive a one-time bonus upon the Closing of all sale transactions under Project Komodo on or before the end of the Performance Period. The amount of the Special Incentive Bonus will depend on the Gross Proceeds received by Kodak for such sales transactions in accordance with the table below.

Performance Goals	Gross Proceeds	Special Bonus Incentive
Minimum Performance Goal	$***	$600,000
Target/Maximum Performance Goal	$***	$1,500,000

Performance between the Minimum Performance Goal and Target/Maximum Performance Goal will be calculated utilizing straight line interpolation.

To the extent that the consideration for any sale transaction under Project Komodo is not in the form of cash and the Company is unable to recognize a gain on such non-cash consideration within 12 months from the date of Closing of the applicable transaction, you will repay that portion of any award you received under this Bonus Plan that is attributable to such non-cash consideration.

C. Definitions:

"Buyer" means one or more third parties not affiliated with Kodak that provide consideration to Kodak in connection with the purchase and sale of the IP Assets.

"Closing" means the consummation of the transactions contemplated by one or more Asset Sale Agreements.

"Early Completion Incentive" means an earned award payment of 25% of the earned award, if at least the minimum performance goal is achieved on or before ***.

Exhibit (10.42)

PERSONAL AND CONFIDENTIAL

December 8, 2011

Robert Berman
(Address intentionally omitted)

RE: Letter Agreement

Dear Bob:

Once signed by both parties, this letter will constitute an agreement between Eastman Kodak Company ("Kodak") and you. Its purpose is to confirm that you have accepted a new assignment reporting to the Chairman and Chief Executive Officer and the terms of your termination of employment from Kodak in the event that your new position is eliminated and you are not offered a Comparable position with the Company. For purposes of this letter, the term "Company" will collectively refer to Kodak and all its affiliates and subsidiaries.

1. Potential Termination

It is hereby agreed that if your newly assigned position is eliminated and Kodak is unable to identify a comparable position as defined in the Company's Termination Allowance Program (TAP), you will be laid off from the Company and therefore be eligible for the benefits set forth in this Agreement.

2. Responsibilities

In this position, reporting to the Chairman and Chief Executive Officer of the Company, you will be responsible for performing such duties and responsibilities that may be assigned to you from time to time by your supervisor. It is expected that you will perform these duties and responsibilities in a timely and satisfactory manner and your receipt of the Termination Benefits set forth in Section 3 is contingent on this.

3. Termination Benefits

Upon your termination, Kodak will provide to you, subject to your satisfaction of the requirements of this letter agreement, the termination benefits described in this Section 3 ("Termination Benefits").

A. Severance Allowance. You will receive a severance allowance equal to the greater of $1,270,500 or 200% of the sum of your annual base salary plus your annual target incentive EXCEL award at the time of termination (the "Severance Allowance"), reduced by the amount of any termination allowance benefits payable to you under the terms of Kodak's Termination Allowance Plan ("TAP") and any benefits payable to you under Appendix S of the Kodak Retirement Income Plan and Appendix S of the Kodak Unfunded Retirement Income Plan. In general, Severance Allowance payments, together with any TAP payments or benefit payments under Appendix S of the Kodak Unfunded Retirement Income Plan, will be substantially equivalent to those you received as an employee, and your Severance Allowance payments, together with any TAP payments or benefit payments under Appendix S of the Kodak Unfunded Retirement Income Plan, will be made consistently with Kodak's normal payroll cycles (currently bi-weekly). Payments will begin as soon as administratively practicable following your Last Day of Work or, if applicable to you with respect to this benefit, the expiration of the six-month waiting period following separation from service that the Company requires for certain executive employees as a result of Internal Revenue Code Section 409A (no interest will be paid during the six-month waiting period), and will continue until your Severance Allowance is exhausted or until your Severance Allowance has been paid off in equal amounts over 26 pay periods, whichever occurs first. Kodak will withhold from the Severance Allowance all income, payroll and employment taxes required by applicable law or regulation to be withheld. Your Severance Allowance will also be reduced by the amount of any unemployment insurance benefits you receive.

The existence or terms of this agreement will not be relied upon as the basis for any adverse change to your 2011 or 2012 compensation level, mix or pay-outs under the Company's Executive Compensation for Excellence and Leadership ("EXCEL") plan or Long Term Incentive plans.

B. Other Termination Benefits. Your eligibility for other Termination Benefits will be determined according to the terms and conditions set forth in Kodak's employee benefit plans.

C. Death. In the event that you die after your Last Day of Work but prior to the commencement of the Severance Allowance provided in this Section, the total unpaid balance will be paid in a lump sum to the executor or administrator of your estate or to a properly qualified personal representative no later than the end of the taxable year of death (or 2 ½ months after death, if later) provided that Kodak has received information reasonably evidencing your death.

In the event that you die after the Severance Allowance provided under this Section commenced, but before the receipt of the entire Severance Allowance, any unpaid balance will be paid in a lump sum to the executor or administrator of your estate or to a properly qualified personal representative no later than the end of the taxable year of death (or 2 ½ months after death, if later) provided that Kodak has received information reasonably evidencing your death.

If Termination Benefits other than Severance Allowance have commenced, the following will occur:

- With regard to health care coverage, eligible dependents will be covered for the remainder of the period of continuation coverage provided to you according to the applicable employee benefit plans.
- With regard to life insurance, benefits will be paid according to the applicable employee benefit plans.
- With regard to outplacement benefits, such benefits will terminate on the day of death.

4. Benefits Not Benefits Bearing.

In no event shall any of the Termination Benefits payable under this letter agreement be "benefits bearing". In other words, the amount of these benefits will not be taken into account, nor considered for any reason, for purposes of determining any Company provided benefits or compensation for which you are or may become eligible.

5. Vacation

Upon your termination of employment, you will receive payment in lieu of all your earned and unused carried-over and current year vacation.

6. Executive Compensation for Excellence and Leadership

Subject to your satisfaction of the terms of this letter agreement, you will remain eligible for an award under the Executive Compensation for Excellence and Leadership ("EXCEL") plan for the 2012 performance period ("Performance Period") in accordance with the terms of EXCEL. Any award paid to you will be pro-rated based on your length of service during the Performance Period and paid at the same time the plan's other participants receive their awards for the Performance Period.

You hereby acknowledge and agree that individual performance is but one factor that is taken into account in determining awards under EXCEL. Other factors that are taken into account include company performance, unit performance, and discretion by the Executive Compensation and Development Committee of the Board of Directors, Kodak's CEO and the participant's supervisor. Consequently, you hereby acknowledge and agree that you are not guaranteed a payment under EXCEL for the Performance Period and your entitlement to a payment for the Performance Period will be determined solely in accordance with the terms and conditions of the plan. You further acknowledge and agree that Kodak's determination with regard to the amount and payment of any EXCEL award paid to you for the Performance Period will be final and binding upon you, and any other person having or claiming to have any right or interest on your behalf in or under the plan.

7. Restricted Stock Units (RSUs)

Subject to your satisfaction of the terms of this letter agreement and if Kodak terminates your employment due to the elimination of your newly assigned position and is unable to provide you a comparable position, your termination of employment will be treated as for an "Approved Reason" pursuant to the terms of the September 28, 2009 RSU Guide: As a result of your termination of employment under this letter agreement, effective the Last Day of Work, you will forfeit any other restricted stock and restricted stock units you hold for which the restrictions have not lapsed as of the Last Day of Work. You will not, however, forfeit any restricted stock and restricted stock units you hold for which the restrictions have lapsed as of the Last Day of Work.

8. Release

In partial consideration for the Termination Benefits, you hereby agree to execute immediately prior to your termination of employment the release annexed hereto as Addendum A. In the event you fail to sign the release, or once signed make an effective revocation of the release, you will not be entitled to any of the Termination Benefits.

9. Executive Employee's Agreement

During your employment by Kodak, you signed an "Eastman Kodak Company Executive Employee's Agreement" in which you affirmed your obligation not to disclose Company trade secrets, confidential or proprietary information. Further, you agreed not to engage in work or activities on behalf of a competitor of the Company in the field in which you were employed by Kodak for a period following termination of your employment by Kodak equal to the total number of months you were employed by Kodak, but in no event less than six (6) months or more than eighteen (18) months By signing this letter agreement, you reaffirm the Executive Employee's Agreement and agree that it is in full force and effect, without amendment or modification.

To the extent you locate one or more opportunities in any field or fields in which you have worked for Kodak, Kodak agrees, upon your request, to promptly review the terms of each such employment opportunity to determine whether such opportunity is in Kodak's opinion violative of the terms of the Executive Employee's Agreement. All such requests should be submitted directly to my attention.

10. Cooperation

You agree to cooperate fully with Kodak from now to the date of your termination of employment and thereafter during the two (2) year period following your termination on all matters relating to your employment and termination of employment, the transition of your duties and responsibilities to your successor(s), and the conduct of Kodak's business. You further agree during such periods to cooperate fully with Kodak regarding, and conduct all of your actions, statements and communications in a manner consistent with, the announcement by Kodak of your termination of employment.

In partial consideration for the termination benefits, you also agree that commencing on the date of this letter, and continuing thereafter, you will not in any way disparage, make any statement, or take any action which is adverse, inimical or otherwise detrimental to the interests of Eastman Kodak Company or its subsidiaries or affiliates or their respective current or former officers, directors, and employees or cause any of such persons embarrassment or humiliation or otherwise cause or contribute to such persons being held in disrepute by the public or the Company's shareholders, clients, customers, employees or competitors.

Kodak also agrees that during such period of time, its officers and directors will not in any way disparage, make any statement, or take any action which is adverse, inimical or otherwise detrimental to you or cause you embarrassment or humiliation or otherwise cause or contribute to your being held in disrepute by the public or the Company's shareholders, clients, customers, employees or competitors.

You understand that Kodak may need your continued cooperation and involvement with various pieces of litigation and other legal matters which are pending at the time of your termination of employment or which may arise thereafter. In further consideration of the Termination Benefits, you agree, at Kodak's request from time to time, to cooperate with Kodak in its efforts to defend and/or pursue any such litigation or other legal matters. You will provide this assistance to Kodak at no additional remuneration beyond the Termination Benefits. When performing these services at Kodak's request, except where prohibited by law, Kodak will reimburse you for reasonable travel and lodging expenses that you incur upon submission of documentation acceptable to Kodak. By way of illustration and not by way of limitation, the types of services that may be requested of you under this Section 12 include: attending strategy sessions, attending preparations for trial, appearing at depositions, executing affidavits and testifying at trials.

11. Non-Solicitation of Employees or Customers

In partial consideration for the termination benefits under this letter agreement, you agree that during the two (2) year period after the termination of your employment with Kodak, you will not directly or indirectly recruit, solicit or otherwise induce or attempt to induce any of Kodak's employees or independent contractors to terminate their employment or contractual relationship with Kodak or work for you or any other entity in any capacity, or solicit or attempt to solicit the business or patronage of any of Kodak's actual or prospective clients, customers, or accounts with respect to any technologies, services, products, trade secrets, or other matters in which the Company is active.

12. Injunctive Relief

You acknowledge by accepting the benefits under this letter agreement that any breach or threatened breach by you of any term of Sections 11, 12 or 13 cannot be remedied solely by the recovery of damages or the withholding of benefits and the Company will therefore be entitled to an injunction against such breach or threatened breach without posting any bond or other security. Nothing herein, however, will prohibit the Company from pursuing, in connection with an injunction or otherwise, any other remedies available at law or equity for such breach or threatened breach, including the recovery of damages.

13. Miscellaneous

A. **Confidentiality**. You will agree to keep the existence and terms and conditions of this letter agreement, including Addendum A, confidential except that you may review it with your attorney, financial advisor and spouse/domestic partner, or with my designee or me. Prior to any such disclosure, you agree to advise these individuals of the confidential nature of this letter agreement and the facts giving rise to it as well as their obligations to maintain the confidentiality of this letter agreement and the facts giving rise to it. Nonetheless, either party to this Agreement (that is, you and Kodak) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this transaction and all materials of any kind (including opinions or other tax analyses) that may be provided to the party relating to tax treatment and tax structure.

B. **Unenforceability**. If any portion of this letter agreement is deemed to be void or unenforceable by a court of competent jurisdiction, the remaining portions will remain in full force and effect to the maximum extent allowed by law. The parties intend and desire that each portion of this letter agreement be given the maximum possible effect allowed by law.

C. **Headings**. The heading of the several sections of this letter agreement have been prepared for convenience and reference only and shall not control, affect the meaning, or be taken as the interpretation of any provision of this letter agreement.

D. **Applicable Law.** This letter agreement will be construed and governed by the laws of the State of New York, without giving effect to principles of conflicts of laws. Disputes arising under this letter agreement will be adjudicated within the exclusive jurisdiction of a state or federal court located in Monroe County, New York. Neither party waives any right it may have to remove such an action to the United States Federal District Court located in Monroe County, New York.

E. **Amendment.** This letter agreement may not be changed, modified, or amended, except in a writing signed by both you and Kodak that expressly acknowledges that it is changing, modifying or amending this letter agreement.

F. **Forfeiture.** In the event that you violate any provision of this letter agreement, including Addendum "A", or your Eastman Kodak Company Executive Employee's Agreement, in addition to, and not in lieu of, any other remedies that Kodak may pursue against you, no further Termination Benefits will be paid to you hereunder and you agree to immediately repay all Termination Benefits previously paid to you pursuant to this letter agreement. In such event all other provisions of this letter agreement will remain in full force and effect as though the breach had not occurred.

G. **At Will**. Please also keep in mind that, regardless of any provision contained in this letter to the contrary, your employment with Kodak is "at will". That is, you are free to terminate your employment at any time, for any reason, and Kodak is free to do the same.

H. **Code Section 409A.** The arrangements described in this letter are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and shall be interpreted and administered accordingly. The parties agree that they will negotiate in good faith regarding amendments necessary to bring the arrangements into compliance with the terms of that Section or an exemption therefrom as interpreted by guidance issued by the Internal Revenue Service; provided, however, that Kodak may unilaterally amend this Agreement for purposes of compliance if, in its sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to your rights under the Agreement. The parties further agree that to the extent an arrangement described in this letter fails to qualify for exemption from or satisfy the requirements of Section 409A, the affected arrangement may be operated in compliance with Section 409A pending amendment to the extent authorized by the Internal Revenue Service. In such circumstances Kodak will administer the letter in a manner which adheres as closely as reasonably possible to the existing terms and intent of the letter while complying with Section 409A. This paragraph does not restrict Kodak's rights (including, without limitation, the right to amend or terminate) with respect to arrangements described in this letter to the extent such rights are reserved under the terms of such arrangements.

I. **Plan Documents Control**. To extent that the terms of this letter agreement relate to a compensation or benefit plan, such terms are subject to the provisions of the applicable governing documents (such as plan documents, administrative guides and award notices), which are subject to change.

J. **Administration**. All benefits provided under this agreement will be administered by the Kodak employee with the title Corporate Secretary for Kodak ("Administrator"). The Administrator will have total and exclusive responsibility to control, operate, manage and administer such benefits in accordance with their terms and all the authority that may be necessary or helpful to enable him/her to discharge his/her responsibilities with respect to them. Without limiting the generality of the preceding sentence, the Administrator will have the exclusive right to: interpret the agreement, decide all questions concerning eligibility for and the amount of benefits payable, construe any ambiguous provision, correct any default, supply any omission, reconcile any inconsistency, and decide all questions arising in the administration, interpretation and application of the agreements. The Administrator will have full discretionary authority in all matters related to the discharge of his/her responsibilities and the exercise of his authority, including, without limitation, his/her construction of the terms of this agreement and his/her determination of eligibility for benefits. It is the intent of the parties hereto, that the decisions of the Administrator and his/her actions with respect to this agreement will be final and binding upon all persons having or claiming to have any right or interest in or under this agreement and that no such decision or actions shall be modified upon judicial review unless such decision or action is proven to be arbitrary or capricious.

K. **Indemnification**. This will confirm that with respect to any action, suit or proceeding ("Claims") against you by reason of the fact that you served as an officer or employee of the Company or as a director, officer, trustee, employee or agent of any other enterprise at the request of the Company, the provisions of Article 8, Section 2(a) of the Company's bylaws shall apply to such Claims.

Your signature below means that:

1. You have had ample opportunity to discuss the terms and conditions of this letter agreement with an advisor of your choice and as a result fully understand its terms and conditions; and

2. You accept the terms and conditions set forth in this letter agreement; and

3. This letter agreement supersedes and replaces any and all agreements or understandings whether written or oral that you may have with Kodak, or any subsidiaries or affiliates, concerning any special or other separation, retirement or compensation arrangement. This letter agreement does not supersede or replace your Eastman Kodak Company Executive Employee's Agreement.

If you find the foregoing acceptable, please sign your name on the signature line provided below. Once the letter agreement is signed, please return it directly to my attention.

Very truly yours,

Patrick M. Sheller

Enclosure

I accept the terms and conditions of this letter agreement.

Signed: /s/ Robert L Berman
Robert L. Berman

Dated: December 11, 2011

Exhibit (12)

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(in millions)	Year Ended December 31				
	2011	**2010**	**2009**	**2008**	**2007**
Loss from continuing operations before provision for income taxes	$ (758)	$ (561)	$ (117)	$ (874)	$ (257)
Adjustments:					
Undistributed (earnings) loss of equity method investees	-	-	-	-	(1)
Interest expense	156	149	119	108	143
Interest component of rental expense (1)	29	32	36	39	43
Amortization of capitalized interest	2	2	2	2	9
Earnings as adjusted	$ (571)	$ (378)	$ 40	$ (725)	$ (63)
Fixed charges:					
Interest expense	156	149	119	108	143
Interest component of rental expense (1)	29	32	36	39	43
Capitalized interest	1	1	2	3	2
Total fixed charges	$ 186	$ 182	$ 157	$ 150	$ 188
Ratio of earnings to fixed charges	*	**	***	****	*****

(1) Interest component of rental expense is estimated to equal 1/3 of such expense, which is considered a reasonable approximation of the interest factor.

* Earnings for the year ended December 31, 2011 were inadequate to cover fixed charges. The coverage deficiency was $757 million.

** Earnings for the year ended December 31, 2010 were inadequate to cover fixed charges. The coverage deficiency was $560 million.

*** Earnings for the year ended December 31, 2009 were inadequate to cover fixed charges. The coverage deficiency was $117 million.

**** Earnings for the year ended December 31, 2008 were inadequate to cover fixed charges. The coverage deficiency was $875 million.

***** Earnings for the year ended December 31, 2007 were inadequate to cover fixed charges. The coverage deficiency was $251 million.

Exhibit (21)

Subsidiaries of Eastman Kodak Company

Companies Consolidated	**Organized Under Laws of**
Eastman Kodak Company	New Jersey
Laser-Pacific Media Corporation	California
FPC, Inc.	California
Qualex Inc.	Delaware
Kodak Imaging Network, Inc.	Delaware
Kodak Graphic Communications Canada Company	Canada
Kodak Canada Inc.	Canada
Kodak Argentina S.A.I.C.	Argentina
Kodak Chilena S.A. Fotografica	Chile
Kodak Americas, Ltd.	New York
Kodak Venezuela, S.A.	Venezuela
Kodak (Near East), Inc.	New York
Kodak (Singapore) Pte. Limited	Singapore
Kodak Philippines, Ltd.	New York
Kodak Limited	England
Cinesite (Europe) Limited	England
Kodak India Private Limited	India
Kodak International Finance Limited	England
Kodak Graphic Communications Ltd.	England
Kodak Polychrome Graphics Finance UK Ltd.	England
Kodak Polska Sp.zo.o	Poland
Kodak OOO	Russia
Kodak	France
Kodak Graphic Communications GmbH	Germany
Eastman Kodak Holdings B.V	Netherlands
Eastman Kodak Sarl	Switzerland
Kodak Brasileira Comercio de Produtos para Imagem e Servicos Ltda	Brazil
Kodak Nederland B.V	Netherlands
Kodak (Hong Kong) Limited	Hong Kong
Kodak (Taiwan) Limited	Taiwan
Kodak IL Ltd.	Israel
Kodak (China) Limited	Hong Kong
Kodak (Shanghai) International Trading Co. Ltd	China
Kodak (Wuxi) Company Limited	China
Kodak (China) Investment Company Ltd.	China
Kodak Electronic Products (Shanghai) Company Limited	China
Kodak (China) Company Limited	China
Kodak (China) Graphic Communications Company Ltd.	China
Kodak (Xiamen) Company Limited	China
Shanghai Da Hai Camera Co., Ltd.	China
Kodak Polychrome Graphics Company Ltd.	Barbados
Kodak Japan Ltd.	Japan
K. K. Kodak Information Systems	Japan

Exhibit (21)
(Continued)

Companies Consolidated	**Organized Under Laws of**
Eastman Kodak Company	
Kodak Korea Ltd.	South Korea
Kodak New Zealand Limited	New Zealand
Kodak (Australasia) Pty. Ltd.	Australia
Kodak (Egypt) S.A.E.	Egypt
Kodak (Malaysia) Sdn.Bhd.	Malaysia
Eastman Kodak International Capital Company, Inc.	Delaware
Kodak de Mexico S.A. de C.V.	Mexico
Kodak Export de Mexico, S. de R.L. de C.V.	Mexico
Kodak Mexicana, S.A. de C.V.	Mexico
Kodak A/S	Denmark
Kodak SA/NV	Belgium
Kodak Norge A/S	Norway
Kodak Societe Anonyme	Switzerland
Kodak (Thailand) Limited	Thailand
Kodak GmbH	Austria
Kodak Kft.	Hungary
Kodak Oy	Finland
Kodak S.p.A.	Italy
Kodak Portuguesa Limited	New York
Kodak, S.A.	Spain
Kodak Nordic AB	Sweden

Note: Subsidiary Company names are indented under the name of the parent company.

Exhibit (23

Consent Of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-160889 and No. 333-111726) and Form S-8 (No. 333-125355, No. 333-64366, No. 333-43526, No. 333-43524, No. 333-57659 and No. 333-57729) of Eastman Kodak Company of our report dated February 28, 2012 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Rochester, New York
February 28, 2012

Exhibit (31.1)

CERTIFICATION

I, Antonio M. Perez, certify that:

1. I have reviewed this annual report on 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.

Date: February 29, 2012

/s/ Antonio M. Perez
Antonio M. Perez
Chairman and Chief Executive Officer

Exhibit (31.2)

CERTIFICATION

I, Antoinette P. McCorvey, certify that:

1. I have reviewed this annual report on 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.

Date: February 29, 2012

/s/ Antoinette P. McCorvey
Antoinette P. McCorvey
Chief Financial Officer

Exhibit (32.1)

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, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antonio M. Perez, 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/ Antonio M. Perez
Antonio M. Perez
Chairman and Chief Executive Officer

February 29, 2012

Exhibit (32.2)

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, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antoinette P. McCorvey, 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/ Antoinette P. McCorvey
Antoinette P. McCorvey
Chief Financial Officer

February 29, 2012