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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202 (ALG)
Debtors.)	(Jointly Administered)

**NOTICE OF FILING OF FIRST AMENDED DISCLOSURE STATEMENT FOR FIRST
AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
EASTMAN KODAK COMPANY AND ITS DEBTOR AFFILIATES**

PLEASE TAKE NOTICE that on April 30, 2013, Eastman Kodak Company, Inc. (“**Kodak**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Disclosure Statement for Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 3651] (the “**Initial Disclosure Statement**”).

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the Initial Disclosure Statement to reflect the terms of the *First Amended Joint Chapter 11 Plan of*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is 343 State Street, Rochester, NY 14650.



Reorganization of Eastman Kodak Company and Its Debtor Affiliates [Docket No. 4073], the Backstop Commitment Agreement, a copy of which is attached as Exhibit B to the *Debtors' Motion for an Order Authorizing the Debtors to (A) Execute a Backstop Commitment Agreement and (B) Incur, Perform and Abide by the Initial Commitment Provisions* [Docket No. 4070], and the Rights Offerings Procedures, copies of which are attached as Exhibits B and C to the *Debtors' Motion for an Order (A) Approving Procedures for Rights Offerings and (B) Authorizing the Debtors to Conduct the Rights Offerings in Connection with the First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and Its Debtor Affiliates* [Docket No. 4082],. Attached hereto as Exhibit A is the First Amended Disclosure Statement for the First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates (the “**Amended Disclosure Statement**”). A blackline reflecting the changes between the Initial Disclosure Statement and the Amended Disclosure Statement is attached hereto as Exhibit B.

PLEASE TAKE FURTHER NOTICE that the Debtors expect to file a further amended Disclosure Statement prior to the hearing to consider the *Debtors' Motion for an Order (I) Approving the Disclosure Statement; (II) Establishing a Voting Record Date for the Plan; (III) Approving Solicitation Packages and Procedures for the Distribution Thereof; (IV) Approving the Forms of Ballots; (V) Establishing Procedures for Voting on the Plan; (VI) Establishing Notice and Objection Procedures for Confirmation of the Plan; and (VII) Establishing Procedures for the Assumption and/or Assignment of Executory Contracts and Unexpired Leases Under The Plan* [Docket No. 3763] scheduled for **June 25, 2013 at 2:00 p.m. (Eastern Time)**.

Dated: June 21, 2013
New York, New York

/s/ Andrew G. Dietderich

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EXHIBIT A

Amended Disclosure Statement

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN DESCRIBED HEREIN WILL COMMENCE ONLY IF THIS OR A FURTHER AMENDED DISCLOSURE STATEMENT AND SOLICITATION PROCEDURES IN CONNECTION THEREWITH ARE APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS RESERVE TO FURTHER AMEND, MODIFY OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT AT OR PRIOR TO THE HEARING TO APPROVE IT.



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202 (ALG)
Debtors.)	(Jointly Administered)

**FIRST AMENDED DISCLOSURE STATEMENT FOR DEBTORS'
FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: June 21, 2013

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors' corporate headquarters is 343 State Street, Rochester, NY 14650.

THE BOARD OF DIRECTORS (OR THE EQUIVALENT AUTHORIZED BODY) OF EACH OF THE DEBTORS HAS APPROVED THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN AND THE TRANSACTIONS CONTEMPLATED AND DESCRIBED HEREIN. IN ADDITION, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND ITS LEGAL AND FINANCIAL ADVISORS PLAYED AN ACTIVE ROLE IN THE NEGOTIATION OF THE TERMS OF THE PLAN, AND THE TRANSACTIONS CONTEMPLATED THEREIN AND DESCRIBED HEREIN. ACCORDINGLY, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS RECOMMENDS THAT HOLDERS OF CLAIMS IN CLASSES 4, 5, 6, 7, AND 8 VOTE TO ACCEPT THE PLAN.

THIS PROPOSED DISCLOSURE STATEMENT HAS BEEN PREPARED FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT OR REJECT THE CHAPTER 11 PLAN IT DESCRIBES HEREIN AND IN CONNECTION WITH THE IMPLEMENTATION OF THE RIGHTS OFFERINGS. NO PERSON SHOULD USE OR RELY ON THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

IMPORTANT FEDERAL, STATE AND LOCAL LAWS FOR THE PROTECTION OF INVESTORS DO NOT APPLY TO THIS DISCLOSURE STATEMENT. THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE OR LOCAL LAW, IN RELIANCE UPON (A) THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE AND (B) TO THE EXTENT THAT SECTION 1145 IS EITHER NOT PERMITTED OR NOT APPLICABLE, THE EXEMPTION SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER. IN ACCORDANCE WITH SECTION 1125(E) OF THE BANKRUPTCY CODE, A DEBTOR OR ANY OF ITS AGENTS THAT PARTICIPATES, IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, IN THE OFFER, ISSUANCE, SALE, OR PURCHASE OF A SECURITY, OFFERED OR SOLD UNDER THE PLAN, OF THE DEBTOR, OF AN AFFILIATE PARTICIPATING IN A JOINT PLAN WITH THE DEBTOR, OR OF A NEWLY ORGANIZED SUCCESSOR TO THE DEBTOR UNDER THE PLAN, IS NOT LIABLE, ON ACCOUNT OF SUCH PARTICIPATION, FOR VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE OFFER, ISSUANCE, SALE, OR PURCHASE OF SECURITIES.

THIS DISCLOSURE STATEMENT IS BEING DISTRIBUTED TO PARTIES IN INTEREST AS A SETTLEMENT PROPOSAL AND IS THEREFORE SUBJECT TO FEDERAL RULE OF EVIDENCE 408 AND OTHER APPLICABLE RULES, AND DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER IN CONNECTION WITH ANY PENDING, THREATENED AND POTENTIAL LITIGATION, ARBITRATIONS OR DISPUTES.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, THE TERMS OF THE RIGHTS OFFERINGS, THE BACKSTOP COMMITMENT AGREEMENT AND DOCUMENTS RELATED THERETO; STATUTORY PROVISIONS RELEVANT TO CONFIRMATION OF THE PLAN; EVENTS IN THESE

CHAPTER 11 CASES; AND FINANCIAL INFORMATION. ALTHOUGH THE DEBTORS BELIEVE SUCH SUMMARIES ARE FAIR AND ACCURATE, THEY ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRETY OF SUCH DOCUMENTS OR STATUTORY PROVISIONS.

FACTUAL INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED.

NO PERSON SHOULD RELY ON ANY OTHER INFORMATION THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED BY REFERENCE HEREIN. THE DEBTORS HAVE NOT AUTHORIZED ANYONE TO PROVIDE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT.

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1. EXECUTIVE SUMMARY

On January 19, 2012 (the “**Petition Date**”), Eastman Kodak Company (“**EKC**”) and the other Debtors in these Chapter 11 Cases (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”). EKC and its subsidiaries (“**Kodak**”) have continued to operate in the ordinary course of business since the Petition Date and EKC’s non-U.S. subsidiaries are not subject to these Chapter 11 Cases.

On April 30, 2013, the Debtors filed the *Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates* [Docket No. 3650] (the “**Initial Plan**”) and the *Disclosure Statement for Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 3651] (the “**Initial Disclosure Statement**”). Prior to and following the filing of the Initial Plan and Initial Disclosure Statement, the Debtors engaged in discussions regarding potential transactions that would result in the payment of Second Lien Notes Claims in Cash, enhance creditor recoveries and facilitate the confirmation process. As described in Section 3.E. below, the result of these extensive efforts is the Backstop Commitment and Rights Offerings, which are the cornerstones of the *Debtors’ First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates*, attached hereto as Appendix A [Docket No. 4073] (as may be further amended, supplemented or modified from time to time, including the Plan Supplement and all other exhibits and schedules thereto, in each case, as they may be further amended, modified or supplemented from time to time, the “**Plan**”).² The Plan represents a comprehensive compromise that provides higher creditor recovery and a more expeditious emergence from chapter 11 than the Initial Plan. The Creditors’ Committee has informed the Debtors that it endorses fully the Debtors’ entry into the Backstop Commitment Agreement, the implementation of the Rights Offerings and the terms and conditions of the Plan.

A. Overview of Reorganized Kodak

Kodak is a trusted leader in conventional and digital technologies that serve the \$720 billion commercial, packaging and functional printing market. Kodak is focused on meeting customer needs and leading the Commercial Imaging industry, in which Kodak has a compelling and unique combination of advantages. These include:

- *Strong technology*: Kodak’s innovative technologies enable the company to provide its customers with qualitatively different advanced solutions and to shape the development of commercial printing markets in the future.
- *Strong market mix*: Kodak operates in a highly advantageous mix of large, established and steady markets, which continue their digital transition, as well as early-stage markets with excellent prospects for dynamic growth.

² Capitalized terms not defined herein shall have the meanings given to them in the Plan.

- *Strong position:* Kodak is a recognized leader in these markets, with cash-generative businesses in the large markets and excellent positioning to achieve volume and profitability gains in the growth markets.

Section 4 below—The Reorganized Debtors—provides a description of the reorganized company and outlines the strategy and product offerings of the Commercial Imaging business.

Kodak has announced the disposition of its Personalized Imaging and Document Imaging businesses to the KPP as part of the KPP Global Settlement described in Section 3.D.3.b. below. The consummation of the KPP Global Settlement is a condition to the effectiveness of the Debtors' proposed Plan. Accordingly, the Personalized Imaging and Document Imaging businesses are not described in this Disclosure Statement except as they relate to the terms and conditions of the KPP Global Settlement and Kodak's previous exploration of strategic alternatives.

B. Purpose of this Disclosure Statement

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Chapter 11 helps a company to restructure its operations and finances to maximize recovery to all stakeholders. The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against, and interests in, the debtor. Confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor or interest holder of the debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes the obligations specified under the confirmed plan.

In general, a plan of reorganization (i) divides claims and interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains provisions necessary to implement the plan. Under the Bankruptcy Code, "claims" and "interests," rather than "creditors" and "shareholders," are classified because creditors and shareholders may hold claims and interests in more than one class.

The Debtors submit this *First Amended Disclosure Statement for Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (this "**Disclosure Statement**") pursuant to section 1125 of the Bankruptcy Code for the purposes of soliciting votes on the proposed Plan and providing information to persons eligible to participate in the Rights Offerings. The purpose of this Disclosure Statement is to provide (a) the Holders of Claims who are entitled or solicited to vote on the Plan with adequate information to make an informed judgment about the Plan and (b) the persons eligible to participate in the rights offerings ("**Eligible Rights Offerings Participants**") with sufficient information to make an informed decision as to their participation in the rights offerings. According to section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited only after a Bankruptcy Court-approved written disclosure statement has been provided to each creditor or interest holder who is entitled to vote on the plan.

C. New Equity Commitment and Rights Offerings

The Plan provides for two rights offerings to raise \$406 million of equity capital (the “**Rights Offering Amount**”) through the issuance of 34 million shares of New Common Stock. The Rights Offerings consist of (a) a rights offering for up to six million shares of the New Common Stock (the “**1145 Rights Offering**”) and (b) an additional rights offering (the “**4(2) Rights Offering**” and, together with the 1145 Rights Offering, the “**Rights Offerings**”) for a number of shares of New Common Stock (the “**4(2) Rights Offering Shares**”) equal to the sum of (x) 28 million and (y) the number of shares of New Common Stock offered but unsubscribed in the 1145 Rights Offering (the “**1145 Rights Offering Unsubscribed Shares**”).

In connection with the Rights Offerings, on June 18, 2013, subject to Bankruptcy Court approval thereof, the Debtors entered into an agreement (the “**Backstop Commitment Agreement**”) pursuant to which parties including GSO Capital Partners LP, on behalf of various managed funds, BlueMountain Capital Management, LLC, on behalf of various managed funds, George Karfunkel, United Equities Commodities Company, Momar Corporation and Contrarian Capital Management, LLC, on behalf of Contrarian Funds, LLC (collectively, the “**Backstop Parties**”) each agreed to purchase, on a several and not joint basis, the amount of 4(2) Rights Offering Shares (after giving effect to the purchase of any Backstop Party Overallotment Shares and 4(2) Overallotment Shares) that have not been duly purchased by the Rights Offerings Participants (the “**Unsubscribed Shares**”) equal to their Backstop Commitment Percentage as listed on Schedule 1 to the Backstop Commitment Agreement of such Unsubscribed Shares.

All Eligible Rights Offerings Participants will receive separate materials regarding the Rights Offerings, including a copy of the applicable Rights Offerings Procedures and Rights Exercise Form. A Holder of a General Unsecured Claim and/or the Retiree Settlement Unsecured Claim (other than the Backstop Parties) that does not duly complete, execute and timely deliver a 4(2) Certification Form to the Subscription Agent on or before July 19, 2013 at 5:00 p.m. (Eastern Time) cannot participate in the 4(2) Rights Offering. To participate in each Rights Offering, an Eligible Rights Offerings Participant must submit a duly completed Rights Exercise Form and the appropriate payment on or before August 9, 2013 at 5:00 p.m. (Eastern Time). For further information regarding the Rights Offerings and Rights Offerings Procedures, please refer to Section 8 below and Article 5.8 of the Plan.

D. Recovery Analysis and Treatment of Claims and Equity Interests

The Plan organizes the Debtors’ creditor and equity constituencies into groups called Classes. For each Class, the Plan describes (a) the underlying Claim or Equity Interest, (b) the recovery available to the Holders of Claims or Equity Interests in that Class under the Plan, (c) whether the Class is Impaired under the Plan, meaning that each Holder will receive less than full value on account of its Claim or Equity Interest or that the rights of Holders under law will be altered in some way (such as receiving stock instead of holding a Claim) and (d) the form of consideration (*e.g.*, Cash, stock or a combination thereof), if any, that such Holders will receive on account of their respective Claims or Equity Interests.

In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify General Administrative Claims, Priority Tax Claims, DIP Facility Claims or Professional Claims, which will generally be paid in Cash when approved by the Bankruptcy Court or in the ordinary course on or after the Effective Date.

The classification of Claims and Equity Interests pursuant to the Plan is as follows:

Class	Claims and Equity Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Second Lien Notes Claims	Impaired ³	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote
5	KPP Claims	Impaired	Entitled to Vote
6	Retiree Settlement Unsecured Claim	Impaired	Entitled to Vote
7	Convenience Claims	Impaired	Entitled to Vote
8	Subsidiary Convenience Claims	Impaired	Entitled to Vote
9	Equity Interests	Impaired	Deemed to Reject
10	Section 510(b) Claims	Impaired	Deemed to Reject

The table below provides a summary of the classification, treatment and estimated recoveries of Claims and Equity Interests under the Plan. This information is provided in summary form for illustrative purposes only, is subject to material change based on contingencies related to the claims reconciliation process, and is qualified in its entirety by reference to the provisions of the Plan. For a more detailed description of the treatment of Claims and Equity Interests under the Plan, see Section 5 below—Summary of the Plan.

³ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND ARE THEREFORE SUBJECT TO CHANGE.

SUMMARY OF TREATMENT OF CLAIMS AND EQUITY INTERESTS AND ESTIMATED RECOVERIES⁴

Class	Treatment	Estimated Aggregate Claims ⁵	Estimated Allowed Claims ⁶		Estimated Percent Recovery	
			Low	High	Plan	Liquidation
<u>Class 1</u> Other Priority Claims	Each Holder of an Allowed Other Priority Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (ii) the Effective Date, (ii) the date on which such Other Priority Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court.	\$14.5 million	\$0.0 million	\$1.0 million	100%	100%
<u>Class 2</u> Other Secured Claims	Each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the sole discretion of the applicable Debtor: (i) payment in full in Cash including the payment of any interest payable under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing such Allowed Other Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other manner that renders the Claim Unimpaired.	\$34.7 million	\$0.0 million	\$3.0 million	100%	100%

⁴ Figures are as of June 17, 2013, and are subject to material change.

⁵ Estimated aggregate amount of claims currently asserted against or scheduled by the Debtors, incorporating provisions of the Plan and excluding duplicative claims.

⁶ Estimated aggregate amount of claims that are projected to be Allowed under the Plan.

Class	Treatment	Estimated Aggregate Claims ⁵	Estimated Allowed Claims ⁶		Estimated Percent Recovery	
			Low	High	Plan	Liquidation
<u>Class 3</u> Second Lien Notes Claims	Each Holder of an Allowed Second Lien Notes Claim shall receive: (i) if the Second Lien Acceptance is obtained, payment in Cash of its Pro Rata share of the Allowed amount; and (ii) otherwise, at the Debtors' election, (A) payment in full in Cash, including the payment of any amounts due under section 506(b) of the Bankruptcy Code or (B) such other treatment that renders the Second Lien Notes Claims Unimpaired; provided that, in either instance, and notwithstanding any judicial determination or subsequent settlement regarding the allowance of the Second Lien Make-Whole, each Stipulating Second Lien Noteholder shall receive payment in Cash of its Pro Rata share of the Second Lien Agreed Amount plus the Second Lien Settlement Amount in full and final satisfaction, settlement, release and discharge of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder.	\$395.0 million	\$395.0 million	\$395.0 million ⁷	100%	0%
<u>Class 4</u> General Unsecured Claims	Each Holder of an Allowed General Unsecured Claim shall receive its (i) Pro Rata share of the Unsecured Creditor New Common Stock Pool; (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants; (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver; and (iv) applicable Rights	\$2.6 billion	\$1.6 billion	\$2.2 billion	4%-5% ⁸	0%

⁷ These estimates exclude accrued and unpaid interest on the Outstanding Principal Amount as of the Effective Date. As described in Section 5.B.2.c below and Article 4.2.3 of the Plan, if a sufficient quantum of Holders of Second Lien Notes Claims necessary to satisfy the requirements of section 1126(c) of the Bankruptcy Code have voted to accept the Plan (the "**Second Lien Acceptance**"), the Second Lien Notes Claims will be Allowed in an aggregate amount equal to the sum of (a) the Second Lien Agreed Amount, which is equal to the sum of (i) \$375 million, which is the outstanding principal amount of the Second Lien Notes as of the Effective Date, and (ii) accrued and unpaid interest thereon as of the Effective Date; and (b) the Second Lien Settlement Amount, in an amount equal to \$20 million. If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed: (i) with respect to each Stipulating Second Lien Noteholder, its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and with respect to any other Second Lien Noteholder, in the amount determined by the Court.

⁸ This estimated percentage range is based on the estimated midpoint Distributable Value to Holders of Claims in Classes 4 and 6 and reflects the aggregate low and high Estimated Allowed Claims for Classes 4 and 6. It is rounded to the nearest whole percentage.

Class	Treatment	Estimated Aggregate Claims ⁵	Estimated Allowed Claims ⁶		Estimated Percent Recovery	
			Low	High	Plan	Liquidation
	Offerings Consideration.					
<u>Class 5</u> KPP Claims	The Holder of the KPP Claims shall receive such consideration as is provided in the KPP Global Settlement.	\$2.85 billion	-	-	Per KPP Global Settlement	0%
<u>Class 6</u> Retiree Settlement Unsecured Claim	Each Holder of the Retiree Settlement Unsecured Claim shall receive its (i) Pro Rata share of the Unsecured Creditor New Common Stock Pool; (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants; (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver; and (iv) applicable Rights Offerings Consideration.	\$635.0 million	\$635.0 million	\$635.0 million	4%-5%	0%
<u>Class 7</u> Convenience Claims	On the later of the Effective Date or as soon as practicable after a Convenience Claim becomes Allowed, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Convenience Claims, each Holder of an Allowed Convenience Claim shall receive payment in Cash in an amount equal to 4.5 percent of the amount of such Allowed Convenience Claim; provided that the aggregate amount of Cash received by Holders of Convenience Claims on account of their Convenience Claims shall not exceed \$600,000.	\$7.8 million	\$7.5 million	\$8.0 million	4.5%	0%
<u>Class 8</u> Subsidiary Convenience Claims	Each Holder of such Subsidiary Convenience Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Subsidiary Convenience Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court; provided that the aggregate amount of Cash received by Holders of Subsidiary Convenience Claims on account of their Subsidiary Convenience Claims shall not exceed \$300,000.	\$0.3 million	\$0.1 million	\$0.3 million	100%	0%

Class	Treatment	Estimated Aggregate Claims ⁵	Estimated Allowed Claims ⁶		Estimated Percent Recovery	
			Low	High	Plan	Liquidation
<u>Class 9</u> Equity Interests	No Holder of an Equity Interest in EKC shall receive any Distributions on account of its Equity Interest.	N/A	N/A	N/A	0%	0%
<u>Class 10</u> Section 510(b) Claims	No Holder of a Section 510(b) Claim shall receive any Distributions on account of its Section 510(b) Claim.	\$51 million	N/A	N/A	0%	0%

E. Deemed Substantive Consolidation of the Debtors

The Plan contemplates the deemed substantive consolidation of the estates of each of the Debtors for certain limited, administrative purposes related to the Plan, including Voting, Confirmation and Distribution.

As explained in Section 2.A. below, the Debtors consist of EKC and its 15 wholly-owned U.S. subsidiaries. In addition to its 15 subsidiaries domiciled in the United States, EKC has 85 majority-owned or wholly-owned direct and indirect subsidiaries domiciled in foreign countries. Kodak is an integrated global enterprise, managed across geographic boundaries and legal entities. Given the number of separate legal entities that comprise the Debtors and the high level of integration of Kodak's management structure, the Debtors believe that it would be inefficient to propose, vote on and make distributions in respect of entity-specific claims. Accordingly, Holders of Allowed Claims against or Equity Interests in each of the Debtors will receive the same recovery provided to other Holders of Allowed Claims or Equity Interests in the applicable Class and will be entitled to their share of consideration available for distribution to such Class, provided that Subsidiary Convenience Claims in Class 8 will be paid in full in Cash, as described in Article 4.2.8 of the Plan. The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order deeming the substantive consolidation of the Debtors' Estates into a single Estate for certain limited purposes related to the Plan, including Voting, Confirmation and Distribution. The Debtors believe that no creditor will receive a recovery inferior to that which it would receive if each Debtor proposed a plan of reorganization that was completely separate from that proposed by each other entity and, therefore, the Debtors do not believe that any creditor will be materially adversely affected by not voting and receiving distributions on an entity-by-entity basis.

F. Voting on the Plan

1. Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “impaired” under a plan of reorganization unless: (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan of reorganization is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan of reorganization is deemed to have accepted the plan, and the plan proponent need not solicit such holder’s vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed description of the treatment of Claims and Equity Interests under the Plan, refer to Section 5 below—Summary of the Plan.

Classes 1 and 2 are Unimpaired under, and deemed under section 1126(f) of the Bankruptcy Code to have accepted, the Plan.

Classes 3 – 8 are Impaired under, and entitled to vote to accept or reject, the Plan.⁹

Holders of Equity Interests in Class 9 and Holders of Section 510(b) Claims in Class 10 are not entitled to receive any distribution under the Plan on account of their Claims and Equity Interests and are deemed under section 1126(g) of the Bankruptcy Code to have rejected the Plan.

Except as described in Section 6 below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan of reorganization by an impaired class as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class; only those holders that actually vote to accept or reject the plan are counted for purposes of determining whether these dollar and number thresholds are met. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number that actually vote cast their ballots in favor of acceptance. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted a plan of reorganization if holders of such equity interests holding at least two-thirds in amount have actually voted to accept the

⁹ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired. If Claims in Class 3 are Unimpaired, Holders of Claims in Class 3 will be deemed to accept the Plan.

plan. Holders of claims and equity interests who fail to vote are deemed neither to accept nor to reject the plan. For a more detailed description of the requirements for confirmation of the Plan, refer to Section 6 below—Statutory Requirements for Confirmation of the Plan.

Even if the Plan has not been accepted by all Impaired Classes entitled to vote on such plan, section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan will be confirmed in a procedure commonly known as cram-down, so long as the Plan does not “discriminate unfairly” and is “fair and equitable,” for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Equity Interests that is Impaired under, and has not accepted, the Plan. For a more detailed description of the requirements for confirmation of a nonconsensual plan, refer to Section 6 below—Statutory Requirements for Confirmation of the Plan.”

2. Submitting a Ballot

Classes 3 – 8 are entitled to or are being solicited to vote to accept or reject the Plan.¹⁰ If you are entitled or are being solicited to vote, you should carefully review this Disclosure Statement, including the attached appendices and the instructions accompanying your Ballot or Ballots. Then, indicate your acceptance or rejection of the Plan by voting for or against the Plan on the enclosed Ballot or Ballots and return the Ballot or Ballots to Kurtzman Carson Consultants LLC (the “**Notice and Claims Agent**”), or in the case of Beneficial Ballots, to your Voting Nominee, at the address provided. For further information, refer to Section 7 below—Voting Procedures, and the Solicitation Procedures Order attached hereto as Appendix B.

Ballots cast by Holders (or Master Ballots cast on behalf of beneficial Holders) in Classes entitled to vote must be received by the Notice and Claims Agent by 8:00 p.m. (Eastern Time) on August 9, 2013. Beneficial Ballots must be completed, executed and returned to your Voting Nominee in sufficient time so that the Beneficial Ballot be actually counted and submitted with the Master Ballot. For further information, refer to Section 7 below—Voting Procedures.

Ballots received after the Voting Deadline will not be counted.

The method of delivery of Ballots to be sent to the Notice and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Plan, such delivery will be deemed made only when the original executed Ballot is actually received by the Notice and Claims Agent. In all cases, sufficient time should be allowed to ensure timely delivery. Original executed Ballots are required.

Delivery of a Ballot to the Notice and Claims Agent by facsimile, e-mail or any other electronic means will not be accepted. No Ballot should be sent to the Debtors, their

¹⁰ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired. If Claims in Class 3 are Unimpaired, Holders of Claims in Class 3 will be deemed to accept the Plan.

agents (other than the Notice and Claims Agent), any indenture trustee (unless specifically instructed to do so) or the Debtors' financial or legal advisors, and if so sent, will not be counted.

To be entitled to receive Rights Offerings Consideration in the form of Cash (in addition to 1145 Rights, if eligible), a Holder of a Claim in Class 4 or 6 must certify on its Ballot that it (a) is neither a "qualified institutional buyer" or an "accredited investor" within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, or (b) did not, as of April 30, 2013 and the 4(2) Certification Date, beneficially own General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a "qualified institutional buyer," \$100,000 or (y) in the case of an "accredited investor," \$500,000. A Holder of a Claim in Class 4 or 6 that does not provide such certification will receive no Cash Rights Offerings Consideration.

3. Recommendation

The Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept it. In addition, the Creditors' Committee and its legal and financial advisors played an active role in the negotiation of the terms of the Plan, and the transactions contemplated therein and described herein. Accordingly, the Creditors' Committee recommends that Holders of Claims in Classes 4 – 8 vote to accept the Plan.

G. Confirmation of the Plan

1. Plan Objection Deadline

Objections to Confirmation of the Plan must be filed and served on or before [●] (Eastern Time) on [●], 2013,¹¹ in accordance with the notice of the Confirmation Hearing.

2. Confirmation Hearing

Unless objections to Confirmation are timely served and filed in compliance with the Solicitation Procedures Order, the notice of the Confirmation Hearing and the voting procedures, they will not be considered by the Bankruptcy Court. For further information, refer to Section 6 below, "Statutory Requirements for Confirmation of the Plan."

H. Internal Revenue Service Circular 230 Notice

To ensure compliance with Internal Revenue Service Circular 230, Holders of Claims and Equity Interests are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Disclosure Statement or any document referred to herein is not intended or written to be used, and cannot be used by such Holders for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended from time to time, and the U.S. Department of Treasury regulations promulgated thereunder (the "Internal Revenue Code"); (b) such discussion is written for use in connection with the promotion or marketing of the transactions

¹¹ To be updated following the Disclosure Statement Approval Hearing.

or matters addressed herein; and (c) Holders of Claims and Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.

2. BACKGROUND TO THESE CHAPTER 11 CASES

A. The Debtors

Kodak is a 133-year-old integrated global enterprise comprising more than a hundred domestic and foreign entities, a diverse range of mature, established and growth product lines, valuable intellectual property assets, and approximately 12,200 employees. Kodak's worldwide operations are managed by product segment across geographic boundaries and legal entities.

EKC has 100 majority-owned or wholly-owned direct and indirect subsidiaries, 15 of which are domiciled in the United States and 85 of which are domiciled in foreign countries. A chart setting forth Kodak's corporate structure is attached hereto as Appendix C.

The Debtors consist of EKC and the 15 wholly-owned U.S. subsidiaries; the foreign subsidiaries are not part of these Chapter 11 Cases. None of the Debtors' foreign subsidiaries are in local bankruptcy or insolvency proceedings.

The events leading up to these Chapter 11 Cases are discussed in Section 2 of this Disclosure Statement. The restructuring initiatives undertaken since the Petition Date are discussed in Section 3. A description of the Reorganized Debtors is set forth in Section 4.

B. Prepetition Capital Structure

1. Equity Ownership

As of December 31, 2011, EKC had 950,000,000 authorized shares of common stock, \$2.50 par value, of which 271,379,883 shares were outstanding.

Until the Petition Date, EKC's common stock was listed on the New York Stock Exchange (the "NYSE"). On the Petition Date, following EKC's announcement of the filing of these Chapter 11 Cases, the NYSE announced the suspension of trading of EKC's stock trading under the symbol "EK."

EKC's common stock currently is traded on the Over The Counter Bulletin Board ("OTCBB") under the symbol "EKDKQ." It is no longer subject to regulations and controls imposed by the NYSE. The OTCBB is a centralized quotation service that collects and publishes market-maker quotes for over-the-counter securities in real time. EKC's listing status on the OTCBB is dependent on market makers' willingness to provide the service of accepting trades to buyers and sellers of EKC stock. Unlike securities traded on a stock exchange such as the NYSE, issuers of securities traded on the OTCBB need not meet specific quantitative or qualitative listing or maintenance standards. EKC has remained an issuer reporting with the Securities and Exchange Commission (the "SEC") and believes it is in compliance in all material respects with all applicable reporting obligations.

2. Secured Debt

As of the Petition Date, the Debtors had outstanding funded secured debt in an aggregate amount of approximately \$850 million. This debt was issued by EKC and guaranteed by all other Debtors. It consisted of (a) approximately \$100 million outstanding under the Debtors' first lien revolving credit facility and (b) \$750 million in principal amount of second lien secured notes. EKC had an additional approximate \$96 million face amount of outstanding letters of credit.

a. Prepetition First Lien Credit Facility

On April 26, 2011, EKC and certain of its subsidiaries (including Kodak Canada Inc.) entered into the Second Amended and Restated Credit Agreement (the "**Prepetition First Lien Credit Facility**") with a syndicate of lenders for whom Bank of America, N.A., served as administrative agent and Bank of America, N.A., and Citicorp USA served as co-collateral agents. The Prepetition First Lien Credit Facility provided for a five-year, \$400 million revolving credit facility—including a \$225 million commitment under a letter-of-credit subfacility. All obligations under the Prepetition First Lien Credit Facility (the "**Prepetition First Lien Obligations**") were guaranteed by EKC and all of its direct and indirect domestic subsidiaries (all of which are Debtors in these Chapter 11 Cases) and, with respect to the Canadian facility, all of EKC's direct and indirect Canadian subsidiaries (collectively, the "**Prepetition First Lien Guarantors**"). The Prepetition First Lien Obligations and the guarantees thereof were secured by substantially all the assets of EKC and the Prepetition First Lien Guarantors and the proceeds therefrom, subject to certain exceptions.

As of the Petition Date, the Debtors had approximately \$100 million in secured loans outstanding under the Prepetition First Lien Credit Facility, along with \$96 million in face amount of outstanding letters of credit. Upon the Debtors' entry into the DIP ABL Credit Agreement, all then-outstanding loans under the Prepetition First Lien Credit Facility were paid and all liens arising out of the Prepetition First Lien Credit Facility were released. As of the date of this Disclosure Statement, all other Prepetition First Lien Obligations, consisting of existing letters of credit and other obligations constituting existing secured agreements, have been satisfied.

b. Prepetition Second Lien Notes

Prior to the Petition Date, EKC issued (i) \$500 million in 9.75% Senior Secured Notes due March 1, 2018 (the "**2018 Notes**"), pursuant to that certain indenture dated March 5, 2010, as amended, supplemented or otherwise modified from time to time (the "**2018 Indenture**"), by and among EKC, as issuer, the guarantors as defined in the 2018 Indenture, and Wilmington Trust, N.A., as successor indenture trustee to The Bank of New York Mellon (the "**Second Lien Trustee**"), and (ii) \$250 million in 10.625% Senior Secured Notes due March 15, 2019 (the "**2019 Notes**" and, together with the 2018 Notes, the "**Second Lien Notes**"), pursuant to that certain indenture dated March 15, 2011, as amended, supplemented or otherwise modified from time to time (the "**2019 Indenture**" and, together with the 2018 Indenture, the "**Second Lien Notes Indentures**"), by and among EKC, as issuer, the guarantors as defined in the 2019 Indenture, and Wilmington Trust, National Association, as successor

indenture trustee to The Bank of New York Mellon. All obligations under the Second Lien Notes Indentures (the “**Prepetition Second Lien Obligations**”) are guaranteed by the Debtors in these Chapter 11 Cases. The Prepetition Second Lien Obligations, and the guarantees thereof, are secured by substantially the same collateral securing the Prepetition First Lien Obligations, including substantially all of the assets of EKC and the other Debtors and proceeds therefrom, subject to certain exceptions.

As further discussed below, certain holders of Second Lien Notes formed the Second Lien Committee between October 2011 and the Petition Date.

As of the Petition Date, the Debtors owed accrued and unpaid interest on the Second Lien Notes in the aggregate amount of \$28 million. As described more fully in Section 3.D.2.b below, the DIP Term Loan Credit Agreement provided for the issuance of up to \$375,000,000 of Junior Loans in exchange for amounts outstanding under the 2018 Notes and 2019 Notes. The Debtors believe that there has been substantial trading activity with respect to the Second Lien Notes since the Debtors entered into the DIP Term Loan Credit Agreement and the Junior Loans were issued in exchange for \$375,000,000 of the 2018 Notes and 2019 Notes.

On November 16, 2012, the Creditors’ Committee commenced an adversary proceeding on behalf of the Debtors’ estates against Wilmington Trust, N.A., in its capacities as successor indenture trustee and collateral agent, captioned *Official Committee of Unsecured Creditors of Eastman Kodak Company, et al. v. Wilmington Trust, N.A., in its capacities as Successor Indenture Trustee and Collateral Agent* (Adv. Proc. No. No. 12-01947) (the “**Committee’s Lien Challenge**”). The Committee’s Lien Challenge sought, among other things, to avoid the liens asserted by the Second Lien Trustee against the Debtors’ foreign patents and patent infringement claims (or a declaratory judgment that such liens were never granted) and to declare that its claim is not secured by such collateral. As described in Section 3.E. below, the Committee’s Lien Challenge will be settled and dismissed with prejudice upon the occurrence of the Effective Date.

3. Unsecured Debt

As of the Petition Date, the Debtors had outstanding unsecured funded debt in the aggregate principal amount of approximately \$683 million, including \$400 million in principal amount of convertible notes and \$283 million in principal amount of other senior unsecured debt, in addition to \$12 million in accrued and unpaid interest thereon.

C. **Legacy Liabilities**

The Debtors commenced these Chapter 11 Cases with significant legacy liabilities that arose during the time when Kodak was a much larger organization. As of December 31, 2011, Kodak faced liability for other post-employment benefits in excess of \$1.3 billion, \$0.5 billion in U.S. pension liabilities, approximately \$96 million in environmental liabilities and \$1.2 billion in non-U.S. pension liabilities. These figures are not and do not necessarily represent claim amounts.

Kodak had substantial pension and other post-employment benefits obligations, as set forth in the table below:

As of December 31, 2011 (based on information available as of March 11, 2013) (in millions \$)		U.S. (Debtor)	Non-U.S. (Non-Debtor)
Pension			
Projected benefit obligation		5,259	3,652
Fair value of plan assets		4,763	2,436
(Underfunded)		(496)	(1,216)
Cash payments for 2011		25	78
Other post-employment benefits			
Accumulated benefit obligation (unfunded)		(1,223)	(85)
Cash payments for 2011		117	2

1. U.S. Liabilities

a. Retiree Welfare Benefits

As of the Petition Date, the Debtors had over 56,000 retired employees, long-term disabled former employees, spouses, dependents, survivors and other individuals (the “**Retirees**”) receiving retiree medical, dental, life insurance and survivor income benefits under a plan or program maintained or established by the Debtors (the “**Retiree Welfare Benefits**”) in the United States or South Africa. As of December 31, 2011, the Debtors faced total liability for these Retiree Welfare Benefits in excess of \$1.2 billion and the projected aggregate cash costs for 2012 exceeded \$117 million. The resolution of the Debtors’ Retiree Welfare Benefits is discussed in more detail in Section 3.D.3.a below.

b. U.S. Pension Plans

As of the Petition Date, the Debtors sponsored, maintained or contributed to the following Qualified Plans and Non-Qualified Plans:

(i) Qualified Plans

The assets of Qualified Plans maintained by the Debtors are held in trust and are not part of the Estates. The treatment of Qualified Plans under the Plan is discussed in more detail in Section 4.C.5.a. below.

(a) Qualified Defined Contribution Plans

(1) Eastman Kodak Employees’ Savings and Investment Plan

The Debtors maintain the Eastman Kodak Employees’ Savings and Investment Plan (the “**SIP**”), a qualified defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of eligible employees. The SIP allows for pre-tax salary deductions of eligible compensation up to applicable Internal Revenue Code limits, and certain matching contributions may be provided for eligible employees who also participate in the cash balance component of the KRIP. All participants are fully

vested in their account balances at all times. The Bank of New York Mellon is the SIP trustee and the Savings and Investment Plan Committee is the SIP administrator. As of April 23, 2013, there were approximately 5,600 employees and 15,000 inactive participants with current account balances in the SIP.

(2) Kodak Subsidiaries' Savings Plan

The Debtors maintain the Kodak Subsidiaries' Savings Plan (the "**KSSP**"), a qualified defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of eligible employees at certain Kodak subsidiaries. In addition to allowing for pre-tax salary deductions of eligible compensation up to applicable Internal Revenue Code limits, certain subsidiaries choose to provide matching contributions in which eligible employees become fully vested after seven years of service. T. Rowe Price Trust Company is the KSSP trustee and the Subsidiaries Committee on Employee Benefits is the administrator. As of April 23, 2013, there were approximately 200 active employees and 2,000 inactive employees in the KSSP.

(3) Kodak Imaging Network, Inc. 401(k) Salary Savings Plan

Kodak Imaging Network, Inc. maintains the Kodak Imaging Network, Inc. 401(k) Salary Savings Plan (the "**KIN**"), a qualified profit-sharing plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for its eligible employees. The Debtors do not owe any amounts on account of the KIN, although there are approximately 90 former employees who continue to hold accounts under the KIN.

(4) Qualex Inc. 401(k) Plan

Qualex Inc. maintains the Qualex Inc. 401(k) Plan (the "**Qualex Plan**"), a defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of its eligible employees. Eligible employees may make pre-tax deductions of eligible compensation up to applicable Internal Revenue Code limits and may receive matching employer contributions. T. Rowe Price Trust Company is the Qualex Plan trustee and recordkeeper, and Qualex, Inc. is the administrator. As of the Petition Date, there were approximately 2,800 employees with current account balances in the Qualex Plan.

(5) Laser-Pacific Media Corporation Employees' 401(k) Retirement Plan

Laser-Pacific Media Corporation maintains the Laser Pacific Media Corporation employees' 401(k) Retirement Plan, a qualified prototype profit-sharing plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of its eligible employees. Any remaining participants have taken a distribution of their plan benefits and the plan was terminated on August 6, 2012 at the time the last participant's distribution was made.

(b) Qualified Defined Benefit Plans

EKC and Qualex Inc. sponsor two defined benefit plans covered by title IV of the Employee Retirement Security Act of 1974, as amended ("**ERISA**"). These two pension plans

are the Kodak Retirement Income Plan (“**KRIP**”) and the Qualex Inc. Base Pension Plan (“**Qualex Base Plan**”). Kodak will maintain and continue the KRIP and the Qualex Base Plan in accordance with their terms and the relevant provisions of ERISA and the Internal Revenue Code. EKC and all the members of its controlled group are obligated to pay contributions to the KRIP and the Qualex Base Plan necessary to satisfy the minimum funding standards under section 412 of the Internal Revenue Code and section 302 of ERISA.

PBGC is the wholly-owned United States government corporation and agency of the United States created under Title IV of ERISA to administer the federal pension insurance program and enforce compliance with the provisions of Title IV. PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV.

PBGC has filed estimated contingent claims against each Debtor for the unfunded benefit liabilities of the KRIP and the Qualex Base Plan in the amounts of \$1,344,100,000 and \$100,000,000, respectively. PBGC also has filed unliquidated claims for statutory premiums owed to PBGC, and for minimum funding contributions owed to each of the KRIP and the Qualex Base Plan. Kodak’s continued sponsorship and maintenance of the KRIP and the Qualex Base Plans through these Chapter 11 Cases and after emergence will render all these claims moot.

No provision contained herein, the Plan or the Confirmation Order shall be construed as discharging, releasing or relieving EKC or any member of its controlled group in any capacity, from any liability with respect to the KRIP and the Qualex Base Plan under any law, government policy or regulatory provision. PBGC, the KRIP and the Qualex Base Plan shall not be enjoined or precluded from enforcing such liability against any party as a result of the Plan’s provisions for satisfaction, release and discharge of claims.

(1) Kodak Retirement Income Plan

The Debtors provide retirement benefits under the KRIP, which is a qualified defined benefit pension plan intended to meet the requirements of section 401(a) of the Internal Revenue Code. The KRIP provides benefits based on a traditional formula and a cash balance formula (which covers all new employees hired after March 31, 1999). Benefits under the traditional formula are paid upon retirement based on accrued service and average participating compensation. Participants vest in their accrued benefit after three years of service and may be eligible for normal retirement (age 65), early retirement (age 55 and at least 10 years of service), vested benefits or disability retirement benefits depending on the participant’s age, disability status and total service when his or her employment ends. Under the cash balance formula, participants receive accrued monthly pay credits and monthly interest credits. Participants vest in their hypothetical account balance after three years of service, and benefits are payable on normal retirement (age 65), vested termination or death. The Bank of New York Mellon is the trustee for KRIP, and the Kodak Retirement Income Plan Committee (the “**KRIPCO**”) is the plan administrator. The KRIP also provided benefits under special termination programs in effect for certain years. The last special termination program applied to terminations of employment in connection with a layoff, special separation program or divestiture prior to January 1, 2013, for participants who met specified conditions. As of January 9, 2012, KRIP covered approximately 8,500 active Kodak employees and 44,000 former employees.

(2) Qualex Base Plan

Qualex Inc. maintains for its eligible employees the Qualex Base Plan, a qualified defined benefit pension plan intended to meet the requirements of section 401(a) of the Internal Revenue Code. The Qualex Base Plan has been closed to new participants since August 28, 2009, and benefit accruals were frozen on the same date. Participants receive benefits at retirement based on accrued service and average participating compensation, and are fully vested in their benefits after five years of service. The Bank of New York Mellon is the trustee and the KRIPCO is the plan administrator. As of the Petition Date, there were approximately 9,000 participants under the Qualex Base Plan.

(3) Local 966 Pension Plan

Qualex Inc. was a participating employer in the Local 966 Pension Plan, which is a qualified, multiemployer defined benefit pension plan administered by a joint board of union and employer representatives. Upon normal retirement, participants generally receive monthly benefits based on accrued service and the employer's monthly contribution rate. Qualex Inc. withdrew from the Local 966 Pension Plan in 1997 and currently incurs a quarterly withdrawal liability of approximately \$8,900 through December 1, 2017. Benefits under the Local 966 Pension Plan are guaranteed by PBGC under the multiemployer plan program. PBGC has no claim against the Debtors with respect to the Local 966 Pension Plan.

(ii) *Non-Qualified Plans*

The treatment of Non-Qualified Plans under the Plan is discussed in more detail in Section 4.C.5.a. below.

(a) Kodak Excess Retirement Income Plan

The Kodak Excess Retirement Income Plan (the “**KERIP**”) is an excess benefit plan that pays retirement benefits to certain KRIP-participating employees whose KRIP benefits are limited by section 415 of the Internal Revenue Code. Benefits are paid upon retirement out of the general assets of Kodak and are not held in trust, with KRIPCO acting as the administrator. There are approximately 290 participants under the KERIP, none of whom currently are active employees. The average monthly KERIP obligation is approximately \$425,000.

(b) Kodak Unfunded Retirement Income Plan

Kodak maintains the Kodak Unfunded Retirement Income Plan (the “**KURIP**”) to provide benefits to certain KRIP-participating employees whose benefits under the SIP and the KRIP (including termination benefits under the KRIP) are limited by section 401(a)(17) of the Internal Revenue Code and to recognize deferred compensation that is ignored when calculating benefits under the SIP and the KRIP. Benefits are payable out of the general assets of Kodak upon retirement. The KURIP is administered by KRIPCO. As of October 11, 2012, there were approximately 200 active employees and 665 former employees participating.

(c) Kodak Company Global Pension Plan for International Employees

The Kodak Company Global Pension Plan for International Employees (the “**GPP**”) is maintained by Kodak for the purpose of providing retirement income benefits to eligible, non-resident alien employees on Kodak’s U.S.-based international payroll who are not eligible to participate in KRIP. Additionally, the plan governs benefits for employees who were covered under the Bermuda Plan, a pension plan with a cash balance component, which closed to new enrollment as of March 1, 1999. Benefits are provided at retirement out of the general assets of Kodak based on accrued pay credits and interest credits earned and service credited while an employee of Kodak. Since the GPP was established primarily for the benefit of non-resident aliens who are located outside the U.S., it is not subject to title I or title IV of ERISA. Benefits under GPP are fully vested at all times. As of the Petition Date, there were fewer than 10 active employees participating in the GPP.

(d) 1982 Eastman Kodak Company Executive Deferred Compensation Plan

The 1982 Eastman Kodak Company Executive Deferred Compensation Plan (the “**EDCP**”) is an unfunded non-qualified deferred compensation plan for eligible employees of EKC and certain subsidiaries. Under the EDCP, eligible employees are given an opportunity to elect to defer a portion of their compensation for a given year, with any account balance paid in cash following the applicable period of fixed deferment. The EDCP is administered by the EDCP committee, which froze the ability for employees to elect to defer monies into the plan in 2009.

(e) Eastman Kodak Deferred Compensation Plan for Directors.

The Eastman Kodak Deferred Compensation Plan for Directors (the “**Directors DCP**”) is a non-qualified deferred compensation arrangement for eligible directors on the board of directors of EKC. Eligible directors may elect to defer all or a portion of their compensation, whether payable in cash or equity into a phantom stock account under the Directors DCP, and the stock units are distributed in cash following the director’s departure.

(f) Letter Agreements

The Debtors provide supplemental non-qualified pension benefits pursuant to individual letter agreements with certain current and former employees (collectively, the “**Non-Qualified Plan Letter Agreements**”). As discussed in more detail below, subject to Court approval, the Debtors are currently contemplating entering into a stipulation addressing claims under the KERIP, the KURIP, the GPP, and the Non-Qualified Plan Letter Agreements.

c. Environmental Liabilities

As of December 31, 2011, the Debtors were subject to liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and various other federal, state and local laws, for environmental assessment and cleanup costs at approximately 31 sites, either directly as a current or former facility owner or operator, or

generator who sent waste to a contaminated site, or indirectly through indemnities given to third parties. In connection with the chapter 11 filing, the Debtors provided withdrawal notifications or entered into settlement negotiations with relevant regulatory agencies and private parties. At December 31, 2011, EKC's undiscounted accrued liabilities for environmental remediation costs amounted to approximately \$96 million. These figures represent liabilities presented in accordance with generally accepted accounting practices in the United States ("U.S. GAAP") and do not represent claim amounts. The Debtors are unable to provide exact claim amounts related to environmental liabilities, as many claims related to environmental liabilities are unliquidated and disputed. Unsecured environmental liabilities are generally included in Class 4 Claims.

The Debtors' largest environmental claim is related to the Diamond Alkali Superfund Site / Lower Passaic River Study Area where EKC indemnified the purchasers of STWB Inc. (formerly Sterling Drug Inc.) in connection with EKC's 1994 sale of STWB Inc. For further information on STWB Inc.'s claim, please refer to Section 3.D.3.c. below.

2. Non-U.S. Liabilities

Kodak's non-U.S. pension liabilities encompass both the U.K. pension scheme and the pension arrangements of many subsidiaries and branches operating outside the United States, as set forth in the table above.

a. Kodak Pension Plan in the United Kingdom

Kodak Limited, a wholly-owned non-Debtor subsidiary of EKC incorporated in the United Kingdom, is the employer under the Kodak Pension Plan in the United Kingdom (the "**KPP**"). The KPP is a defined benefit pension scheme created and governed by the pension scheme trust deed and English law, in particular the Pensions Act 1995 and the Pensions Act 2004, and is subject to oversight by the Pensions Regulator of the United Kingdom (the "**U.K. Pensions Regulator**"). Pursuant to Part Three of the Pensions Act 2004, Kodak Limited is obligated to adequately fund the KPP so that the KPP can meet the accrued benefit obligations owed to the members of the KPP as they fall due. As of April 30, 2012, the KPP had 8,626 pensioners and 6,399 deferred members. There are currently no other Kodak subsidiaries that are participating employers in the KPP. The KPP closed to future accrual on March 31, 2012.

Historically, Kodak Limited and the participating employers contributed to the KPP in accordance with the required schedule of contributions. However, following amendments to the applicable English law, the basis on which pension scheme obligations are valued changed. This led to the KPP requiring funding significantly greater than reported in historic financial statements of Kodak Limited. Furthermore, the KPP's funding requirements have been adversely affected by the underperformance of the equity markets, low bond yields and the increased longevity of the population at large, which means that the historical contributions paid by the employers have not increased in value as expected while the amount needed to fund benefits has increased.

EKC issued a guarantee under the guaranty agreement (as amended, the "**KPP Guaranty**"), effective October 9, 2007, among EKC, the board of trustees (now the corporate

trustee) of the KPP (the “**KPP Trustee**”) and Kodak Limited. Under the KPP Guaranty, EKC guaranteed to Kodak Limited and the KPP Trustee the ability of Kodak Limited, only to the extent it becomes necessary to do so, to (1) make contributions to the KPP to ensure sufficient assets exist to make plan benefit payments, as they become due, if the KPP otherwise would not have sufficient assets and (2) make contributions to the KPP such that it will achieve fully funded status by the funding valuation for the period ending December 31, 2022.

In October 2010, Kodak Limited agreed to a schedule of contributions with the KPP Trustee designed to enable the KPP to meet its statutory funding objective. Under the terms of this agreement, Kodak Limited is obligated to pay a minimum amount of £30.3 million (approximately \$50 million) to the KPP in each of the years 2011 through 2014, and a minimum amount of £55.3 million (approximately \$90 million) to the KPP in each of the years 2015 through 2022. Future funding beyond 2022 would be required if the KPP is still not fully funded as determined by the funding valuation for the period ending December 31, 2022. Under the terms of this agreement, these payment amounts for the years 2015 through 2022 could be lower, and the payment amounts for all years noted could be higher by up to \$5 million each year, based on the exchange rate between the U.S. dollar and British pound. These minimum amounts do not include potential contributions related to tax benefits received by Kodak Limited.

Kodak Limited has not paid the annual contribution due for 2012 and is without means to make any meaningful payment with respect to the funding deficit now or in the future. Recognizing the importance of consensual resolution of the KPP liabilities, EKC met with the KPP Trustee and the U.K. Pensions Regulator in January 2012, prior to the commencement of these Chapter 11 Cases. Since that time, EKC and the KPP Trustee have worked collaboratively to explore settlement alternatives and, in the meantime, assure ordinary course funding and operations of EKC’s non-U.S. subsidiaries. The resolution of Kodak’s settlement discussions with the KPP is discussed in more detail in Section 3.D.3.b. below.

b. Kodak Philippines Ltd. Retirement Plan

The Kodak Philippines Ltd. Retirement Plan is a retirement plan qualified under, and subject to, Philippine law maintained by Kodak Philippines Ltd.

c. Other Arrangements

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

D. Events Leading Up to These Chapter 11 Cases

1. Industry Overview

Many years ago, Kodak recognized the inevitable and accelerating decline of the global market for film-based products and of its own traditional consumer film business. Kodak began to embrace changes to its business model, develop and introduce new digital products for businesses and consumers, and restructure its operations accordingly, including reduction of its workforce and active management of its post-employment benefit costs.

2. Prepetition Restructuring Initiatives

Between 2003 and the Petition Date, Kodak generated approximately \$4.0 billion from the sale of non-core assets and businesses, including the Health Group, Remote Sensing Systems, Kodak's ownership interest in Hermes Precisa Pty. Ltd., Light Management Films, Image Sensor Solutions, Eastman Gel, Silver Operations, a variety of chemical operations, certain assets related to organic light-emitting diode and Kodak's ownership interest in Lucky Film.

From 2003 to the Petition Date, Kodak incurred \$3.0 billion in restructuring charges. As part of its transition to a smaller company focused on digital opportunities, Kodak reduced its global workforce from approximately 63,900 employees in 2003 to approximately 13,100 employees by the end of 2012. From 2003 to 2010, Kodak also closed 13 of its 15 film plants and 130 photo labs. In addition, Kodak negotiated licensing programs for its Digital Imaging Patent Portfolio with over 30 leading companies. This transformation also led to a financially smaller Kodak, with revenues declining from approximately \$13.3 billion in 2003 to about \$6.0 billion in 2011.

In addition to exiting business lines and reducing its workforce, Kodak actively managed its benefit costs, including with respect to benefits due to the Debtors' Retirees, generating cost savings coming from reducing or eliminating certain retiree benefits, as well as increasing health care contributions. Kodak's total liability for other post-employment benefits declined from approximately \$3.0 billion in 2005 to approximately \$1.3 billion as of December 31, 2011.

3. Liquidity Shortfall

As described above, Kodak funded its prepetition restructuring costs from a combination of the fees generated by its licensing programs, proceeds from the disposition of its non-core assets and revenue from its cash-generating film and digital businesses. Kodak's transition to a digital business, however, was interrupted by a liquidity shortfall, primarily in the United States.

Despite Kodak's best efforts, deteriorating market conditions since 2008, substantial post-employment costs and difficulties in collecting licensing fees precipitated Kodak's near-term liquidity shortfall, leading eventually to the commencement of these Chapter 11 Cases.

In 2011, Kodak took actions to enhance its cash position, including: (i) issuing \$250 million in 2019 Notes; (ii) entering into the Prepetition First Lien Credit Facility to access liquidity of approximately \$160 million; and (iii) continuing to sell non-strategic businesses and assets. Despite these actions, Kodak's liquidity was further impaired by substantial foreign and U.S. legacy costs and by the difficulty in monetizing non-strategic assets.

In order to resolve its liquidity challenges, Kodak, with the assistance of its advisors, evaluated strategic alternatives for new lending facilities, strategic transactions, intellectual property monetization, and asset sales. Kodak concluded that seeking debtor-in-possession financing for EKC and its U.S. subsidiaries and reorganizing in these Chapter 11 Cases was, in the long term, in the best interests of Kodak and its stakeholders.

a. Impact of Global Market Conditions

Since 2008, Kodak's businesses were negatively impacted by market conditions affecting the global economy, including their suppliers and their commercial and retail customers worldwide. Kodak experienced both climbing costs and declining profits from its historically profitable traditional businesses, such as its film manufacturing business, and slower revenue growth in its newer initiatives.

Kodak had initially planned to source funds for investment in new businesses from its historically profitable film business. Though Kodak had projected its film business to generate less cash as digital imaging replaced film, the speed of this runoff impacted the film business' generation of cash flow between 2008 and 2010. In addition to this contraction of demand, increasing commodity prices negatively impacted Kodak's cash flow. Kodak's film business purchased approximately \$300 million of silver in 2011, as silver prices ranged between 199 and 294 percent of their 2008 levels.

Similarly, during the 2008 financial crisis and immediately thereafter, the market for Kodak's commercial products, many of which represent significant investments for the businesses that purchase them, shrank significantly. This reduced the profitability of Kodak's digital growth initiatives, which required an established base of installed Kodak products to create economies of scale and build a market for highly profitable services and consumables.

b. Costs of Post-employment Benefits

Historically, the Debtors have provided generous welfare benefits to their Retirees pursuant to multiple benefit plans and programs. As Kodak became a financially smaller business with a reduced workforce, the cost of providing these benefits became unsustainable. The Debtors' largest single post-employment-benefit cash cost in 2011 was approximately \$117 million in payments of Retiree Welfare Benefits. Despite their significant efforts to reduce these liabilities, the Debtors were unable to reduce the costs of their post-employment benefit obligations to a level appropriately scaled for a company of Kodak's reduced size.

c. Delays in Licensing of EKC's Digital Imaging Patent Portfolio

As a result of its research and development and innovation in digital imaging, Kodak possessed a portfolio of over 1,987 digital imaging patents (the "**Digital Imaging Patent**

Portfolio”), mostly owned by EKC. This intellectual property encompasses a broad set of technologies, including developments in key digital imaging fields such as digital camera functions and features, image processing algorithms and network image storage, access and fulfillment, and is fundamental to the digital imaging industry, including the cellular phone, digital camera, tablet and social networking markets.

The monetization through licensing arrangements of the Digital Imaging Patent Portfolio was integral to Kodak’s transformation during the past decade, having generated over \$3.0 billion in revenue. More than 30 companies licensed the Digital Imaging Patent Portfolio, including such leading mobile-device companies as LG Corporation, Motorola, Inc., Samsung Electronics Co., Ltd. and Nokia Corporation.

As Kodak’s financial condition deteriorated, EKC began to experience delays in licensing negotiations with Apple Inc. (“**Apple**”), Research In Motion, Corp. and Research In Motion Limited (collectively, “**RIM**”) and HTC Corp. (“**HTC**”), all of whom EKC believed owed substantial royalties for their use of Kodak’s digital capture patents. EKC pursued patent litigation against each of Apple, RIM and HTC to enforce its rights relating to the digital camera functionality included in their smartphone handsets and, in the cases of Apple and HTC, in their tablet devices. EKC did not recover its expected licensing revenues, as it experienced litigation setbacks.

On July 20, 2011, EKC announced that it had engaged Lazard Frères & Co. LLC (“**Lazard**”) to assist in exploring strategic alternatives related to its Digital Imaging Patent Portfolio. EKC began marketing the Digital Imaging Patent Portfolio to potential purchasers, at the same time continuing its patent licensing program and strategic litigation against infringing parties. EKC explored other financing options and asset sales alternatives. However, these initiatives became more difficult to pursue due to increasing uncertainty concerning Kodak’s financial condition.

3. SIGNIFICANT EVENTS AND INITIATIVES IN THESE CHAPTER 11 CASES

The following is a general summary of significant events in these Chapter 11 Cases, including a discussion of the Debtors’ restructuring and business initiatives since the commencement of these Chapter 11 Cases. The size, number and diversity of the Debtors’ businesses—and the consequences for those businesses of the Debtors’ impaired liquidity position in the years prior to the Petition Date—have made the administration of these Chapter 11 Cases, the stabilization of the Debtors’ businesses and the development of a plan of reorganization unusually complex and time-consuming.

A. Overview of Chapter 11

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Chapter 11 helps a company to restructure its operations and finances to maximize recovery to all stakeholders. Chapter 11 promotes equality of treatment for similarly situated creditors and interest holders with respect to the distribution of a debtor’s assets.

The commencement of a chapter 11 case creates an estate comprising all property and all other legal and equitable interests of the debtor as of the date of the debtor's petition for chapter 11 protection. The Bankruptcy Code allows the debtor to continue all business operations and remain in possession of all property of the estate as a "debtor in possession."

The U.S. trustee monitors the progress of a chapter 11 case and supervises its administration. In particular, the U.S. trustee is responsible for monitoring the debtor in possession's operation of the business and the submission of operating reports and fees. The U.S. trustee also appoints official committees (including the retirees' and creditors' committees). The official committees consult with the debtor in possession on administration of the chapter 11 case.

A chapter 11 case culminates in the consummation of a plan of reorganization. The plan of reorganization includes a classification of claims against and interests in the debtor and specifies how each class will be treated. Among other things, the plan of reorganization must be confirmed by the bankruptcy court before it is implemented.

B. Description of Debtors' Creditor and Other Constituencies

1. Official Committee of Unsecured Creditors

On January 25, 2012, the United States Trustee for Region 2 (the "**U.S. Trustee**") appointed the Official Committee of Unsecured Creditors [Docket No. 115] (the "**Creditors' Committee**") pursuant to sections 1102(a) and 1102(b) of the Bankruptcy Code. The original members of the Creditors' Committee included: KPP Trustees Limited; Pension Benefit Guaranty Corporation; Primax Electronics Ltd.; Sony Pictures Entertainment Inc.; Strategic Procurement Group; U.S. Bank National Association; Walmart Stores, Inc.

As of the date hereof, the members of the Creditors' Committee are Altek Corporation, Pension Benefit Guaranty Corporation, Strategic Procurement Group, U.S. Bank National Association and Walmart Stores, Inc. The Creditors' Committee's retained professionals include Milbank, Tweed, Hadley & McCloy LLP, Togut, Segal & Segal LLP and Global IP Law Group, LLC, as its legal advisors and Alvarez & Marsal North America, LLC and Jefferies & Company, Inc., as its financial advisors.

The Debtors have continuously consulted with the Creditors' Committee concerning the administration of these Chapter 11. The Debtors have regularly informed the Creditors' Committee of the Debtors' business operations and have sought the support of the Creditors' Committee to the extent its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses. As discussed further below, the Creditors' Committee participated in the Debtors' marketing process for the Digital Imaging Patent Portfolio, the settlement process with the KPP, and the negotiation and formulation of the Rights Offerings, and has otherwise participated actively with the Debtors' management and professional advisors in reviewing the Debtors' business plans and operations as well as the negotiation of the Plan.

2. *Ad Hoc Committee of Second Lien Noteholders*

Between October 2011 and the Petition Date, certain holders of EKC's Second Lien Notes formed an Ad Hoc Committee of Second Lien Noteholders (the "**Second Lien Committee**"). The members of the Second Lien Committee collectively held \$263 million, or 70% percent of the outstanding principal value of Second Lien Notes as of May 10, 2013,¹² which is the last date the Second Lien Committee filed a verified statement pursuant to Bankruptcy Rule 2019. Other than its members, the Second Lien Committee does not represent any other entities in connection with these Chapter 11 Cases. Akin Gump Strauss Hauer & Feld LLP, Blackstone Group L.P. and Capstone Trade Partners LLC act as advisors to the Second Lien Committee.

The Debtors have continuously consulted with the Second Lien Committee concerning the administration of these Chapter 11 Cases. The Debtors have regularly informed the Second Lien Committee of the Debtors' business operations and have sought the support of the Second Lien Committee to the extent its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses. The Second Lien Committee participated in the Debtors' marketing process for the Digital Imaging Patent Portfolio, which is discussed further below, and has otherwise participated actively with the Debtors' management and professional advisors in reviewing the Debtors' business plans and operations as well as the negotiation of the Plan.

3. *DIP ABL Agent and DIP ABL Lenders*

Pursuant to the terms of the DIP ABL Credit Agreement, the Interim DIP ABL Order and the Final DIP ABL Order, the DIP ABL Obligations (as defined in the Final DIP ABL Order) constitute superpriority claims payable from, and having recourse to, all prepetition and postpetition property of the Debtors' estates and all proceeds thereof, subject only to payment of a carve-out for the fees and expenses of certain approved professionals. The DIP ABL Agent retained Davis Polk & Wardwell LLP as its legal advisors.

The Debtors have continuously consulted with the DIP ABL Agent throughout these Chapter 11 Cases and have sought its support to the extent that its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses.

4. *DIP Term Loan Agent and DIP Term Loan Lenders*

Pursuant to the terms of the DIP Term Loan Credit Agreement and the DIP Order, the DIP Term Loan Obligations (as defined in the DIP Order) constitute superpriority claims payable from, and having recourse to, all prepetition and postpetition property of the Debtors' estates and all proceeds thereof, subject only to a payment of a carve-out for the fees and expenses of certain approved professionals. The superpriority claims granted on account of the DIP ABL Obligations pursuant to the Final DIP ABL Order will remain in full force and effect and shall continue with the ranking and priority set forth in the Final DIP ABL Order, except as

¹² Short positions held by members of the Second Lien Committee are not counted in this calculation.

expressly provided in the DIP Order. The DIP Term Loan Agent retained Covington & Burling LLP as its legal advisors. Akin Gump Strauss Hauer & Feld LLP acts as legal advisors to certain lenders party to the DIP Term Loan Credit Agreement.

Since the closing of the DIP Term Loan Credit Agreement, the Debtors have continuously consulted with the DIP Term Loan Agent concerning the administration of these Chapter 11 Cases and have sought its support to the extent that its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' business.

5. Retiree Committee

The Debtors agreed to the establishment of an official committee under section 1114(d) of the Bankruptcy Code to act as the sole authorized representative of all Retirees. On May 3, 2012, upon order of the Bankruptcy Court [Docket No. 1097], the U.S. Trustee appointed the Official Committee of Retired Employees (the "**Retiree Committee**"), which was modified on May 17, 2012 [Docket No. 1206]. The Retiree Committee consisted of seven retired employees of Kodak who are not covered by a collective bargaining agreement. Two members of the Retiree Committee subsequently submitted their resignations from the Retiree Committee to the U.S. Trustee. The Retiree Committee retained Arent Fox LLP and Haskell Slaughter Young & Rediker, LLC as its legal advisors, Zolfo Cooper, LLC as its financial advisors, and The Segal Company as its actuarial consultants. The Retiree Settlement between the Debtors and the Retiree Committee is discussed in Section 3.D.3.a below.

6. Fee Examiner

On August 15, 2012, upon the recommendation of the U.S. Trustee and after consultation with the Debtors and the Creditors' Committee, the Bankruptcy Court appointed Richard Stern as fee examiner [Docket No. 1872]. The role of the fee examiner is to assist the Debtors in reviewing fees and expenses of retained professionals, to assist the Bankruptcy Court in determining whether such fees and expenses are reasonable, actual, and necessary, and to provide transparency in respect of such fees in the administration of these Chapter 11 Cases. On September 19, 2012, the Bankruptcy Court authorized the retention of Luskin, Stern & Eisler LLP as counsel to the fee examiner [Docket No. 2063].

7. Backstop Parties

The Backstop Parties include several of the Debtors' largest creditors (and their affiliates). As described in Section 3.E. below, prior to and after the filing of the Initial Plan, the Backstop Parties and the Debtors, in consultation with the Creditors' Committee, engaged in extensive discussions that resulted in the Backstop Commitment Agreement, the Rights Offerings and the Plan, which provides higher creditor recovery than the Initial Plan. In conjunction with the Backstop Commitment Agreement, GSO Capital Partners LP retained Simpson Thacher & Bartlett LLP as its legal advisors; BlueMountain Capital Management, LLC and Contrarian Capital Management, LLC retained Kramer Levin Naftalis & Frankel LLP, and George Karfunkel, United Equities Commodities Company and Momar Corporation retained Kasowitz Benson Torres & Friedman LLP.

C. Summary of the Claims Process

On April 18, 2012, the Debtors filed their schedules of assets and liabilities and statements of financial affairs (the “**Schedules**”) with the Bankruptcy Court. On May 16, 2012 and February 1, 2013, the Debtors filed amendments to certain of the Schedules. The Schedules are available for review at the Debtors’ case information website, <http://www.kccllc.net/kodak>.

1. Establishment of Claims Bar Dates

On February 16, 2012, the Bankruptcy Court entered an order [Docket No. 374] (the “**503(b)(9) Procedures Order**”) establishing exclusive procedures for the assertion, resolution, allowance and satisfaction of 503(b)(9) Claims. Pursuant to the 503(b)(9) Procedures Order, the deadline for filing proofs of 503(b)(9) Claims was April 30, 2012.

On May 10, 2012, the Bankruptcy Court entered an order [Docket No. 1147] (the “**Claims Bar Date Order**”) establishing procedures and deadlines for the filing of proofs of claim and approved the form and manner of notice of the Claims Bar Date. Pursuant to the Claims Bar Date Order, the general bar date for certain persons and entities to file proofs of claim in these Chapter 11 Cases was July 17, 2012 (the “**Claims Bar Date**”). Notice of the Claims Bar Date was published in the *New York Times* (National Edition) and the *Rochester Democrat and Chronicle* at least 28 days prior to the Claims Bar Date and copies were served on creditors and potential creditors appearing in the Schedules.

As described in detail in Section 5.A.1 below, the Plan contemplates the establishment of an Administrative Claims Bar Date, pursuant to the Solicitation Procedures Order and the Confirmation Order.

2. Claims Settlement Procedures

On March 20, 2013, the Bankruptcy Court entered an order approving the expedited procedures for the settlement of certain claims (the “**Claims Settlement Procedures**”) [Docket No. 3361]. The Claims Settlement Procedures classify the claims or resolutions that comprise a settlement into four categories:

- general unsecured claims;
- secured or priority claims, comprised of Other Secured Claims, Administrative Claims and Other Priority Claims;
- inbound claims, comprised of resolutions of any pending or threatened cause of action by the Debtors against a third party; and
- preplan payments, meaning (i) payments made prior to the Effective Date or (ii) allowed setoffs, in each case on account of any prepetition claim.

3. Claims Review and Objection Process

To address the numerous Claims asserted against the Debtors in an expeditious and orderly fashion, the Debtors obtained an order of the Bankruptcy Court authorizing the filing

of omnibus objections to claims [Docket No. 1275]. As of June 13, 2013, the Debtors had filed 33 omnibus objections to Claims (including omnibus objections to 503(b)(9) Claims), and various omnibus claims objection orders have been entered, which have disallowed, expunged or recharacterized approximately 1,700 Claims. In addition, numerous Claims have been allowed or withdrawn by stipulation with the Holder of the Claim.

Article 10.1 of the Plan provides that, subject to certain exceptions, the Reorganized Debtors have until 180 days after the Effective Date, or such later date as may be established by order of the Bankruptcy Court, to file objections to Claims (other than Administrative Claims).

4. *Claims Administration and Alternative Dispute Resolution Procedures*

On May 3, 2013, the Bankruptcy Court approved procedures for the administration and alternative dispute resolution of certain claims designated by the Debtors for participation in such procedures, upon appropriate notice (the “**Resolution Procedures**”). Claims subject to the Resolution Procedures include current and future litigation claims in these Chapter 11 Cases that are disputed, unliquidated or contingent and assert or involve claims based on (a) intellectual property claims, (b) personal injury claims, (c) wrongful death claims, (d) tort claims, (e) workers’ compensation claims, (f) labor and employment claims, (g) breach of contract claims, (h) indemnity claims, (i) claims for damages arising from the rejection of an executory contract or unexpired lease and (j) class action claims [Docket No. 3666].

D. Significant Events and Initiatives Related to the Debtors’ Restructuring

Since the commencement of these Chapter 11 Cases, the Debtors have taken steps to successfully emerge from chapter 11 and return to profitability. Immediately after the Petition Date, Kodak announced the four key tenets of its transformation into a market-leading digital technology company: (i) bolster liquidity; (ii) monetize non-strategic intellectual property; (iii) fairly resolve legacy liabilities; and (iv) focus on the most valuable business lines.

As described in more detail below, the Debtors applied the tools available to them under the Bankruptcy Code to achieve their four objectives. First, the Debtors stabilized their operations by maintaining their business relations with nearly their entire prepetition customer base, as well as critical prepetition vendors. Second, the Debtors secured adequate debt financing in order to fund their operations during these Chapter 11 Cases and obtained approval to divest non-core assets. Third, the Debtors have negotiated comprehensive resolutions to their legacy liabilities, including Retiree Welfare Benefits, U.K. pensions and environmental liabilities. Fourth, the Debtors have divested or wound down business lines and intellectual property assets that are not within their core strategic focus. Fifth, the Debtors have engaged on a path to sustainable profitability by implementing important savings and rationalization measures in their cost structure and reorganizing around their core business lines.

As a result of these initiatives, the Debtors have made significant progress in achieving the objectives of their transformation plan and are now poised to emerge from chapter 11.

1. Stabilizing the Debtors' Business Operations

a. First-Day Relief and Stay of Litigation

On the Petition Date, the Debtors filed numerous motions seeking relief intended to ensure a seamless transition between the Debtors' prepetition and postpetition business operations, and to facilitate the administration of these Chapter 11 Cases (the "**First-Day Motions**"). Among other things, the orders entered by the Bankruptcy Court granting the First-Day Motions (the "**First-Day Orders**") allowed the Debtors to continue certain normal business activities not specifically authorized under the Bankruptcy Code or as to which the Bankruptcy Code requires prior court approval. The First-Day Motions and the First-Day Orders are available at the Debtors' case information website, <http://www.kccllc.net/kodak>.

In particular, the First-Day Orders authorized the Debtors to:

- continue to administer customer programs, including warranty and refund policies and customer incentives, and honor all prepetition obligations arising under these programs;
- pay prepetition claims of foreign vendors;
- pay prepetition wages and employee expenses, honor employee medical and other benefits, and continue the Debtors' employee benefits programs;
- continue to use their prepetition cash management system, bank accounts and business forms;
- pay prepetition income, sales, use, franchise and property taxes and other taxes, assessments, fees and similar charges to governmental authorities;
- establish procedures to preserve the value of the Debtors' net operating losses;
- pay prepetition claims of shippers, warehousemen, processors and other participants in the Debtors' distribution network and holders of mechanics' and other statutory liens, and customs duties; and
- retain professionals utilized in the ordinary course of the Debtors' business.

In addition, the commencement of the Debtors' Chapter 11 Cases triggered the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoined all collection efforts and actions by creditors, the enforcement of all liens against property of the Debtors and the commencement or continuation of prepetition litigation against the Debtors. Subject to limited exceptions, the automatic stay will remain in effect until the Effective Date of the Plan.

b. Customer and Vendor Outreach Programs

From the outset of these Chapter 11 Cases, a top priority of the Debtors has been maintaining the trust of both customers and suppliers. Immediately following the Petition Date,

the Debtors initiated an extensive worldwide customer and supplier outreach program. The program included communications designed to explain relevant provisions of the U.S. Bankruptcy Code and other applicable law to customers and vendors around the world. Due to these and other efforts, the Debtors have retained virtually all of their top customers and have continued to serve the needs of these customers without supply interruption.

Kodak has processed approximately 270,000 purchase order transactions since the Petition Date, without any supply shortages that materially impacted customer deliveries. This outstanding accomplishment has been driven by the enforcement of the automatic stay, selected temporary trade term adjustments, a minor acceleration of certain liabilities subject to section 503(b)(9) of the Bankruptcy Code, very limited foreign vendor payments, resourcing to alternative suppliers as needed and providing frequent and transparent communications to Kodak's supply base, the overwhelming majority of which have stood behind their commitments.

Having succeeded in their stabilization program, the Debtors have generally continued their global operations in the ordinary course, maintaining worldwide cash levels approximately \$1 billion, while maintaining sufficient foreign cash balances to meet their operational needs in the ordinary course.

2. *Bolstering Liquidity*

a. DIP ABL Credit Agreement

On the Petition Date, the Debtors filed a motion [Docket No. 16] with the Bankruptcy Court seeking, among other things, interim approval to obtain debtor-in-possession financing. Pursuant to orders entered January 20, 2012 [Docket No. 54] (the "**Interim DIP ABL Order**") and February 16, 2012 [Docket No. 375] (the "**Final DIP ABL Order**"), the Bankruptcy Court authorized EKC and Kodak Canada Inc. (a non-Debtor subsidiary of EKC) to borrow up to the aggregate principal amount of \$950 million pursuant to the Debtor-in-Possession Credit Agreement, dated January 20, 2012 (the "**DIP ABL Credit Agreement**"), by and among EKC and Kodak Canada Inc. and a syndicate of lenders for which Citicorp North America, Inc. (the "**DIP ABL Agent**") serves both as administrative agent and as co-collateral agent with Wells Fargo Capital Finance, LLC.

Upon entering into the DIP ABL Credit Agreement, the Debtors applied a portion of the proceeds from the DIP ABL Credit Agreement to repay in full the approximately \$100 million principal amount outstanding under the Prepetition First Lien Credit Facility. The remainder of the proceeds have been available to finance the Debtors' operations during these Chapter 11 Cases and to provide limited funding for the operations of the Debtors' foreign subsidiaries. The DIP ABL Credit Agreement originally consisted of a \$250 million asset-based revolving credit facility, including a \$25 million Canadian revolving facility, and a \$700 million term loan (the "**DIP ABL Term Loan**").

On February 1, 2013, the Debtors applied approximately \$418.7 million of the net cash proceeds of the monetization of Kodak's Digital Imaging Patent Portfolio (as described in Section 3.D.4.a below) to repay amounts outstanding under the DIP ABL Term Loan. As of

February 5, 2013, the Debtors had \$245.5 million of outstanding term loans under the DIP ABL Credit Agreement.

The DIP ABL Credit Agreement was amended and restated as of March 22, 2013 to reflect the payment in full of all outstanding term loans under that credit agreement, to eliminate the Canadian revolving facility and to reduce the revolving credit line cap to \$200,000,000, among other changes. The amendment also extended the maturity date of the revolving credit facility from July 20, 2013 to September 30, 2013, to match the maturity of the DIP Term Loan Credit Agreement, removed machinery and equipment from the borrowing base of the revolving credit facility, and revised certain covenants to match the terms of the DIP Term Loan Credit Agreement.

b. DIP Term Loan Credit Agreement

To refinance the term loan component of the DIP ABL Term Loan, the Debtors sought authorization to borrow up to the aggregate principal amount of \$848.2 million pursuant to the Debtor-in-Possession Credit Agreement, dated March 22, 2013 (the “**DIP Term Loan Credit Agreement**”), among EKC, as borrower, the other Debtors, as guarantors, and a syndicate of lenders for which Wilmington Trust, National Association (the “**DIP Term Loan Agent**”) serves both as administrative agent and as collateral agent. The Bankruptcy Court authorized the Debtors to enter into the DIP Term Loan Credit Agreement by an order rendered on January 24, 2013 [Docket No. 2926], as amended by the order entered on March 8, 2013 [Docket No. 3279] (together, the “**DIP Order**”).

The facility provided by the DIP Term Loan Credit Agreement consists of \$455,000,000 of new money (the “**New Money Loans**”) and up to \$375,000,000 of junior lien term loans (the “**Junior Loans**,” and, together with the New Money Loans, the “**DIP Term Loans**”). The Junior Loans were issued in exchange for a portion of the outstanding 2018 Notes and 2019 Notes.

The New Money Loans presently bear interest at the rate of LIBOR plus 10.5% per annum, with a LIBOR floor of 100 bps. The Junior Loans presently bear interest at a rate per annum, payable in cash, equal to the applicable non default rate on the 2018 Notes or 2019 Notes (as the case may be) that are subject to the conversion.

The DIP Term Loan Credit Agreement contained certain milestones. The milestones, which EKC has complied with, or expects to comply with, to date, include:

- (i) By no later than April 8, 2013, deliver a comprehensive draft plan of reorganization (which will set forth, among other things, treatment of the KPP claims, treatment for each class of claims and interests (including proposed terms of any debt to be issued and proposed equity splits), a description of corporate governance mechanics (including provisions to address the selection of officers and directors of the post-reorganization Company), and post reorganization capital structure) and related disclosure statement to the advisors to the Lead Lenders (as defined in the DIP Term Loan Credit Agreement);

- (ii) By no later than April 30, 2013, file a plan of reorganization and a disclosure statement with the Bankruptcy Court;
- (iii) By no later than June 30, 2013, an order shall be entered by the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement), approving the disclosure statement; and
- (iv) By no later than September 15, 2013, an order shall be entered by the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lead Lenders, approving the plan of reorganization.

The DIP Term Loan Credit Agreement matures on the earliest of (i) September 30, 2013, (ii) the Effective Date of the Plan, to the extent that amounts outstanding under the DIP Term Loan Credit Agreement are not converted into exit term loans and (iii) the acceleration of the DIP Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement.

As set forth in Section 4.C.4. below, the DIP Term Loan Credit Agreement provides that, upon the Effective Date, up to \$653,700,000 of New Money Loans and Junior Loans may be converted into loans under an exit facility. The conversion of the New Money Loans and Junior Loans is subject to the satisfaction of the conditions contained in the Emergence Credit Facility Documents.

c. Emergence Financing

Pursuant to the Backstop Commitment Agreement, EKC agreed to seek to obtain emergence financing on terms that are superior to the existing Emergence Rollover Credit Agreement negotiated in connection with the DIP Term Loan Credit Agreement.

On June 19, 2013, the Debtors entered into agreements with Bank of America, N.A. (“**Bank of America**”), Merrill Lynch, Pierce, Fenner & Smith Incorporated (“**Merrill Lynch**”), JPMorgan Chase Bank, N.A. (“**JPMorgan Chase Bank**”), J.P. Morgan Securities LLC (“**J.P. Morgan**”) and Barclays Bank PLC (“**Barclays**”), subject to the satisfaction or waiver of certain conditions and on a best efforts basis, to arrange new post-emergence credit facilities of up to \$895 million. Affiliates of the JPMorgan Chase Bank, J.P. Morgan, Barclays, Bank of America and Merrill Lynch will serve as joint lead arrangers for senior secured term loans of up to \$695 million. In addition to this term financing, affiliates of JPMorgan Chase Bank, J.P. Morgan, Barclays, Bank of America and Merrill Lynch will act as joint lead arrangers for a new senior secured asset-based revolving credit facility of up to \$200 million, and have committed to provide \$130 million of this facility, subject to the satisfaction of certain conditions.

If consummated, this comprehensive financing package will enable the Debtors, at emergence, to repay their secured creditors under the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement, finance their emergence from chapter 11, and meet their post-emergence working capital and liquidity needs. The proposed term loan financing, if consummated, is expected to provide the Debtors with more favorable terms than the existing Emergence Rollover Credit Agreement.

3. Fairly Resolving Legacy Liabilities

The fair resolution of the Debtors' legacy liabilities has been a crucial and necessary step towards their successful emergence from chapter 11. The Debtors' negotiation efforts with regard to their legacy liabilities have focused on three core objectives: (i) settling Retiree Welfare Benefits liabilities, (ii) pursuing the KPP Global Settlement and (iii) settling remaining environmental liabilities.

a. Retiree Settlement

As discussed herein, the Debtors historically provided generous welfare benefits to the Retirees pursuant to multiple benefit plans and programs. Specifically, the Debtors' liability for Retiree Welfare Benefits exceeded \$1.2 billion as of December 31, 2011.

Since the commencement of the Chapter 11 Cases, the Debtors sought to settle their ongoing obligations with respect to Retiree Welfare Benefits. Following the appointment of the Retiree Committee, the Debtors and the Retiree Committee commenced a multi-month negotiation regarding the Debtors' settlement of Retiree Welfare Benefits.

On October 23, 2012, the Debtors and the Retiree Committee finalized the terms of a global settlement (the "**Retiree Settlement**") pursuant to which the parties agreed, among other things, that:

- (i) the Debtors would continue all Retiree Welfare Benefits through December 31, 2012, after which all Retiree Welfare Benefits would terminate;
- (ii) upon approval of the Retiree Settlement, the Debtors would make a \$7.5 million cash payment to support the initial administrative costs and benefit payments of a voluntary employees' beneficiary association trust (the "**VEBA Trust**");
- (iii) the Debtors would allow a \$635 million general unsecured claim against their estates;
- (iv) the Debtors would allow a \$15 million administrative claim against their estates, which, at the election of the holder of such administrative claim, could be converted into shares of New Common Stock at Plan value;
- (v) the Debtors would cooperate with the Retiree Committee in communicating with retirees regarding the terms of the settlement, including conducting town hall meetings and maintaining a call center for retirees;
- (vi) the Retiree Committee and its professionals would continue to represent retirees and to carry out the terms of the Retiree Settlement, including the creation, establishment, and administration of the VEBA Trust, and the reasonable expenses of the Retiree Committee and the reasonable fees and

expenses of its professionals would continue to be paid (subject to the approval of the Court) through the date of any confirmed plan of reorganization; and

- (vii) the Retiree Committee and the VEBA Trust (to the extent consistent with its fiduciary duties) would support a plan of reorganization consistent with the terms of the Retiree Settlement.

The Bankruptcy Court entered an order approving the Retiree Settlement on November 7, 2012 [Docket No. 2302], to which a copy of the Retiree Settlement is attached. The Debtors believe that the Plan is consistent with the Retiree Settlement, which has become effective and remains in full force and effect.

b. Global Settlement with the KPP

On July 16, 2012, the KPP Trustee filed claims in these Chapter 11 Cases, including (a) an Unsecured Claim against EKC arising from the KPP Guaranty and (b) unliquidated claims filed against each of the Debtors arising out of the power of the U.K. Pensions Regulator, under the Pensions Act of 2004, to issue a financial support direction or contribution notice under certain circumstances to any company connected with, or an associate of, a company which is an employer in relation to an occupational pension plan in the United Kingdom (together, the “**KPP Claims**”). Kodak Limited also filed a claim against EKC based upon the KPP Guaranty (the “**KL Claim**”). EKC has taken no position on the value of the KPP Claims and the KL Claim. However, the underfunded position of the KPP of approximately \$1.5 billion (calculated in accordance with U.S. GAAP) is included in pension and other postretirement liabilities presented in the consolidated statement of financial position as of December 31, 2012 included in EKC’s Annual Report on Form 10-K filed on March 11, 2013. The underfunded obligation relates to a non-Debtor entity.

After several months of negotiation, on April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities entered into a global settlement that resolves all current and future liabilities of the Kodak group with respect to the KPP (the “**KPP Global Settlement**”). The KPP Global Settlement involves five key elements:

- (i) payments by Kodak Limited to the KPP to reduce Kodak Limited's pension liabilities, including a cash payment expected to be approximately \$200 million (the “**KL Payments**”);
- (ii) the extinguishment of Kodak Limited’s remaining obligations to the KPP in connection with a regulated apportionment arrangement (the “**RAA**”) under English law;
- (iii) the acquisition by the KPP (or one or more designated companies owned by the KPP, the “**KPP Portfolio Companies**”) of the Personalized Imaging and Document Imaging businesses for a purchase price of \$650 million (the “**KPP Purchase**”), \$525 million of which is expected to be settled in cash and the balance settled with a note issued by the KPP (the

“**KPP Note**”), and of which no more than \$325 million will come from KPP assets, excluding the KL Payments;

- (iv) the approval by the U.K. Pensions Regulator of clearance applications filed by EKC and its affiliates stating that, after giving effect to the KPP Global Settlement, it would be unreasonable for the U.K. Pensions Regulator to issue to any of the applicants a financial support direction or contribution notice with respect to any remaining pension funding shortfall; and
- (v) a release by EKC, the KPP, Kodak Limited and other applicable entities with respect to all other liabilities relating to the KPP and withdrawal of the KPP Claims and the KL Claim in these Chapter 11 Cases.

Each of these primary elements of the KPP Global Settlement will be simultaneously effective upon consummation of the KPP Purchase. Conditions to the KPP Purchase include, among others: (i) Bankruptcy Court approval; (ii) the absence of a Material Adverse Effect (as defined in the documentation for the KPP Purchase), unless waived by the KPP; (iii) substantial consummation of the Debtors’ Plan, or, alternatively, EKC’s adequate reassurance, acceptable to the KPP, that EKC can perform its obligations under the KPP Purchase Agreement and ancillary agreements (unless waived by EKC and the KPP Trustee); (iv) customary conditions precedent for third-party asset sales and (v) approval of the RAA by the U.K. Pensions Regulator. On May 28, 2013, the U.K. Pensions Regulator issued a notice of approval of the RAA. On the same day, the Pension Protection Fund of the United Kingdom issued a letter stating that it did not object to the RAA, the receipt of which was a condition to EKC proceeding with the KPP Global Settlement.

The KPP Purchase may be terminated (i) by the mutual written consent of the Kodak and the KPP; and (ii) by either Kodak or the KPP (a) if the settlement agreement has been terminated (other than by the party, if any, whose actions led to the termination of the settlement agreement), (b) if the KPP Purchase permanently is enjoined by any governmental authority (other than by the party whose actions resulted in the injunction), (c) if the closing has not occurred by October 2, 2013 (other than by party, if any, whose actions prevented the closing from occurring prior to October 2, 2013); or (d) if the other party has breached its representations, warranties or covenants and such breach is not curable or, if curable, has not been cured by the earlier of 30 days’ written notice from non-breaching party or October 1, 2013 (provided that the terminating party is not also in breach of the KPP Purchase Agreement).

The KPP Purchase will provide EKC with an expected \$525 million of cash proceeds, with the remaining \$125 million of the purchase expected to be paid by the KPP Note. The amount of cash received by EKC may increase or decrease based on the amount of the KL Payments made to the KPP immediately prior to consummation of the KPP Purchase. The minimum amount of KL Payments will be \$120 million, which would result in total cash proceeds of \$445 million. The maximum amount of KL Payments is \$300 million, which would result in total cash proceeds of \$625 million. The exact amount of the KL Payments, and therefore cash proceeds to EKC, will be determined by Kodak Limited and the Debtors prior to the Confirmation Hearing. The portion of the price that is not settled in cash will be settled by

delivery of the KPP Note. Upon receipt of the KPP Note, EKC will sell it to Kodak Limited and Kodak Limited will setoff the KPP Note against its pension liabilities to the KPP.

The disposition of the Personalized Imaging businesses will be consummated in accordance with a stock and asset purchase agreement (the “**KPP Purchase Agreement**”). The KPP has informed EKC that it intends to own and operate the Personalized Imaging and Document Imaging businesses after consummation of the KPP Purchase as an asset of the KPP, held through one or more KPP Portfolio Companies.

The KPP Purchase Agreement, together with numerous ancillary documents to be signed between EKC and the KPP, will establish a number of important commercial and financial relationships between EKC and the KPP Portfolio Companies after consummation of the KPP Purchase. These relationships are described in detail in the documents submitted to the Bankruptcy Court in connection with the approval of the KPP Global Settlement and the KPP Purchase. Key elements of these relationships include the following:

- *Transition Services.* At closing, EKC and the KPP Portfolio Companies will enter into a transition services agreement and a reverse transition services agreement pursuant to which the parties will supply each other with services necessary to enable a successful segregation of the Personalized Imaging and Document Imaging businesses from Kodak’s Commercial Imaging business. Each party will supply the other with transition services for an initial term of 18 months, which may be extended for an additional period of six months.
- *Supply Agreements.* At closing, EKC and the KPP Portfolio Companies will also enter into 14 supply and services agreements. Under twelve of the agreements, EKC will be supplying the KPP Portfolio Companies with supplies and services necessary to operate the Personalized Imaging and Document Imaging businesses, including professional and consumer film and related materials, display film, specialty chemicals, analytical test services, pilot coating services, sensitizing services, software development services, utility services, and interim equipment manufacturing, and technical knowledge management services. Under the remaining two agreements, the KPP Portfolio Companies will supply EKC with photochemicals and certain printhead refurbishment services for its operation of the Commercial Imaging business.
- *Brand License.* At closing, EKC will grant a perpetual license to the KPP Portfolio Companies for use of the Kodak brand in the Personalized Imaging and Document Imaging businesses as they evolve over time. The license to the KPP Portfolio Companies is subject to various customary controls over the use of the brand.
- *Reciprocal Patent-Licenses.* At closing, EKC and the KPP Portfolio Companies will enter into reciprocal patent-licensing arrangements. EKC will acquire a license under the patents it assigns to the KPP Portfolio Companies. The KPP Portfolio Companies will acquire a license under EKC’s retained patent portfolio, but may not provide products or services in the field of Kodak’s Commercial Imaging business. Each party will retain certain sublicensing rights in connection with any future sales of its constituent businesses.

- *Mutual Non-Competition Undertaking.* EKC and the KPP Portfolio Companies will be bound by a mutual non-compete for a term of three years in the countries constituting the European Economic Area and a term of five years in the rest of the world, including the United States. For the term of the non-compete, EKC will be restricted from engaging in the Personalized Imaging and Document Imaging businesses and the KPP Portfolio Companies will be restricted from engaging in the Commercial Imaging business, subject in each case to certain exceptions set forth in the KPP Purchase Agreement. In particular, notwithstanding the non-compete, EKC will not be restricted from engaging in the Commercial Imaging business as currently conducted or any reasonably foreseeable extension thereof. EKC also will not be restricted from licensing or otherwise exploiting its intellectual property so long as the primary purpose of such exploitation is not to engage in the Personalized Imaging or Document Imaging businesses.
- *Indemnification.* EKC is under no obligation to indemnify the KPP Portfolio Companies for any breach of the representations made in the KPP Purchase Agreement. After closing, the KPP Portfolio Companies will indemnify Kodak for losses related to the liabilities assumed by the KPP Portfolio Companies under the KPP Purchase Agreement. Likewise, EKC will indemnify the KPP Portfolio Companies for losses related to the liabilities retained by EKC. Additionally, each party will indemnify the other for breaches of covenants to be performed after the closing under the KPP Purchase Agreement. EKC has also agreed to provide a standard indemnity for pre-closing taxes to the KPP.
- *Harrow Facility in the United Kingdom.* EKC has agreed to use its good faith efforts prior to closing to obtain such third-party consents as are necessary to transfer full ownership of the manufacturing site located at Harrow, United Kingdom, to the KPP Portfolio Companies. The Harrow facility is used for the manufacture of photographic paper, an important element of the Personalized Imaging business. If such consents are not obtained, EKC will lease the Harrow facility to the KPP Portfolio Companies for a term not to extend beyond 2032.
- *Contingent Price Adjustment Payments.* The cash purchase price received by EKC under the KPP Purchase Agreement is subject to two potential post-closing adjustments: (i) the purchase price may be adjusted either upward or downward based on the amount of working capital delivered by EKC at closing; and (ii) so long as the KPP Portfolio Companies operate the Personalized Imaging and Document Imaging businesses in a commercially reasonable manner, EKC agrees to make a series of contingent payments to the KPP Portfolio Companies based on the amount of adjusted EBITDA generated by the Personalized Imaging and Document Imaging businesses through 2018. Contingent payments will be made in arrears at the end of each fiscal year beginning 2015 if cumulative adjusted EBITDA at year end is less than management projections by a significant margin, subject to a maximum payment of \$4 million after fiscal year 2015, \$7 million after fiscal year 2016, \$10 million after fiscal year 2017 and \$14 million after fiscal year 2018. Kodak's obligation to make contingent payments will be terminated prior to 2018 in the event of a sale, change of control, insolvency or other extraordinary event with respect to the Personalized Imaging and Document Imaging businesses.

A motion to approve the KPP Global Settlement, including the KPP Purchase, was filed with the Bankruptcy Court on May 15, 2013 [Docket No. 3709]. The motion included copies of the settlement agreement and the KPP Purchase Agreement. The Bankruptcy Court approved the KPP Global Settlement on June 20, 2013.

c. Environmental Liability Settlements

(i) EBP Settlement

Kodak, Empire State Development and the New York State Department of Environmental Conservation (the “**NYDEC**”) have reached an agreement, which is subject to certain conditions and Bankruptcy Court approval, to establish a \$49 million environmental trust for Eastman Business Park (the “**EBP Settlement**”). Kodak has significant legacy environmental liabilities relating to Eastman Business Park (“**EBP**”), a 1,200-acre technology center and industrial complex in Rochester, New York. EBP today houses over 35 small- and medium-sized businesses, and offers tenants manufacturing, laboratory, office and warehouse space, as well as 300 acres of prime industrial (M1) developable land.

The EBP Settlement is a settlement of Kodak’s historical environmental liabilities at EBP through the establishment of an environmental remediation trust (the “**EBP Trust**”). If approved by the Bankruptcy Court and upon the satisfaction or waiver of certain conditions, (A) the EBP Trust will be responsible for investigation and remediation at EBP due to conditions giving rise to Kodak’s environmental liabilities in existence prior to the effective date of the EBP Settlement and (B) Kodak will fund the EBP Trust with a \$49 million payment and transfer to the EBP Trust Kodak’s interests in personal property, equipment and fixtures used for performing any environmental response actions at EBP. Kodak’s \$49 million funding obligation will be sourced from approximately \$23 million in existing environmental financial assurances already posted by Kodak and \$26 million of incremental contributions made from the previously announced sale of utility infrastructure to Recycled Energy Development, LLC, and from other cash sources. The EBP Settlement is subject to certain conditions, as set forth more fully in the EBP Settlement.

If the EBP Settlement is consummated and the EBP Trust funded, Kodak’s responsibility for certain historical environmental impacts at Eastman Business Park would become the responsibility of the EBP Trust, accelerating the re-development of the site for use by Kodak, local Rochester businesses and other future tenants.

The NYDEC has 11 outstanding claims in these Chapter 11 Cases. The EBP Settlement settles all of the remaining NYDEC prepetition general unsecured claims for \$11,285,000, including a claim for natural resource damages in the Genesee River and an overlapping claim by the United States Environmental Protection Agency. The Debtors will have a single unsecured claim settlement figure for these Genesee River claims, with the proceeds to be allocated between New York State and federal claimants. The Debtors are currently in negotiations with the United States with respect to the EBP Settlement and the resolution of claims by the United States Environmental Protection Agency.

(ii) Other Settlements

To date, the Debtors have successfully resolved 27 prepetition environmental claims (excluding the NYDEC's claims). Among the claims remaining to be resolved are four claims asserted by Bayer Corporation and its subsidiary STWB Inc. As a result of EKC's purchase and subsequent sale of Sterling Drug in 1994, EKC agreed to indemnify certain purchasers in these transactions, including with respect to certain environmental liabilities. The successor entity to Sterling Drug is STWB Inc. STWB Inc. is a wholly-owned subsidiary of Bayer Corporation. Both Bayer Corporation and STWB Inc. have filed identical claims against two of the Debtors. On June 7, 2013, STWB Inc. and Bayer Corporation amended their proofs of claim to fix the previously unliquidated amount of the claim at \$250,611,579, plus additional costs and damages, as detailed in the proofs of claim. The Debtors dispute this assertion and estimate that, to the extent STWB Inc. and Bayer Corporation will have an Allowed General Unsecured Claim, the amount of which will be substantially less than the amount asserted by STWB Inc. and Bayer Corporation. The Debtors, STWB Inc. and Bayer Corporation are in discussions regarding a potential settlement. No assurances can be made that the parties will reach agreement on a settlement. If a settlement is not obtained, the Bankruptcy Court will determine the allowed amount of such claims. The Debtors believe that any allowed claims will be unsecured prepetition claims.

d. EKRA Settlement

In their Schedules, the Debtors estimated their liabilities under certain Non-Qualified Plans, including the KERIP, the KURIP, the GPP, and the Non-Qualified Plan Letter Agreements. The Debtors estimated the total liability for claims under the KERIP (collectively, the "**KERIP Claims**") to be approximately \$48.7 million, the total liability for claims under the KURIP (together with the KERIP Claims, the "**KERIP/KURIP Claims**") to be approximately \$128.9 million, and the total liability for claims under the GPP and the Non-Qualified Plan Letter Agreements (collectively, the "**Non-KERIP/KURIP Claims**," and together with the KERIP/KURIP Claims, each, a "**Non-Qualified Pension Claim**," and collectively, the "**Non-Qualified Pension Claims**") to be approximately \$40.6 million.

On April 30, 2013, EKRA Ltd. and several other holders of KERIP/KURIP Claims (collectively, the "**KERIP/KURIP Movants**") filed a motion [Docket No. 3645] (the "**KERIP/KURIP Motion**") requesting that the Bankruptcy Court appoint a committee pursuant to section 1102(a)(2) of the Bankruptcy Code to represent the interests of the holders of the KERIP/KURIP Claims. The KERIP/KURIP Movants asserted that they (and certain other holders of the KERIP/KURIP claims) disagree with the underlying discount rates and mortality tables used by the Debtors to calculate the KERIP/KURIP Claims.

Subsequent to the filing of the KERIP/KURIP Motion, the Debtors entered into discussions with the KERIP/KURIP Movants in an effort to consensually resolve the relief requested therein. As of the date hereof, the Debtors, subject to Court approval, are contemplating entering into a stipulation with the KERIP/KURIP Movants pursuant to which, among other things:

- (i) the Non-Qualified Pension Claims will be calculated utilizing certain agreed-upon assumptions (collectively, the “**Assumptions**”);
- (ii) based on the Assumptions, (A) in the aggregate, the Non-Qualified Pension Claims will equal approximately \$244.2 million and the individual holders (each, a “**Non-Qualified Pension Holder**,” and collectively, the “**Non-Qualified Pension Holders**”) of the Non-Qualified Pension Claims will have allowed, non-priority general unsecured claims in the respective amounts (each, an “**Allowed Non-Qualified Pension Claim**,” and collectively, the “**Allowed Non-Qualified Pension Claims**”) provided for the Non-Qualified Pension Holders on an exhibit to be attached to such stipulation, and (B) in the aggregate, the Allowed Non-Qualified Pension Claims on account of the KERIP/KURIP Claims shall equal approximately \$201 million and the Allowed Non-Qualified Pension Claims on account of the Non-KERIP/KURIP Claims shall equal approximately \$43 million;
- (iii) the Allowed Non-Qualified Pension Claims shall be Allowed General Unsecured Claims for the purposes of the Plan and section 502(b) of the Bankruptcy Code, without any requirement for a Non-Qualified Pension Holder, subsequent to the date of such stipulation, to file a Proof of Claim on account of its Allowed Non-Qualified Pension Claim, and without regard to whether a Non-Qualified Pension Holder was required to file, or did file, a Proof of Claim on or before the Claims Bar Date on account of its Non-Qualified Pension Claim; and
- (iv) for the avoidance of doubt, any Non-Qualified Pension Holder which, prior to the date of the stipulation, filed a Proof of Claim on account of a Non-Qualified Pension Claim and whose Proof of Claim was subject to an Omnibus Claims Objection filed by the Debtors and sustained by an order (a “**Claims Objection Order**”) of the Court that resulted in modifying such Proof of Claim to an amount lower than such Non-Qualified Pension Holder’s Allowed Non-Qualified Pension Claim shall, notwithstanding the Claims Objection Order, maintain such Non-Qualified Pension Holder’s Allowed Non-Qualified Pension Claim.

As noted above, in the event that the Debtors and the KERIP/KURIP Movants enter into such a stipulation, the stipulation would be subject to Court approval.

4. Monetizing Non-Core Intellectual Property

A key component of Kodak’s transformation strategy was to monetize its Digital Imaging Patent Portfolio while maintaining the greatest possible range of options to use the underlying intellectual property rights in its reorganized business. The disposition of the Digital Imaging Patent Portfolio was a key premise in the Debtors’ postpetition financing and one of the crucial objectives with which the Debtors commenced their Chapter 11 Cases. The result of over

a year of continuous efforts, the sale of the Digital Imaging Patent Portfolio and the related licensing transactions represented a major milestone in these Chapter 11 Cases, unlocking a key source of financing for the completion of the Debtors' operational restructuring while preserving intellectual property rights essential to the implementation of their plan for emergence.

a. Digital Imaging Patent Portfolio Disposition and Patent Licensing Transactions

On June 11, 2012, the Debtors filed a motion [Docket No. 1361] (the "**Patent Sale Motion**") requesting, among other things, the approval of procedures for a confidential competitive bidding process for the Digital Imaging Patent Portfolio. After a hearing on the Patent Sale Motion and the resolution of objections (primarily from parties holding licenses and other rights under the Digital Imaging Patent Portfolio), the Bankruptcy Court entered an order to grant the Patent Sale Motion on July 5, 2012 [Docket No. 1590]. In light of the highly competitive nature of the market for intellectual property, the preexisting competitive and adversarial relationships between likely bidders for the Digital Imaging Patent Portfolio, and the Debtors' resulting need to minimize the risk of disruption to any successful bid, the Bankruptcy Court conditionally authorized the sale of the Digital Imaging Patent Portfolio, subject to final approval of the consummation of a sale to the successful bidder.

On December 19, 2012, after a lengthy marketing process and months of negotiation, the Debtors announced the sale (the "**Digital Imaging Patent Sale**") of the Digital Imaging Patent Portfolio to Intellectual Ventures Fund 83 LLC ("**IV**") as part of a highly complex intellectual property transaction (the "**Patent Disposition**") between the Debtors, IV, Apple, FlashPoint Technology, Inc. ("**FlashPoint**") and a consortium of licensees (the "**Consortium Licensees**"), for a total consideration of \$527 million in sale and licensing proceeds. Pursuant to the Patent Disposition, Kodak licensed the Digital Imaging Patent Portfolio, and (subject to certain exclusions) its approximately 7,500 remaining patents, to each of the Consortium Licensees; retained licenses under the Digital Imaging Patent Portfolio to conduct the Debtors' retained businesses and grant sublicenses to divested businesses; and settled its pending patent litigation with Apple, FlashPoint, FUJIFILM Corporation ("**FUJIFILM**"), HTC, RIM and Shutterfly, Inc.

The Bankruptcy Court entered an order [Docket No. 2847] (the "**Patent Sale Order**") approving the consummation of the Digital Imaging Patent Sale and all settlements and other transactions contemplated by the Patent Disposition on January 11, 2013, finding that the Patent Disposition was the highest or otherwise best offer that the Debtors received. The Patent Disposition was consummated on February 1, 2013.

The Patent Disposition is recognized in the intellectual property community as one of the most complicated patent transactions ever completed, whether in or outside of chapter 11. The transaction required 13 leading companies—many of whom continue to have litigious relationships with each other—to agree on purchase terms and/or long-term licensing arrangements, with each company's agreement being cross-conditioned on the others'. Because the transaction occurred while the Debtors were still considering strategic alternatives, the Debtors had to preserve the value of their leading technologies for use by the Debtors and potential purchasers of the Personalized Imaging and Document Imaging businesses in any

number of future circumstances. The resulting agreements took months to complete and resolved hundreds of business concerns and questions.

The Patent Disposition was a necessary component of the reorganization. The Debtors, in consultation with key creditors, concluded that the Patent Disposition provided the highest and best available value, as the Court also found. The cash generated by the Patent Disposition enabled the Debtors to pursue the goals set in these Chapter 11 Cases for successful emergence.

b. Intellectual Property Settlements in Connection with the Patent Disposition

A dispute between EKC and Apple and FlashPoint arose out of patent ownership claims based on joint development work by EKC and Apple in the 1990s. Beginning in 2004, the Debtors commenced 10 patent infringement actions in federal district courts and three investigations before the International Trade Commission (“ITC”) to enforce certain patents in the Digital Imaging Patent Portfolio. In January 2010, EKC filed a complaint asking the ITC to commence an investigation of Apple’s violations of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, which forbids the importation of patent-infringing products into the United States. In February 2010, the ITC commenced an initial investigation into Apple’s importation of infringing iPhone products. Concurrent with initiation of the proceeding, EKC filed a patent infringement lawsuit against Apple in the U.S. District Court for the Western District of New York (the “**W.D.N.Y. Action**”). At Apple’s request, the W.D.N.Y. Action was stayed pending a final decision in the ITC proceeding. Apple’s subsequent motion to lift the stay was denied. After the commencement of these Chapter 11 Cases, Apple and, later, FlashPoint pressed their claims of ownership of certain patents (the “**Disputed Patents**”) and sought relief from the automatic stay.

Objections to the Patent Sale Motion were filed by Apple and FlashPoint based on their separate claims to ownership and inventorship of the Disputed Patents. On June 18, 2012, the Debtors commenced the adversary proceeding captioned *Eastman Kodak Company v. Apple Inc. and FlashPoint Technology, Inc.* (Adv. Proc. No. 12-01720) (the “**Apple/FlashPoint Adversary Proceeding**”) before the Bankruptcy Court, seeking, *inter alia*, a declaratory judgment that Apple and FlashPoint had no interest in the Disputed Patents. On August 1, 2012, the Bankruptcy Court determined that the claims of Apple and FlashPoint to certain Disputed Patents were barred under the applicable statute of limitations and/or the doctrine of laches, but denied the Debtors summary judgment against Apple and FlashPoint as to certain other Disputed Patents.

As the Debtors proceeded with the marketing of the Digital Imaging Patent Portfolio, however, the settlements contemplated by the Patent Disposition emerged as a means of disposing of Apple and FlashPoint’s remaining ownership and inventorship claims.

As part of the relief granted in the Patent Sale Order, the Bankruptcy Court approved the following settlements:

(i) *Apple / FlashPoint Settlement*

To further the successful consummation of the Patent Disposition, EKC, Apple and FlashPoint agreed to resolve their respective claims in the Apple/FlashPoint Adversary Proceeding, as part of a greater settlement of intellectual property claims. Pursuant to the Licensee Settlements, as described below, EKC and Apple released all infringement claims under each other's intellectual property, and dismissed their respective claims against each other in all pending patent litigation, including the Apple/FlashPoint Adversary Proceeding.

EKC, Apple, IV and FlashPoint entered into a settlement agreement whereby FlashPoint agreed, upon consummation of the Digital Imaging Patent Sale, to dismiss any and all claims to the Digital Imaging Patent Portfolio, including the Disputed Patents, in exchange for a payment of \$5 million by IV on behalf of EKC, and a license from Apple and IV to FlashPoint under the Disputed Patents. EKC and FlashPoint also entered into supplemental settlement agreements whereby FlashPoint released any and all claims against all other Kodak patents (with certain exceptions). These supplemental agreements also provided for the transfer by EKC of its shares in FlashPoint and two FlashPoint affiliates to their respective issuers in exchange for a payment to EKC of approximately \$1.68 million.

(ii) *Settlements with Consortium Licensees*

As a necessary part of the Patent Disposition, EKC and each Consortium Licensee entered into licensee settlements (the “**Licensee Settlements**”), including, among others, the dismissal of all pending patent litigation between the Debtors and each Consortium Licensee, and a mutual release of all patent claims (and, in the case of certain Consortium Licensees, intellectual property claims) with respect to the period ending on the effective date of the retained patents license agreements.

Under the Licensee Settlements, EKC retains all rights to enforce its retained patents with respect to the manufacture of printing devices and related components and materials—the heart of the Debtors' reorganized business operations.

(iii) *FUJIFILM Settlement*

Also in connection with the Patent Disposition, EKC and FUJIFILM, one of the Consortium Licensees, entered into an additional agreement pursuant to which, among other things, EKC agreed to assume certain cross-license agreements to grant EKC the right to assign these agreements to its successor in bankruptcy and to sublicense its rights thereunder to EKC's divested businesses, including the personalized imaging business. The settlement between EKC and FUJIFILM thus facilitates the Debtors' sale of the personalized imaging business as well as dispositions of other businesses that rely on EKC's rights under the assumed cross-license agreements. Furthermore, EKC and FUJIFILM will observe a three-year mutual standstill of all patent claims relating to printing devices and related components and materials. Damages, however, continue to accrue. As part of the settlement with FUJIFILM, EKC allowed a prepetition General Unsecured Claim in the amount of \$70 million against EKC in favor of FUJIFILM.

5. The Path to Profitability

a. Reviewing Customer and Product Profitability

The Debtors, with the assistance of AP Services LLC, have undertaken several initiatives to comprehensively review customer accounts around the globe. The objectives of these initiatives are: (i) to ensure that Kodak meets or exceeds customer expectations for products and services delivered, (ii) to make certain that all customers are familiar with the benefits of the full portfolio of Kodak's business solutions, and (iii) to improve the profitability of certain underperforming accounts.

Relative to this last objective of rapid profitability improvement among Kodak's businesses, the Debtors initiated a comprehensive customer and product profitability assessment, review and action planning program. The assessment included a detailed evaluation of all revenues and costs associated with serving most of Kodak's global customers across all lines of business and geographic regions. During the assessment phase, significant efforts were employed to ensure that the actual costs associated with each customer, product, marketing channel, and geographic area were understood and properly assigned to a specific account. This full cost evaluation allowed the Debtors to develop an accurate understanding of profitability, identify those customer accounts and business lines that were performing poorly, and plan and prioritize actions to improve profitability.

The customer accounts and business lines that had been identified as underperforming were then evaluated by product groups, region marketing staff, and field sales personnel. The global reviewing teams worked to design and deploy plans to improve profits that included actions such as price increases, product substitution, customer rationalization, and, where necessary, utilizing contract rejection or other provisions of the Bankruptcy Code in concert with a contracts review steering committee. The global teams have reviewed several tranches of customer accounts (representing the largest and least profitable accounts) and have taken actions which result in an improvement in the estimate of global gross profit for 2013 of over \$90 million in the Commercial Imaging business. As an added part of this exercise, these teams have found improvements in both the Personalized Imaging and Document Imaging businesses. Furthermore, additional gross profit improvements will be realized from the wind-down of the consumer inkjet business.

Concurrent with this initial wave of customer-level profitability improvement actions, the global business units and regions are concluding the planning phase for the next series of accounts. This phase includes a much larger number of mid-size and smaller customers that contribute negative or low profitability revenue. The elimination of significant numbers of low contribution customers will provide benefits in complexity reduction, service cost reduction, and go-to-market cost reduction.

The Debtors also established a customer profitability improvement program, which has utilized new customer profitability measurement tools to evaluate account margins across the businesses.

b. Improving Procurement Processes and Driving Value in Vendor Relationships

Since the Petition Date, the Debtors have utilized a cross-business procurement council to direct and support the procurement team's efforts, with the objectives of securing sources of supply, preserving liquidity, limiting payments authorized under the First-Day Orders, and utilizing the contract assumption and rejection process and other provisions of the Bankruptcy Code to achieve cost savings in purchased material and services.

Also, as part of their overall restructuring, the Debtors have realigned procurement into a leaner, more centralized, category-focused organization, designed to maximize company-wide purchasing leverage and best-practice processes on a global basis and for ease of driving future improvement efforts. As a consequence, the Debtors plan to reduce procurement operating cost for core procurement operations to benchmark levels of 0.7% of purchase spend by 2014.

Supply continuity was accomplished despite the limited use of First-Day Order authorized payments and absence of a critical vendor motion. The Debtors have paid under \$3 million in non-administrative-expense foreign vendor payments to fewer than 10% of their foreign vendors, against an authorized amount of \$60 million. In addition, the Debtors were able to negotiate claim waivers and ongoing annual rate reductions with many of their shipping vendors.

As part of the chapter 11 process, the Debtors have established a contracts review steering committee to review more than 24,000 executory contracts and utilize the contract assumption and rejection process to rationalize prices with suppliers, improve margins with customers and avoid certain other costs through rejection of or renegotiation of contracts. Leveraging this contract review process, the Debtors have been able to negotiate new supply agreements or find alternate sources of supply, resulting in both significant reductions in prepetition claim amounts as well as ongoing price reductions. Finally, the Debtors' decision to reject contracts related to certain real property leases, intellectual property, marketing, sponsorships and other non-real property contracts has resulted in savings of approximately \$140 million since the Petition Date.

To help preserve liquidity related to days payable outstanding, the Debtors established a process to mitigate demands from suppliers for shortening of payment terms, down payments, prepayments and letters of credit. Ongoing supplier communications and negotiations have resulted in stable trade payables throughout these Chapter 11 Cases. Additionally, because the Debtors have demonstrated consistent payment patterns to their suppliers, they were able to renegotiate with suppliers to begin to align terms to pre-filing levels, which is resulting in improved working capital.

c. Aligning Costs and Expenses

(i) *Reduction of Corporate SG&A Costs*

As part of their reorganization, the Debtors have to decrease their corporate selling, general and administrative ("SG&A") costs to a size commensurate with the size of their

businesses, while ensuring that their corporate costs as a percentage of revenue are aligned to industry standards. Corporate SG&A includes such areas as finance, information systems, purchasing, human resources, and legal, in addition to corporate research and development (“R&D”), real estate and environmental.

To accomplish this objective, the Debtors defined target reductions for each function based on comparable industry benchmarks, with the objective to position Kodak at a level similar to or better than its competitors. Based on these cost reduction targets, plans were developed and implemented for each function, including in their scope both people-related and non-people related costs. An initial set of actions was implemented in 2012, resulting in more than 20% reduction in corporate costs, with significant additional reductions planned for 2013.

During 2012, the Debtors reduced headcount across the corporate functions by 26%. In addition, as part of the vendor outreach programs discussed above, the Debtors entered into extensive renegotiation of third-party contracts, with an emphasis on Information Systems external suppliers and finance service providers. An additional 30% reduction will be achieved in 2013, taking into account the planned transfer of employees in connection with the sale of the Personalized Imaging and Document Imaging businesses.

In order to improve efficiency of operations, Kodak increased its use of financial transaction processing shared services in Asia and Eastern Europe, leveraging lower cost resources and synergies from standardized, centralized processes. Kodak had a significant reduction in the number of legal entities it used globally.

The Debtors also eliminated the standalone corporate marketing function, the corporate advertising budget and all corporate sponsorships.

(ii) *Reduction in Business Unit Sales and Marketing Costs*

As part of their reorganization, the Debtors seek to increase the effectiveness and productivity of their investment in sales and marketing, while ensuring that these costs are aligned to industry standards. These costs include direct sales and marketing as well as sales support, product management, advertising, customer order service and credit and collections.

To accomplish these goals, the Debtors have defined cost reduction targets and sales productivity targets based on comparable industry benchmarks, with the objective to position the company at a level similar to or better than its competitors. Based on these cost reduction targets, plans were developed and implemented in each business unit across all the regions where Kodak operates worldwide.

In 2012, Kodak was able to reduce headcount by 28% in this area, and anticipate a 50% additional reduction in 2013, including the planned transfer of employees in connection with the sale of the Personalized Imaging and Document Imaging businesses. Kodak reduced non-direct sales positions in a higher proportion than direct sales positions in order to protect market reach and the ability to develop new and existing client relationships. In addition, Kodak anticipates a reduction in advertising expenses of 50%.

(iii) *Redesign of the Sales Incentive Compensation Program*

The Sales Incentive Compensation Program (“**SICP**”) is a critical management tool that drives the day-to-day behavior of about 1,000 sales professionals promoting, pricing and selling Kodak’s products across the world.

Kodak rolled out a completely redesigned SICP for 2013 across all business units and regions where it operates. The new SICP accomplishes a number of objectives, including (1) improving the alignment of sales incentives and behaviors to corporate strategy; (2) increasing emphasis on profitability and pricing protection; (3) increasing emphasis on long-term revenue through higher sales of annuity products, including consumables and services; (4) increasing incentive to sell across the entire product portfolio of Kodak, in order to further the growth of existing client relationships; (5) simplification of the program in order to facilitate its implementation by sales professionals and reduce administration costs; and (6) standardization of the program across all regions, eliminating inconsistencies and promoting best practices globally.

(iv) *Operational Cost Alignment*

Concurrently with the ongoing divestiture of several of its businesses, Kodak launched a broad initiative to further align its operating costs. This initiative approached Kodak’s cost structure with a clean-sheet design mindset, in order to ensure that each operating function kept the headcount and cost structure strictly required to operate the remaining Commercial Imaging business after the planned divestitures. As a result of this initiative, additional cost reductions are being implemented globally and have been reflected in the overall financial projections.

This initiative has already yielded positive results, including the elimination of more than 600 positions in the manufacturing, supply chain, technical service and product engineering functions, a 30% reduction in real estate locations across the world, a 32% reduction in the number of major warehouses on a global basis, an 18% reduction in the number of information systems maintained by the company and the closure of two manufacturing facilities.

(v) *Retaining Key Employees*

To stem the departure of essential personnel and the substantial resulting costs to the Debtors, the Debtors developed a continuity plan (the “**Continuity Plan**”) to provide incentives for participating non-insider employees to remain employed throughout the duration of these Chapter 11 Cases. The Debtors set aside a pool of about \$13.5 million for cash incentive payments to Continuity Plan participants, none of whom are “insiders” for the purposes of section 503(c)(1) of the Bankruptcy Code and all of whom meet criteria related to the Debtors’ business needs and the employee’s external marketability.

Under the Continuity Plan, aggregate awards of approximately \$8.5 million, payable in December 2012 and July 2013, were granted to 119 non-insider manager-level employees in the form of payments representing, on average, 35 percent of the employee’s base salary. The balance of approximately \$5 million available under the Continuity Plan was reserved for awards generally representing 25 percent or less of the employee’s base salary to

other non-insider employees on an as-needed basis. Awards generally are subject to continued employment with the Debtors through each payment date. The Bankruptcy Court entered an order approving the Continuity Plan on May 1, 2012 [Docket No. 1064].

d. Focusing on the Most Valuable Business Lines

Reorganizing around Kodak's most valuable business lines is a cornerstone of the Debtors' transformation plan. To that end, Kodak identified core business lines with respect to which Kodak has significant competitive and technological advantage and expects the greatest opportunities for sustainable growth. As part of the effort to allow Kodak to focus on the businesses that will constitute the profitable and sustainable reorganized entity upon emergence, the Debtors have exited certain business lines.

(i) *Dedicated Capture Devices*

In February 2011, at the annual investors meeting, Kodak announced its decision to change its strategy for its low-growth dedicated capture device business, comprising digital cameras, pocket video cameras, and digital picture frames, in order to focus on profitability. The strategy was confirmed during the third quarter of 2011, when revenue declined while profitability improved. On February 9, 2012, Kodak announced that it would fully exit the business during the first half of 2012. Kodak's expected annual savings as a result of this strategic decision was approximately \$100 million. Kodak worked closely with its retail partners to achieve a smooth transition in 2012. Kodak also announced at that time that it would seek brand licensees for cameras. Kodak executed a brand licensing agreement in October 2012, and publicly announced the arrangement on January 7, 2013 for a multi-year, brand licensing agreement with JK Imaging, Ltd., to license the Kodak brand name for certain consumer products, including digital cameras, pocket video cameras, and portable projectors.

(ii) *Kodak Gallery*

On May 2, 2012, Kodak closed its sale of certain assets of the unprofitable Kodak Gallery online-based photo sharing and merchandise business to Shutterfly, Inc. for \$23.8 million. With Kodak's focus on profitable growth businesses and the phase out of the capture device business, there was less of a strategic relationship between Kodak's imaging customers and the Kodak Gallery business. Kodak successfully executed on the requirements to complete the transition to Shutterfly, Inc. on September 20, 2012, securing the remaining balance of the purchase price.

(iii) *Consumer Inkjet*

On September 28, 2012, Kodak announced that, starting in 2013, it would focus its consumer inkjet business on the profitable sale of ink and wind down its sale of consumer inkjet printers while continuing to serve its installed base. The decision to exit the business was driven by the inability to continue to fund the industry business model of hardware sales below fully allocated cost, and the ability to create significant net cash contribution through the sale of ink. It is expected that the sale of profitable ink cartridges will continue through 2014, with declining sales volumes beginning in 2013.

(iv) *Personalized Imaging and Document Imaging*

On August 23, 2012, Kodak announced the decision to initiate sale processes for its Personalized Imaging and Document Imaging businesses. Assets used by the Personalized Imaging and Document Imaging businesses are owned both by the Debtors and their non-Debtor affiliates. In furtherance of the sale, Kodak commenced a transition of those business lines into standalone businesses.

The Personalized Imaging business consists of the Retail System Solutions (“RSS”), Paper and Output Systems, Event Imaging Solutions and Film Capture units. RSS is the leader in retail print solutions with a global footprint of more than 100,000 KODAK Picture Kiosks; Paper and Output Systems includes the broadest portfolio of traditional photographic paper and photochemicals; Event Imaging Solutions provides souvenir photo services, solutions and products at theme parks and other destinations; and Film Capture includes the sale and distribution of consumer and professional film and one-time use cameras.

The Document Imaging business provides a leading and comprehensive portfolio of scanners, capture software and related technical services to enterprise customers.

As described in more detail in Section 3.D.3.b above, the KPP Global Settlement provides, among other things, for the acquisition by the KPP, or one or more KPP Portfolio Companies, of the Personalized Imaging and Document Imaging businesses for a purchase price of \$650 million, \$525 million of which is expected to be settled in cash and the balance settled with a note issued by the KPP.

E. Backstop Commitment Agreement and Rights Offerings

On June 18, 2013, the Debtors filed a motion [Docket No. 4070] (the “**Backstop Commitment Agreement Approval Motion**”) seeking, among other things, approval of the Debtors’ entry into the Backstop Commitment Agreement by and among the Backstop Parties and the Debtors and the Debtors’ performing their obligations under the Initial Commitment Provisions, including payment of the Backstop Fees and Expense Reimbursement as and when due. The Backstop Commitment Agreement is attached hereto as Appendix D.

A key feature of the Plan is the distribution of subscription rights in connection with two rights offerings to raise \$406 million of equity capital through the issuance of 34 million shares of New Common Stock. The primary purpose of the Backstop Commitment Agreement is to ensure that the Debtors have sufficient proceeds from the Rights Offerings to fund Distributions under the Plan. Accordingly, pursuant to the Backstop Commitment Agreement, the Backstop Parties have committed to purchase any shares offered but unsubscribed in the 4(2) Rights Offering subject to certain conditions.

The key terms of the Backstop Commitment Agreement are as follows:¹³

¹³ The following is only intended to provide a summary of the Backstop Commitment Agreement. To the extent of any inconsistency between this summary and the Backstop Commitment Agreement, the Backstop Commitment Agreement shall govern. Capitalized terms in this Section 3.E not otherwise defined in this

- EKC will conduct the Rights Offerings pursuant to and in accordance with the Rights Offerings Procedures, the Backstop Commitment Agreement and the Plan.
- Pursuant to the 4(2) Rights Offering, the Backstop Parties will be entitled to purchase, in addition to their 4(2) Primary Shares and their 1145 Available Shares, 10 million of the 4(2) Rights Offering Shares as allocated among the Backstop Parties that subscribe for all of their respective 4(2) Primary Shares based upon such Backstop Parties' relative Backstop Commitment Percentages or as otherwise agreed upon by all such Backstop Parties.
- Each Backstop Party agrees, severally and not jointly, to purchase on the Closing Date for the Per Share Price, the amount of Unsubscribed Shares equal to such Backstop Party's Backstop Commitment Percentage of the aggregate Unsubscribed Shares.
- Subject to Court approval of the Backstop Commitment Agreement, the Debtors will pay (i) an Initial Commitment Fee equal to 4.0% of the Rights Offerings Amount (\$16.24 million) and (ii), if the Closing occurs, a Consummation Fee equal to 1.0% of the Rights Offerings Amount (\$4.06 million) (together, the "**Backstop Fees**"). The Backstop Fees payable on the Closing Date may be paid either in Cash or with shares of New Common Stock based on the Per Share Price, at the Debtors' discretion. The Debtors intend to satisfy the Backstop Fees through the issuance of 1,700,168 shares of New Common Stock. If the Backstop Commitment Agreement is terminated prior to Closing (other than as a result of a Feeless Termination Event), the Debtors will pay the Initial Commitment Fee in Cash. The Backstop Fees will be Allowed Administrative Claims.
- Subject to Court approval of the Backstop Commitment Agreement, the Debtors will pay the documented reasonable fees and expenses of Simpson Thacher & Bartlett LLP, Kramer Levin Naftalis & Frankel LLP, Kasowitz Benson Torres & Friedman LLP and one counsel for each jurisdiction that is reasonably necessary to consummate the transactions contemplated by the Backstop Commitment Agreement, in each case that have been and are incurred by the Backstop Parties in connection with the negotiation, preparation and implementation of the Backstop Commitment and the Rights Offerings, and in each case subject to any limitations that may be separately agreed in writing between EKC and the applicable Backstop Party. The Expense Reimbursement will be Allowed Administrative Claims.
- Following Court approval of this Disclosure Statement, each Backstop Party agrees to use its commercially reasonable efforts to (i) timely vote or cause to be voted all of its Beneficially Controlled Votable Claims to accept the Plan; (ii) not change or withdraw such vote or exercise; (iii) consent to the treatment of its Beneficially Controlled Votable Claims and the treatment of all other claims against and equity interests in the Debtors as set forth in the Plan; and (iv) not object to or otherwise commence any proceeding or take any other action opposing any of the terms of the

Disclosure Statement or the Plan shall have the meanings ascribed to them in the Backstop Commitment Agreement.

Disclosure Statement or the Plan, unless, in each case, the Plan is modified in a manner that violates the terms of the Backstop Commitment Agreement (collectively, the “**Plan Support Obligations**”). Each Backstop Party agrees that it will not transfer any Beneficially Controlled Votable Claim unless the transferee agrees in writing for the benefit of EKC to be bound by the Plan Support Obligations.

- The Debtors will apply the proceeds from the exercise of the Rights and the sale of the Unsubscribed Shares to satisfy the claims of the Holders of Allowed Class 3 Second Lien Notes Claims, to pay the Cash portion of the Rights Offerings Consideration and to fund the Kodak GUC Trust, in each case, pursuant to the Plan.
- Except as set forth in the Backstop Commitment Agreement or otherwise contemplated by this Disclosure Statement and the Plan, or with the consent of the Requisite Backstop Parties, EKC shall, and shall cause its Subsidiaries to, carry on its business in the ordinary course and use its commercially reasonable efforts to preserve intact its Post-Effective Date Business, keep available the services of its officers and employees, preserve its material business relationships in connection with the Post-Effective Date Business, and shall not enter into any transaction material to the Post-Effective Date Business other than in the ordinary course, except for certain transactions previously disclosed to the Backstop Parties.
- EKC and its Subsidiaries shall not initiate or solicit any inquiries, proposals or offers or engage in any discussions or negotiations related to an Alternate Transaction; provided that the board of directors of EKC may approve an unsolicited Alternative Transaction and terminate the Backstop Commitment Agreement if the board determines in good faith that such transaction constitutes a Superior Transaction and that failing to approve it would be inconsistent with the directors’ legal duties under applicable law.
- Subject to certain exceptions, the Debtors will jointly and severally indemnify each Backstop Party from any Losses incurred in connection with the Backstop Commitment Agreement and the Plan.
- Conditions to the obligations of each Backstop Party to consummate the transactions contemplated by the Backstop Commitment Agreement include, among others: (i) entry of the BCA Approval Order, Plan Solicitation Order, Rights Offerings Procedures Order, BCA Consummation Approval Order and Confirmation Order; (ii) compliance by the Debtors in all material respects with the Plan and satisfaction of the conditions to effectiveness thereunder; (iii) the completion of the Rights Offerings; (iv) approval of the KPP Global Settlement; (v) the Debtors’ obtaining, and satisfying all conditions to effectiveness of, the Emergence Credit Facilities; (vi) execution and delivery by EKC of the Registration Rights Agreement; (vii) the making or obtaining of all notifications or consents required under antitrust laws; (viii) satisfaction of certain minimum liquidity standards by the Reorganized Debtors and their Subsidiaries; (ix) dismissal of the Committee’s Lien Challenge; (x) the absence of a Material Adverse Effect since April 30, 2013; and (xi) other customary conditions.

- The Backstop Commitment Agreement may be terminated by the Backstop Parties (i) upon a default by a Backstop Party of its backstop commitment obligations if both the Backstop Parties and the Company fail to arrange for a replacement commitment, subject to certain conditions; (ii) if any Law or Order prohibits the Plan, the Rights Offerings or the transactions contemplated by the Backstop Commitment Agreement; (iii) if the BCA Approval Order is not entered by July 2, 2013, (iv) if any of the BCA Approval Order, Plan Solicitation Order, Rights Offerings Procedures Order, BCA Consummation Approval Order, KPP Global Settlement Order or the Confirmation Order is reversed, dismissed or vacated or is modified or amended after entry in a manner that is not reasonably satisfactory to the Requisite Backstop Parties, (v) if EKC enters into an Alternate Transaction, (vi) if the Debtors breach any representation, warranty or covenant in the Backstop Commitment Agreement that would result in EKC's failure to satisfy the conditions to Closing and such breach is not cured, (vii) if a DIP ABL Event of Default or a DIP Term Loan Event of Default occurs and is continuing, (viii) if the Creditors' Committee files any pleading in furtherance of the Committee's Lien Challenge or (ix) if the Closing has not occurred by October 3, 2013 (provided that the Debtors may extend such date to November 4, 2013 in the event that requisite antitrust approvals have not been obtained).

In connection with the negotiation of Backstop Commitment Agreement, the Debtors have agreed to the following provisions, reflected in the Plan:

- If the Second Lien Acceptance is obtained, the Second Lien Notes Claims shall be Allowed in an aggregate amount equal to the Second Lien Agreed Amount,¹⁴ *plus* the Second Lien Settlement Amount.¹⁵ If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed:
 - (i) with respect to each Stipulating Second Lien Noteholder,¹⁶ its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and

¹⁴ The "**Second Lien Agreed Amount**" means the sum of (a) \$375 million, which is the outstanding principal amount of the Second Lien Notes as of the Effective Date, *plus* (b) accrued and unpaid interest thereon as of the Effective Date at the non-default contract rate applicable as of the Petition Date.

¹⁵ The "**Second Lien Settlement Amount**" means a Cash payment equal to \$20 million, as a full and final settlement in respect of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures the payment of which is not provided for in the Plan.

¹⁶ "**Stipulating Second Lien Noteholder**" means a Holder of Second Lien Notes Claims that (a) duly voted to accept the Plan in accordance with the Solicitation Procedures Order, (b) enters into a stipulation with the Debtors in form and substance reasonably satisfactory to the Debtors pursuant to which the Debtors are irrevocably and unconditionally released from all obligations to pay any amounts under the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder other than the Second Lien Agreed Amount and the Second Lien Settlement Amount, which stipulation shall be subject to receipt by such Holder of its Pro Rata portion of the Second Lien Agreement Amount and Second Lien Settlement Amount and (c) enters into an instruction to the Second Lien Indenture Trustee in form and substance reasonably satisfactory to the Debtors instructing the Second Lien Indenture Trustee not to take any action to enforce or collect any amounts due under the Second Lien Notes Indenture in excess of the Second Lien Agreed Amount, the Second Lien Settlement Amount and fees and expenses reimbursable under the Plan, which instruction shall be subject to

(ii) with respect to any other Second Lien Noteholder, in the amount determined by the Court.

- On the Effective Date, the transactions contemplated by the Plan, including the distributions to Holders of Claims in Class 3, Class 4 and Class 6, will be in full and final settlement of the Committee's Lien Challenge, and the Committee's Lien Challenge will be deemed dismissed with prejudice, and the Creditors' Committee and the Second Lien Notes Trustee will file a joint notice of dismissal with the Bankruptcy Court.
- Reorganized Kodak will issue Warrants to Holders of General Unsecured Claims, as described in Section 4.C.3.b. below.
- On the Effective Date, certain Avoidance Actions will be transferred to and the Kodak GUC Trust Initial Amount will be deposited in the Kodak GUC Trust for the benefit of the Holders of General Unsecured Claims, as described in Section 4.D below.

For further information on the Rights Offerings and Rights Offerings Procedures, please refer to Section 8 below.

4. THE REORGANIZED DEBTORS

Kodak is a trusted leader in conventional and digital technologies that serve the \$720 billion commercial, packaging and functional printing market. Kodak is focused on meeting customer needs and leading the Commercial Imaging industry, in which Kodak has a compelling and unique combination of advantages. These include:

- *Strong technology:* Kodak's innovative technologies enable the company to provide its customers with qualitatively different advanced solutions and to shape the development of commercial printing markets in the future.
- *Strong market mix:* Kodak operates in a highly advantageous mix of large, established and steady markets, which continue their digital transition, as well as early-stage markets with excellent prospects for dynamic growth.
- *Strong position:* Kodak is a recognized leader in these markets, with cash-generative businesses in the large markets and excellent positioning to achieve volume and profitability gains in the growth markets.

The following section provides a description of the reorganized company and outlines the strategy and product offerings of the Commercial Imaging businesses around which it will be organized.

receipt by such Holder of its Pro Rata portion of the Second Lien Agreement Amount and Second Lien Settlement Amount.

A. Reorganized Debtors' Business Plan

1. Reorganized Kodak

Kodak offers its extensive and loyal worldwide customer base differentiated innovations in printing solutions and services, where it is a leader in inkjet-based digital presses and hybrid solutions, electrophotographic presses, flexo print solutions, digital controllers and workflow software, computer-to-plate (“CTP”) output devices, digital printing plates, professional and consulting services and entertainment and commercial films. Kodak's Commercial Imaging product portfolio is unmatched. It is the direct result of the company's unique combination of proven technologies and deep knowledge in materials science, digital imaging science and deposition processes. The latter describes how Kodak applies and deposits organic and inorganic materials on a large variety of substrates at very high speeds with outstanding precision. That includes a large variety of printable formulations and a variety of receiving surfaces such as paper, foil, film, plastic, glass, metal, and/or corrugated materials enabling Kodak to create functionality beyond visual communications.

As a leader in commercial imaging, Kodak will help define its development through its high-quality, cost-effective products and services. Kodak will pursue four distinct and complementary business objectives to extend the strength of its position in Commercial Imaging and deploy its powerful technological advantages to shape tomorrow's high-growth, high-margin market segments:

- Expand Kodak's cash-generative Graphics business, where Kodak leads the pre-press segment of the digital offset printing market, providing a broad range of commercial printing customers with enhanced offset capabilities. These include state-of-the-art controllers, CTP output devices, unified workflow solutions and a range of digital printing plates with leading sustainability features. Worldwide, Kodak Graphics customers produce more than \$100 billion in commercial printing each year, and Kodak's installed base of over 15,000 CTP output devices, which incorporate the *SQUAREspot* laser writing imaging technology, image more than 30% of digital offset plates. Kodak's product innovations will continue to provide its customers in this market with compelling, differentiated solutions.
- Leverage Kodak's success in developing and commercializing digital printing technologies, including the *SQUAREspot* laser writing imaging technology and continuous inkjet *Stream* technology, to grow and strengthen the company's position in attractive, high-growth markets—primarily commercial inkjet, packaging and functional printing—and partner with customers to lead the development of these markets in the future. Since launch, Kodak's state-of-the-art digital PROSPER Platform of commercial inkjet printing systems has printed more than 30 billion pages, and Kodak's digital packaging technology, FLEXCEL NX CTP Output Devices and Plates, has doubled installations and plate utilization year-over-year in each of the last four years.
- Provide professional services to commercial printing and digital imaging markets, supporting new customer applications and business solutions.

- Manage the decline of its mature, cash-generating Entertainment and Commercial Film businesses.

2. Portfolio

Kodak's Commercial Imaging portfolio meets two distinct needs for its customers:

- Transforming large printing markets with digital offset, digital print and hybrid solutions; and
- Developing new solutions for high-growth markets.

Accordingly, to successfully deliver solutions to its commercial customers and meet the needs of the markets as described below in "Industry Overview," Kodak will operate the Commercial Imaging portfolio as two business segments:

- Graphics, Entertainment and Commercial Film ("GECF"), which includes Graphics (comprising digital plates, CTP output devices, digital controllers and unified workflow solutions), Entertainment Imaging and Commercial Films, and associated Global Technical Services; and
- Digital Printing and Enterprise ("DP&E"), which includes Inkjet Printing Solutions, Electrophotographic Printing Solutions, Flexo Packaging Solutions, Functional Printing and Enterprise Professional Services.

In providing customers with solutions to meet their needs in both of these segments, Kodak will also support its customers with after-sale consumables and services that include plates, dry inks, commercial inkjet inks, brand protection solutions, workflow software, technical service and consumer inkjet consumables. These business segments are described in greater detail below, following an industry overview of the markets Kodak serves, and Kodak's strategy to deliver sustainable growth and positive returns.

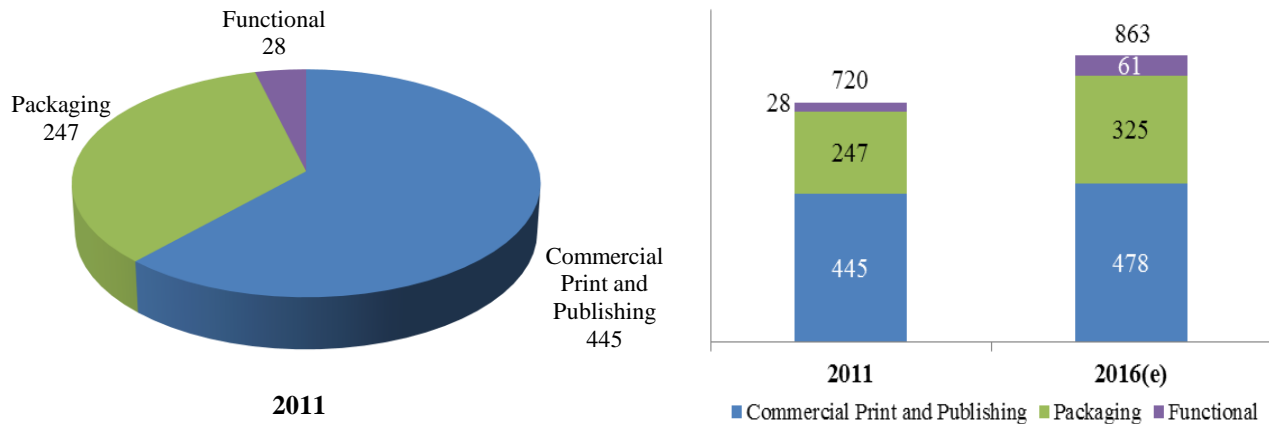
3. Industry Overview

Kodak serves a \$720 billion market composed of commercial printing, packaging, and functional printing. Kodak supports two technologies for commercial printing: offset and digital. Kodak provides flexographic, offset and digital solutions for the packaging and functional printing growth markets.

As shown by the charts below, commercial printing and publishing are transitional markets with rapid movement to digital, packaging is a sustainable-growth market with areas of high growth, while functional printing is a market with high growth prospects.

Sustainable Growth with Areas of High Growth

Market size (billions of dollars)



Sources: IDTechEx, DisplaySearch, Marketsandmarkets, BCC Research and Pira.
(e) Estimates

a. Commercial Printing

Kodak successfully competes in the large and growing worldwide commercial print market that in 2011 was estimated at \$445 billion.

Several trends are expected to drive continued dynamic growth in the size of the overall commercial printing market, including:

- a demand for personalization in multi-channel communications;
- investments in the conversion to digital print, resulting in double-digit page and revenue growth;
- move to sustainable printing through the use of process-free plates that do not require any chemistry to develop the plates or secondary operations of baking the plates;
- rapid growth and expansion in emerging markets;
- developed markets experiencing industry consolidation, driving production efficiencies, creating the need for ultra-high-volume printing solutions as large print service providers aggregate volume through acquisition of smaller printing companies. KODAK *Stream* inkjet technology is ideally suited to these high-volume, high-productivity users;
- sophisticated market analytics and information (commonly referred to as Big Data), enabling more high-impact applications and driving an improved return on marketing investment for print; and

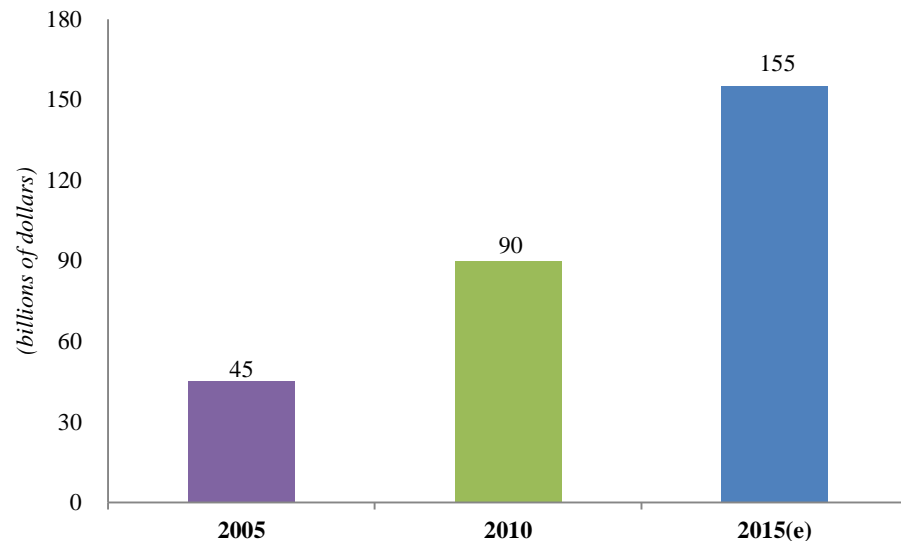
- improved processes through seamless integration and automation of workflow tasks for both conventional and digital print production.

The print market includes conventional and digital printing technologies:

More than 90% of all printed media globally currently uses the conventional (or analog) printing process, in which a specifically prepared and cut plate makes an inked impression on a cylinder, which in turn transfers the image onto paper or any of a variety of other surfaces (all known as substrates).

Digital printing is rapidly changing business models and value propositions for the printing markets, offering customers the opportunity to personalize and deliver mass customization, while delivering high-speed, offset-class output, just-in-time manufacturing and exceptionally low total cost of operation. This market currently comprises less than 10% of all printed media worldwide, but is growing at double-digit rates. Customers' continued investment in digital technology is generating consistent gains in digitally printed pages and double-digit print revenue.

Worldwide Digital Print Revenue



Source: Pira, *Worldwide Market for Print*.
(e) Estimates

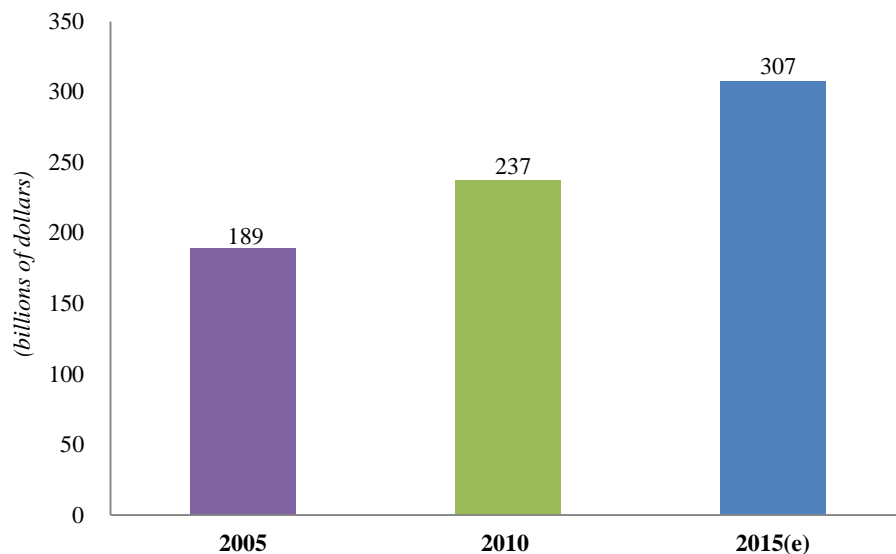
b. Packaging

The packaging industry is a \$250 billion market worldwide (according to 2011 estimates). It is the fastest growing segment of the print market, and is expected to grow significantly through 2016 and beyond. This market is characterized by a highly fragmented value chain, where technology substitution is a key differentiator. Global trends in the packaging industry include:

- mass customization: data is used to segment and target consumers and increase demand for packaged goods as a result of global demographic changes, population increases, urbanization, increased living standards and versioning;
- retail power shift: major retailers are increasingly defining specifications for packaging formats, materials, sizes and graphic designs of consumer products sold in their stores, while at the same time expanding their private label product lines;
- no digital substitution: unlike other printed media, there is no digital substitution for packaging design, development, manufacturing or distribution; and
- functional packaging: overt and covert security solutions are necessary to protect brands, particularly in emerging markets (where global branded goods are manufactured); future technology around smart packaging provides indicators for freshness, expiration, shelf appeal, interactive communication and additional useful customer data.

These trends necessitate packaging solutions based on digital printing technologies that enable high-quality flexographic printing at lower costs, with technologies that are highly responsive to customers' needs and contribute to improved time to market for the products.

Packaging Market Growth



Sources: Pira, PRIMIR, EKC internal analysis.
(e) Estimates

c. Functional Printing

Functional Printing includes a deployment of printing technology to deposit a wide variety of materials onto a substrate to create functionality beyond visual communications. This technology has potential application in a range of current and new markets, including

electronic touchscreens, smart packaging, printed electronics, fuel cells, solar harvesting, transistors, and disposable medical and biotech sensors.

Kodak's long technological history in materials science and its deep expertise in substrates and coatings creates unique new market opportunities in functional printing, leveraging Kodak's technological leadership in roll-to-roll conveyance and continuous manufacturing processes, deposition technologies, imaging science, front-end controllers and workflow.

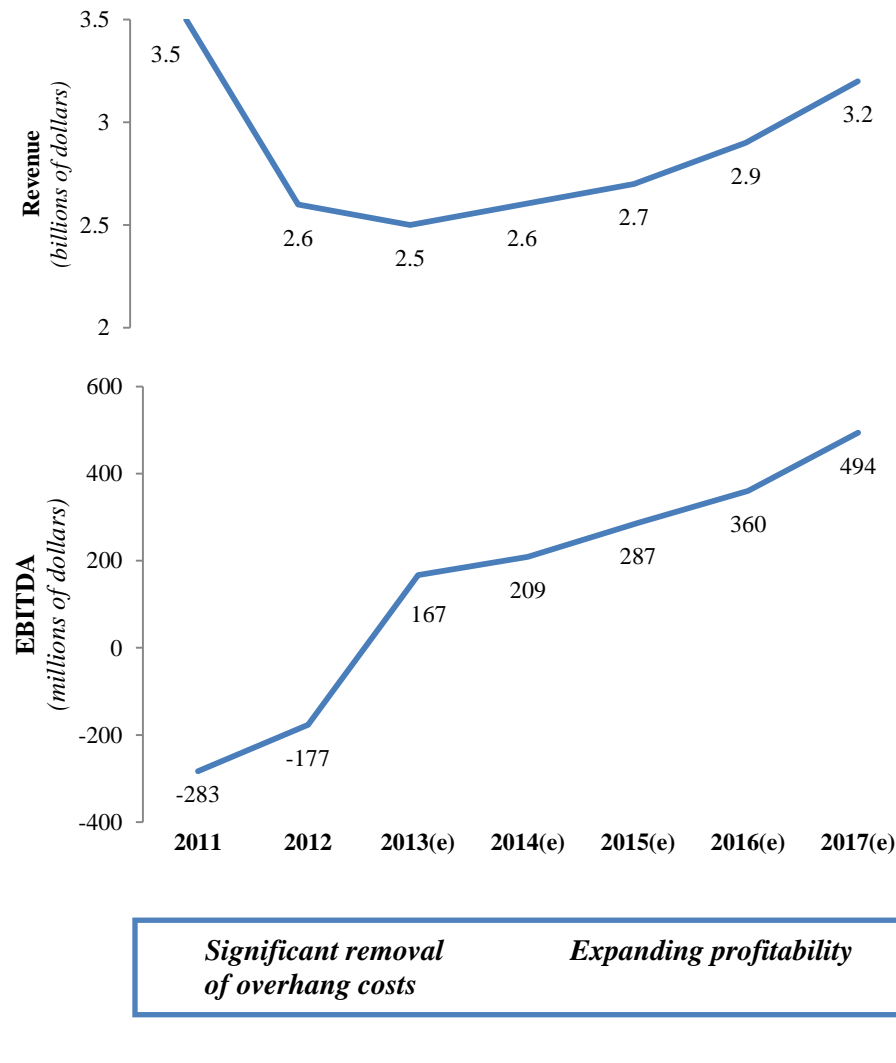
The watershed innovation in the functional printing space is Kodak's proprietary *SQUAREspot* laser writing technology, which enables printing systems to deposit materials on a wide variety of substrates with a high degree of accuracy, precision, repeatability and speed. Printing using high-quality, high-resolution square spots, rather than the traditional circular dots, improves quality, precision and resolution. Functional printing using the *SQUAREspot* technology can then meet highly demanding parameters, such as resolution, geometry, robust functional performance, and cost that customers of these advanced printing applications require.

4. Business Strategy

Kodak's post-emergence business strategy in Commercial Imaging will be a continuation of the strategy that successfully steered the company's business in this segment during its reorganization. Kodak will:

- lead the change in the commercial print market with breakthrough digital print technologies, front-end controllers and workflow solutions offered to customers through direct sale and channel partnerships;
- deliver sustainable, market-leading offset solutions to serve the needs of current and future customers through availability of SONORA process-free plates; and
- accelerate long-term growth in the packaging and functional print markets via Kodak's breakthrough solutions and strategic partnerships with industry leaders, and
- provide leading professional services to Kodak's customers.

Kodak expects the effective execution of this strategy to deliver sustainable growth and positive returns for the 2013-2017 period and beyond. Specifically, Kodak anticipates stabilization and then growth in revenue with a Commercial Imaging earnings before interest, taxes, depreciation and amortization ("**EBITDA**") improvement of approximately \$327 million between 2013 and 2017. By comparison, Kodak's Commercial Imaging EBITDA improved by approximately \$106 million between 2011 and 2012. (Commercial Imaging EBITDA is a non-GAAP financial measure that has a directly comparable GAAP financial measure. Reconciliation is provided in Appendix E hereto.)



(e) Estimates

The significant improvement in EBITDA is a result of (i) Kodak's increase in the installed base of new products introduced in the last four years and the effect of its accumulated annuities, (ii) a strong focus on new growth markets and new product introductions that drive higher gross profit and (iii) the concerted actions to reduce corporate costs through partnerships and resource realignment.

To accomplish these objectives, Kodak has established the following specific strategic priorities for 2013-2017:

- *Commercial Printing:* Accelerate installations of Kodak's high-speed, high-volume PROSPER family of inkjet systems and writing heads via direct sales and Original Equipment Manufacturer ("OEM") partners (relationships that enable Kodak to accelerate go-to-market strategies), while sustaining Kodak's cash generating businesses through growth of SONORA plates driven by Kodak's technological leadership in digital plates.

- *Packaging/Functional Printing*: Achieve worldwide packaging leadership by 2016 by continuing the last four years' growth performance of KODAK FLEXCEL solutions, driven by Kodak's superior *SQUAREspot* technology. Kodak and its partners will also deliver new direct digital printing solutions by 2014 for the packaging marketplace using the *Stream* inkjet technology. Using *SQUAREspot* and Kodak's overall roll manufacturing conveyance process, Kodak will aggressively enter the functional print growth markets with an initial focus on touch-screen display. Kodak will then move to other applications, including smart packaging, over the longer term. Both of these two new market solutions have been developed during the last three years and are ready for market introduction in 2014.
- *Operational*: Improve product mix to take advantage of higher margin products and expanding markets; stabilize new product platforms and expand partnerships with industry leaders; optimize key supply chains; and adapt cost structures to new business models.

5. *The Reorganized Debtors' Product Offerings*

a. *Graphics, Entertainment and Commercial Film*

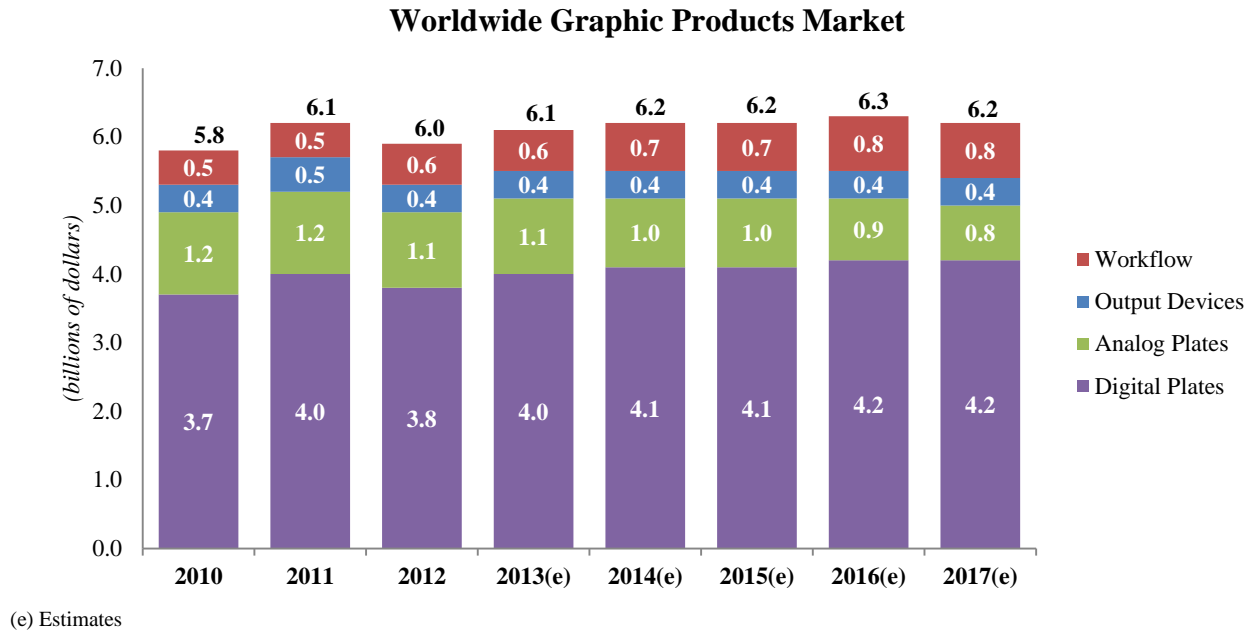
(i) *Graphics*

Kodak's Graphics business consists of market leading CTP output devices, technology that Kodak pioneered in 1995 when the company introduced the first thermal CTP market. In CTP, an output device exposes a digital image using *SQUAREspot* laser imaging technology directly to an aluminum surface (printing plate), which is then mounted onto a printing press to reproduce the image. Kodak's CTP devised image solutions currently image more than 30% of offset plates worldwide.

Kodak's innovative Graphics portfolio also includes front-end controllers, production workflow software (including the new PRINERGY 6 Workflow portfolio), CTP output devices (including the KODAK TRENDSETTER and ACHIEVE Product with new TH5 imaging technology), and digital plates (including KODAK SONORA Process-Free Plates). The SONORA Plate is particularly innovative as it delivers cost savings and efficiency to customers through its durability (enabling an entire job to be printed using one set of plates) and promotes customers' sustainability practices and credentials as it does not require processing chemistry.

Kodak is the only supplier in the industry that develops and manufactures a fully optimized prepress portfolio (Controllers, CTP, Workflow, Plates and Service). Kodak will expand its market share with existing customers and in emerging markets, leveraging the transition to process-free sustainable technology, with its market-leading KODAK SONORA Plates, growing the installed base, and developing next-generation products to broaden market fit and continue to drive operational efficiencies that enable Kodak to achieve a manufacturing position as the highest-quality and lowest-cost supplier in the industry.

The total industry market for Kodak's graphic products worldwide is estimated to remain above \$6 billion for the next several years, as indicated by the chart below:



(ii) Global Technical Services

Kodak’s Global Technical Services (“**GTS**”) for Commercial Imaging is focused on selling service contracts for Kodak products, including the following service categories: field services, customer support services, educational services, and professional services. GTS provides services that meet customer needs, maximizing value from Kodak hardware and software purchases throughout their product lifecycle.

GTS’ margin improvement opportunities are achieved by enabling remote customer support services, certified field service partner programs in high-growth emerging markets, standardizing processes across business unit product lines, and premium price proactive maintenance break-fix offerings.

(iii) Entertainment Imaging and Commercial Film

Kodak’s Entertainment Imaging and Commercial Film group (“**E&CF**”) encompasses its motion picture film business, a world-class leader in providing motion imaging products (camera negative, intermediate, print and archival film), services and technology for the professional motion picture and exhibition industries. As the industry continues toward digital capture and digital cinema formats, E&CF will balance manufacturing volumes with expected demand.

E&CF also offers Aerial and Industrial Films—including KODAK Printed Circuit Board film, and delivers external sales for the company’s component businesses: Polyester Film, Specialty Chemicals, Inks and Dispersions and Solvent Recovery.

b. Digital Printing and Enterprise

Digital Printing is an innovative and high-growth business, which leverages Kodak's break-through technological innovation to produce growth through unique customer solutions, a network of industry leading partners and limited capital investment. Digital printing will enable highly customized printing, both on flat surfaces and three-dimensional packaging.

(i) *Digital Printing*

Kodak's Digital Printing Solutions, with an installed base greater than 5,000 units, includes high-speed, high-volume commercial inkjet, and color and black-and-white electrophotographic printing equipment and related consumables and services.

(a) Inkjet Printing Solutions

Kodak is today the number one provider in the commercial inkjet market. The product offering includes KODAK PROSPER Presses and PROSPER hybrid components—featuring the fastest inkjet droplet generation on the market—which are sold directly to customers. PROSPER hybrid components are also integrated into OEM partner portfolios. PROSPER Presses drive high-value print opportunities for customers with offset-class output. The PROSPER Press features the *Stream* inkjet technology, which delivers a continuous flow of ink that enables constant and consistent operation, with uniform size and accurate placement, even at very high print speeds—well above those of competitive systems. Applications include publishing, commercial print, direct mail, and packaging. The business also enjoys a large and profitable customer base of KODAK VERSAMARK (first-generation) Products. The strategy for this segment includes expanding OEM partnerships focused on new markets and new applications, in both the commercial printing and the packaging segments as well as new industrial printing applications. Kodak will also establish local manufacturing of PROSPER Products in Asia to accelerate cost reductions and better serve growth markets.

(b) Electrophotographic Printing Solutions

Electrophotographic Printing Solutions encompasses the NEXPRESS Press Platform, that offers extremely high-quality, differentiated printing of short-run, personalized print applications such as direct mail, books, marketing collateral and photo products; and the DIGIMASTER Production Platform that uses monochrome electrophotographic printing technology to create high-quality printing of statements, short-run books, corporate documentation, manuals and direct mail.

Kodak has a substantial worldwide installed base of KODAK NEXPRESS Presses, giving the company the ability to deliver improved profitability from consumables, with its Fifth Imaging Unit Solutions dry inks that enhance the value of the printed page and dimensional, gold, pearlescent, pink and fluorescent red inks. Kodak has attained critical mass in this business with its substantial installed base of NEXPRESS Presses and ongoing sales of service, dry ink and other related consumables.

KODAK DIGIMASTER Production Systems are installed worldwide in a broad range of print environments, including commercial printers, government offices and publishers.

The DIGIMASTER Product line has been in the market for nearly 15 years and through successive enhancements has maintained a loyal and high page-volume customer base.

Additional areas of growth include the production of OEM toner and antimicrobial agents. These new initiatives create opportunities in textiles, military and industrial materials, as well as print applications.

(ii) *Flexo Packaging Solutions*

The Flexo business includes Kodak's innovative and industry recognized FLEXCEL NX and FLEXCEL Direct Platforms that uniquely position Kodak to lead digitization in packaging and capitalize on the expanding packaging market. The FLEXCEL System uses Kodak's proprietary *SQUAREspot* Technology, enabling it to continue to strengthen its market position in this segment.

Kodak's strategies for the business are supported by the product offering and include extending the product portfolio and capitalizing on emerging "smart" packaging solutions.

(iii) *Functional Printing*

Kodak's unparalleled expertise in materials science, deposition technologies and large-scale commercialization and manufacturing uniquely positions the company to capitalize on the functional printing opportunity. The first phase of this strategy involves developing further strategic relationships with worldwide touch-panel sensor leaders, such as the partnership with UniPixel announced on April 16, 2013. The second phase centers on developing and updating proprietary technology for direct printing on a wide range of materials related to transistors, fuel cells, display screens and packaging materials. Kodak's current and anticipated product offerings supports these aims and by 2014 Kodak expects to leverage *SQUAREspot* Technology and flexographic plate capabilities to begin to realize business opportunities in the Functional Printing segment. The projected growth of Functional Printing is reflected in the Financial Projections.

(iv) *Enterprise Professional Services*

Enterprise Professional Services add value to Kodak customers' core business offerings and assists with the challenges and opportunities created by the worldwide digital transformation. Kodak brings together its technological strengths to meet the needs of its customers in the areas of Print & Managed Media Services, Brand Protection Solutions and Services, and Document Management Services.

Kodak serves customers in enterprises, including government, pharmaceuticals, and health, consumer and luxury good products, retail and finance. Kodak is the partner of choice for content management innovation and technology-based services that can help customers better control costs, increase effectiveness and improve overall return.

Enterprise Professional Services is focused in emerging markets where there is a higher demand for this type of services infrastructure. Brand Protection Solutions & Services is

focused on worldwide brand management in both developed and emerging markets. Brand Protection Solutions & Services includes both covert and overt brand protection products, as well as materials-based and artwork-based products that assist brand owners in protecting their offerings from the black market, grey market, infringement and product tampering.

6. Rationalizing R&D

The creation of new intellectual property by the renowned scientific and engineering staff of Kodak remains at a high level as the company refocuses towards the business-to-business solutions described earlier in this section. This strong R&D productivity is evident in the high ratio of patent applications and granted patents per million dollars spent on R&D, and by the even higher ratio of patent applications and granted patents per Kodak scientist or engineer.

As of June 4, 2013, Kodak had an extensive worldwide portfolio of about 7,546 active patents related to key elements of the Commercial Imaging business. Of those patents, approximately 4,787 were active U.S. patents and 2,759 were active foreign patents. Of the foreign patents, 187 do not have U.S. counterparts. After the acquisition by the KPP of the Personalized Imaging and Document Imaging businesses, Kodak currently estimates that it will have approximately 4,400 active U.S. patents and 2,600 active foreign patents, for a total of 7,000 active patents worldwide. These estimates are subject to change.

In addition, there are currently 1,365 pending U.S. patent applications and 1,143 pending foreign applications, for a total of 2,508 pending applications worldwide. After the acquisition by the KPP of the Personalized Imaging and Document Imaging businesses, Kodak currently estimates that it will have approximately 1,250 pending US applications and 1,050 pending foreign applications, for a total of approximately 2,300 pending applications worldwide. These estimates are subject to change.

Kodak has scaled and focused its R&D organization to meet the needs of the Commercial Imaging business. The R&D investment for Reorganized Kodak will be directed only to the core technology strengths of material science, deposition processes, and digital image science, with the main emphasis on projects aligned with high-growth market opportunities in the DP&E and Graphics businesses.

Corporate R&D will center on technology applications in printed electronics, fluidics, patterned deposition, and new materials. All of these technology platforms support the DP&E roadmaps for digital and functional printing products with new capabilities as well as new products. The R&D within the DP&E business segment is focused on three primary product areas: (i) the *Stream* writing system both for PROSPER and OEM Presses, (ii) flexography for printing on packaging, and (iii) first functional printing products in the touch screen segment. The R&D within the Graphics business segment is focused on controllers, workflow software and process-free solutions.

Importantly, the significant breakthrough technologies that Kodak has brought to market in recent years may quickly evolve into more powerful offerings because they are new to the market. As one example, the *Stream* printheads offered in KODAK PROSPER Products

already deliver speed, cost and quality that no other printhead provider currently offers; yet, the potential still exists to increase current speeds by two to three times. Similarly, Kodak's ability to formulate stable, small particle pigmented ink in combination with microfluidic control of these inks in *Stream* printheads via the design of the jetting module that is used in PROSPER Presses and components offers avenues for future improvements. The same development momentum applies to *SQUAREspot* laser writing technology. Today, the *SQUAREspot* technology is used in KODAK Platesetters and Flexographic Imaging Systems, but Kodak expects to expand its use into additional digital and functional printing applications. Both are key examples of Kodak's expertise in deposition processes—that is, creating printing engines that deposit materials onto substrates with great precision at very high speeds.

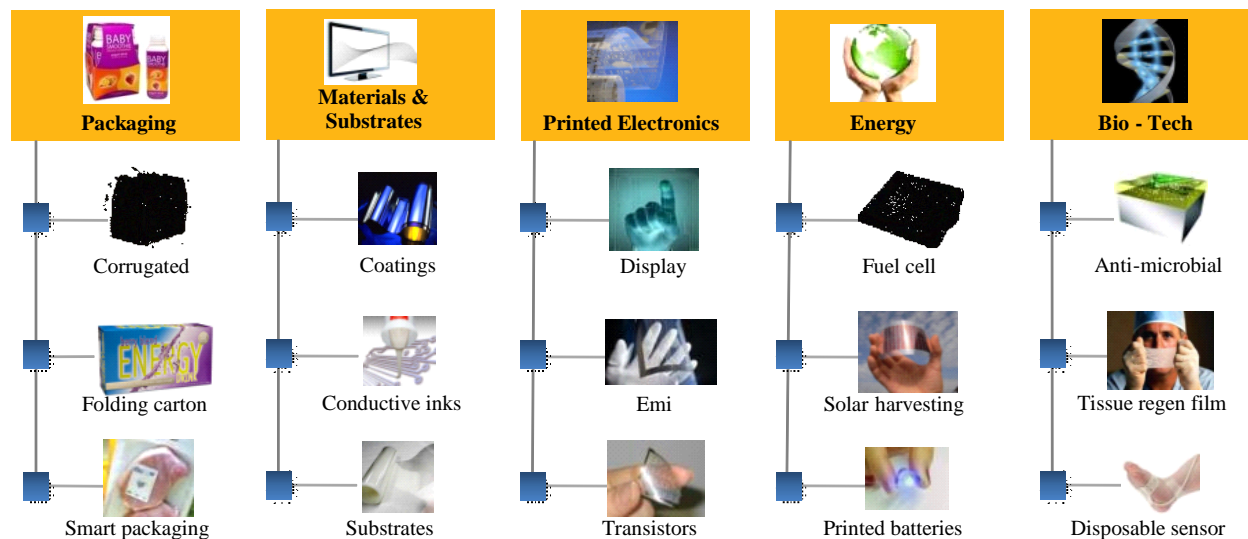
Beyond the tighter R&D focus, Reorganized Kodak will make greater use of joint development efforts, working with a network of leading strategic partners on specific projects such as writing systems for OEM presses, and touch sensor films and modules. This will enable shared investment and will result in getting new technologies to market faster.

Innovation, Technology Differentiation and Application Know How

	Kodak Laser <i>SQUAREspot</i> Heads			Kodak <i>Stream</i> Inkjet		
Key Technology Specifications		Kodak	Industry		Kodak	Industry
	DPI	Up to 25,600	Less than 10,000	Drop Velocity	20m/s	8m/s
	Lines per inch	Up to 450 (More than 500 in lab)	Up to 200	Drop Generation	400 KHZ	Less 60 KHZ
Solution Platforms	<ul style="list-style-type: none">▪ Offset prepress (digital plates)▪ Flexo packaging (Flexo plates)			<ul style="list-style-type: none">▪ PROSPER press▪ PROSPER imprinting▪ OEM systems		
Current and Potential Customers	<ul style="list-style-type: none">▪ Commercial Print▪ Packaging▪ Functional Print (future)			<ul style="list-style-type: none">▪ Commercial Print▪ Packaging (future)		
	Supported by workflow, technical services and professional services					

Source: EKC internal analysis

Functional Printing Today and in the Future



B. Management

1. Management

The following table presents information concerning the current officers of EKC:

Name	Age	Position	Position Held Since
Douglas J. Edwards	52	Senior Vice President	2012
Brad W. Kruchten	53	Senior Vice President	2011
Antonio M. Perez	67	Chairman of the Board, Chief Executive Officer	2005
Laura G. Quatela	55	President	2012
Rebecca A. Roof	57	Interim Chief Financial Officer	2012
Eric H. Samuels	45	Chief Accounting Officer and Corporate Controller	2009
Patrick M. Sheller	52	General Counsel, Secretary and Chief Administrative Officer	2012
Terry R. Taber	58	Senior Vice President	2010

On the Effective Date, Reorganized Kodak will enter into employment agreements with certain individuals in senior management. The Debtors intend to include the form or material terms of such New Management Agreements in the Plan Supplement.

2. Board of Directors

The following individuals comprise the current Board of Directors of Kodak:

Name	Age	Position	Position Held Since
Richard S. Braddock	71	Director	1987
James V. Continenza	50	Director	2013
Timothy M. Donahue	64	Director	2001
Michael J. Hawley	51	Director	2004
William H. Hernandez	65	Director	2003
Douglas R. Lebda	43	Director	2007
Kyle P. Legg	61	Director	2010
Delano E. Lewis	74	Director	2001
William G. Parrett	68	Director	2007
Antonio M. Perez	67	Chairman	2005
Joel Seligman	63	Director	2009
Dennis F. Strigl	67	Director	2008

The identity and affiliations of each individual proposed to serve as a director, officer or voting trustee of any Reorganized Debtor after the Effective Date, as well as the nature of any compensation of such individual who is an insider of a Debtor, will be disclosed in the Plan Supplement no later than the Confirmation Hearing.

Pursuant to the Backstop Commitment Agreement, the New Board of Directors will be composed of nine directors consisting of: (i) the chief executive officer of Reorganized Kodak; (ii) six directors designated by the Backstop Parties (one of which shall be James Continenza, as long as he is able and willing to serve and one of which shall be selected in consultation with the Creditors' Committee); and (iii) two (2) directors to be designated by the Creditors' Committee in consultation with the Requisite Backstop Parties; provided that not less than five of the directors identified or designated pursuant to clause (ii) and all the directors identified or designated pursuant to clause (iii) will be "independent" (as defined in the rules and regulations governing the requirements of companies listing on the New York Stock Exchange) with respect to Reorganized Kodak.

C. Reorganized Debtors' Corporate Structure and Capitalization

1. Corporate Structure

As described in Article 5.4 of the Plan, following the Confirmation Date, the Debtors, in consultation with the Requisite Backstop Parties, may reorganize their corporate structure by eliminating certain entities (including non-Debtor entities) that are deemed no longer helpful, and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by or necessary to effectuate the Plan.

2. New Kodak Charter; Trading Restrictions

The Reorganized Kodak Certificate of Incorporation, the form of which may be included in the Plan Supplement, will be filed with the Secretary of State of New Jersey.

The Debtors may include in the Reorganized Kodak Certificate of Incorporation trading restrictions reasonably satisfactory to the Requisite Backstop Parties and intended to prevent certain transfers of our securities that could result in an ownership change under section 382 of the Internal Revenue Code (the “**Charter Restrictions**”), which could potentially materially inhibit Reorganized Kodak’s ability to use certain net operating loss carryforwards, foreign tax credits carryforwards and other tax attributes (collectively, the “**Tax Attributes**”) to reduce future taxable income and tax liabilities. Reorganized Kodak may also adopt a rights plan reasonably satisfactory to the Requisite Backstop Parties to help protect its Tax Attributes under which certain participants in restricted transfers of shares of New Common Stock and other Kodak securities may be diluted in certain circumstances. The Charter Restrictions and/or rights plan may exclude the Backstop Parties. There can be no assurance that any such Charter Restrictions or rights plan will be adopted or that the Tax Attributes will not be limited by an ownership change occurring after the Effective Date.

The following is a description of proposed Charter Restrictions for the purpose of informing creditors of their general nature. The Charter Restrictions are the subject of continued discussion among the Debtors and the Backstop Parties and may be eliminated or modified, generally or with respect to the Backstop Parties, at any time by Plan Supplement.

If adopted, the Charter Restrictions generally could restrict any transfer of Beneficial Ownership of shares of New Common Stock and securities:

- by any person who beneficially owns 4.90 percent or more of the shares of New Common Stock then outstanding or certain other classes of stock then outstanding (a “**Five Percent Stockholder**”);
- if the effect would be to increase the Beneficial Ownership by any person to 4.90 percent or more of the shares of New Common Stock then outstanding or certain other classes of stock then outstanding; or
- if the effect would be to increase the percentage of shares of New Common Stock beneficially owned by a Five Percent Stockholder;

A person shall be deemed the “**Beneficial Owner**” of any securities (i) which such person directly owns, (ii) which such person would be deemed to indirectly or constructively own for purposes of section 382 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder or (iii) which any other person Beneficially Owns, but only if such person and such other person are part of the same group of persons that, with respect to such security, are treated as one “entity” as defined under Treasury Regulation 1.382-3(a)(1). Complicated stock ownership rules prescribed by the Internal Revenue Code (and Treasury Regulations promulgated thereunder) apply in determining whether a Person is a Five Percent Stockholder under the Charter Restrictions.

For purposes of the Charter Restrictions, “person” means any individual, firm, partnership, limited liability company, trust, association, limited liability partnership, corporation or other “entity” within the meaning of Treasury Regulations § 1.382-3(a)(1)(i), and includes any successor (by merger or otherwise) of such entity. A person does not include a “public group” as defined in Treasury Regulations § 1.382-2T(f)(13), but shall mean a first tier entity and a higher tier entity as defined in Treasury Regulations § 1.382-2T(f).

Any transfer restrictions in the Reorganized Kodak Certificate of Incorporation could be subject to certain exceptions. A transfer from persons who are not Five Percent Stockholders to other persons who are not, and do not become, Five Percent Stockholders, as well as transfers by Reorganized Kodak, could generally not be restricted.

In addition, the New Board of Directors (consisting of directors independent of the requesting person and disinterested in the proposed transaction) could have the discretion to approve prospectively or retroactively a transfer of securities. If adopted, the New Board of Directors could approve a transaction with or without first having received a request and any determination or approval of the New Board of Directors could be made prospectively or retroactively, could be limited to specific transfers or could apply to any transfer by a certain person or persons, could be made by way of granting a waiver or having Reorganized Kodak enter into an agreement, could be limited or unlimited in time, and could be conditional and include restrictions. If adopted, the Charter Restrictions may exclude the Backstop Parties and/or the New Board of Directors may be required to approve certain transfers up to a specified threshold.

If adopted, these transfer restrictions could result in the delay or refusal of certain requested transfers of securities of Reorganized Kodak (including shares of New Common Stock issued in connection with an exercise of the Warrants) or prohibit ownership (thus requiring dispositions) of the securities of Reorganized Kodak due to a change in the relationship between two or more persons or to a transfer of an interest in an entity that, directly or indirectly, owns the securities of Reorganized Kodak. If adopted, the transfer restrictions could also apply to proscribe the transfer of Warrants or creation or transfer of certain “options” (which are broadly defined by section 382 of the Internal Revenue Code) with respect to securities of Reorganized Kodak to the extent that, if exercised, they would result in a proscribed level of ownership.

Any direct or indirect transfer attempted in violation of the Charter Restrictions would be void as of the date of the prohibited transfer as to the purported transferee (or, in the case of an indirect transfer, the direct owner of securities of Reorganized Kodak would be deemed to have disposed, and be required to dispose, of the excess stock, with such disposition being deemed to occur simultaneously with the transfer), and the purported transferee (or in the case of any indirect transfer, the direct owner) would not be recognized as the owner of the securities owned in violation of the Charter Restrictions for any purpose, including for purposes of voting and receiving dividends or other distributions in respect of shares of New Common Stock, or in the case of options and Warrants, the New Board of Directors could refuse to issue or transfer shares of New Common Stock in respect of their exercise if such transfer would cause a person to become a Five Percent Stockholder or cause the Beneficial Ownership of a Five Percent Stockholder to increase. Transfers in violation of the Charter Restrictions would be unwound in the manner specified therein.

The purpose of these provisions would be to treat a prohibited transfer, to the extent possible, as if it had never occurred, and the New Board of Directors would be given discretion to apply or change these procedures to accomplish such purpose.

3. Equity

a. New Common Stock

On the Effective Date, the Reorganized Kodak Certificate of Incorporation will provide for 500 million shares of authorized New Common Stock, and Reorganized Kodak shall issue or reserve for issuance a sufficient number of shares of New Common Stock equal to the **“Fully Diluted Effective Date Share Issuance,”** a number of shares of New Common Stock equal to the quotient of (a) a number of shares of New Common Stock equal to the sum of (i) 40 million plus (ii) to the extent applicable, the number of shares of New Common Stock issued to satisfy (x) payment of the Backstop Fees and (y) the Retiree Committee Conversion Right (the **“Effective Date Share Issuance”**), divided by (b) 90% (or such lower percentage (but not less than 88%) as may be determined by the Requisite Backstop Parties prior to the Effective Date); plus any additional shares of New Common Stock to satisfy any share issuances authorized under the Warrants. The shares of New Common Stock issued in connection with the Plan, including in connection with the consummation of the Rights Offering, the Backstop Commitment Agreement, or upon exercise of the Warrants, and options or other equity awards issued pursuant to the New Equity Plan, shall be authorized without the need for further corporate action or without any further action by any Person, and once issued, shall be duly authorized, validly issued, fully paid and non-assessable.

Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.

b. Warrants

On the Effective Date, Reorganized Kodak shall issue to the holders of General Unsecured Claims net-share settled warrants to purchase: (i) at the 125% Exercise Price (equal to the product of the Per Share Price by 1.25), a number of shares of New Common Stock equal to the product of (a) 5% by (b) the Effective Date Share Issuance (subject to any applicable anti-dilution adjustments and any other applicable terms of the 125% Warrant Agreement) (the **“125% Warrants”**) and (ii) at the 135% Exercise Price (equal to the product of the Per Share Price by 1.35), a number of shares of New Common Stock equal to the product of (a) 5% by (b) the Effective Date Share Issuance (subject to any applicable anti-dilution adjustments and any other applicable terms of the 135% Warrant Agreement) (the **“135% Warrants”**).

c. New Jersey Shareholders’ Protection Act

The Plan provides that Reorganized Kodak will be incorporated in the State of New Jersey. The New Jersey Shareholders’ Protection Act (the **“NJSPA”**) may limit

Reorganized Kodak's ability to enter into certain business combinations (including mergers, stock and asset sales, and reclassifications) with "interested stockholders."

A stockholder is an "interested stockholder" if it is:

- a beneficial owner, directly or indirectly, of 10% or more of Reorganized Kodak's outstanding voting stock; or
- an affiliate or associate of Reorganized Kodak who, at any time within the five years prior to the date in question, was a beneficial owner, directly or indirectly, of 10% or more of our outstanding voting stock

and, in either case, on the date that an interested stockholder became an interested stockholder, Reorganized Kodak is traded on a national securities exchange or registered under section 12(g) of the Exchange Act.

Generally, Reorganized Kodak may not enter into a business combination with an interested stockholder for five years following the date on which such stockholder became an interested stockholder (the "**Stock Acquisition Date**"), unless:

- the New Board of Directors approves the business combination prior to the interested stockholder's Stock Acquisition Date; or
- (i) the transaction which caused a person to become an interested stockholder was approved by the New Board of Directors prior to the Stock Acquisition Date and (ii) the subsequent business combination is approved by (x) the members of the New Board of Directors who are independent of the interested stockholder or a committee of the board consisting entirely of directors who are independent of the interested stockholder, and (y) holders of a majority of Reorganized Kodak's voting stock not beneficially owned by the interested stockholder.

In addition, after five years, Reorganized Kodak may not enter into a business combination with the interested stockholder unless either of the previous two conditions or one of the following two conditions is met:

- the stockholders of Reorganized Kodak receive consideration for their shares in an amount and form that satisfies the requirements of the NJSPA and, prior to the business combination completion date, the interested stockholder has not become a beneficial owner of any additional shares of stock except through the limited circumstances provided in the NJSPA; or
- the business combination is approved by the affirmative vote of the holders of at least two-thirds of Reorganized Kodak's outstanding voting stock not beneficially owned by that interested stockholder.

EKC has approved the issuance of shares of New Common Stock to the Backstop Parties for purposes of the NJSPA. EKC has not approved the issuance of shares of New Common Stock to any other potential "interested stockholder" for such purposes.

4. Emergence Financing

The terms of the emergence financing shall be on terms no less favorable to Reorganized Kodak than the DIP Term Loan Credit Agreement upon conversion to emergence financing as contemplated by the DIP Term Loan Credit Agreement.

Reorganized Kodak has the option to convert up to \$653.7 million of the loans under the DIP Term Loan Credit Agreement into term loans under the Emergence Rollover Credit Agreement, if, among other things, the following conditions are met: (i) as of the Effective Date, EKC will have met the minimum requirements set forth in the Emergence Rollover Credit Agreement with respect to the Debtors' U.S. liquidity, EKC's Conversion Secured Leverage Ratio and EKC's Conversion Adjusted EBITDA (as these terms are defined in the Emergence Rollover Credit Agreement); (ii) the Bankruptcy Court will have entered an order confirming the Plan and authorizing the credit facilities under the Emergence Rollover Credit Agreement and such order is in full force and effect on the date of the conversion; (iii) the Effective Date must occur no later than September 30, 2013; (iii) no default or event of default shall have occurred and be continuing under the DIP Term Loan Credit Agreement or would result from the conversion; (iv) the sale of certain specified assets that are not part of the Commercial Imaging business must have occurred for a minimum aggregate gross cash purchase price of \$600 million; (v) \$200 million of the New Money Loans must have been repaid in full in cash; (vi) there shall have been an additional repayment of loans in an amount equal to 75% of U.S. liquidity above \$200 million on the Effective Date; (vii) no Material Adverse Effect (as defined in the DIP Term Loan Credit Agreement) will have occurred since the date of approval of the Disclosure Statement by the Bankruptcy Court; (viii) the holders of New Money Loans will have received a fee of 2% of the New Money Loans being converted into loans under the Emergence Rollover Credit Agreement, to be paid in kind; (ix) all liability in respect of the KPP will have been resolved on terms reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement); and (x) entry of the Confirmation Order.

5. Legacy Liabilities

a. Pension Liabilities

The Debtors are rejecting or terminating all Non-Qualified Plans.

The Reorganized Debtors will continue to honor and perform the Qualified Plans in accordance with their terms and applicable laws (including, as applicable, ERISA and the Internal Revenue Code), subject to any rights to terminate or modify such plans. All Claims filed on account of obligations owed under any Qualified Plan shall be deemed satisfied, withdrawn and expunged from the Claims Register as of the Effective Date, without any further action of the Debtors or the Reorganized Debtors and without any further action, order or approval of the Bankruptcy Court.

Because the Debtors are continuing the Qualified Plans, total pension expenses for U.S. GAAP purposes 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 be approximately \$48 million in 2013.

The following table illustrates Kodak's U.S. and non-U.S. pension and other post-employment benefits obligations as of December 31, 2012:

As of December 31, 2012		U.S.	Non-U.S.
(based on information available as of March 11, 2013)		(Debtor)	(Non-Debtor) ¹⁷
(in millions \$)			
Pension			
Projected benefit obligation		5,575	1,268
Fair value of plan assets		4,865	971
(Underfunded)		(710)	(297)
Cash payments for 2012		7	29
<i>Projected cash payments for 2013</i>		<i>1</i>	<i>42</i>
Other post-employment benefits			
Accumulated benefit obligation (unfunded)		(61)	(92)
Cash payments for 2012		113	4
<i>Projected cash payments for 2013</i>		<i>26</i>	<i>5</i>

b. Environmental Liabilities

Assuming that the EBP Settlement described in Section 3.D.3.c above occurs, Kodak will retain liabilities under both regulatory and voluntary agreements for certain international and domestic sites, including locations in Weatherford, Oklahoma (Kodak facility at 2720 East Frontage Road 73096) and Middleway, West Virginia (former facility at 1 Grace Avenue 25430). These retained liabilities were estimated at approximately \$22 million as of December 31, 2012 (*pro forma* for the EBP Settlement). Additional information regarding site conditions, remedial measures or regulatory approaches could affect future costs.

D. The Kodak GUC Trust

On or before the Effective Date, an agreement (the “**Kodak GUC Trust Agreement**”) will be executed by the Debtors, the Creditors’ Committee and a trustee designated by the Creditors’ Committee (the “**Kodak GUC Trustee**”), and all other necessary steps shall be taken to establish a liquidating trust (the “**Kodak GUC Trust**”) and allocate the beneficial interests therein to the Holders of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim, as provided in Articles 4.2.4 and 4.2.6, respectively, of the Plan, whether their Claims are Allowed on or after the Effective Date.

On the Effective Date, (a) the Kodak GUC Trust Avoidance Actions will be transferred (and deemed transferred) to the Kodak GUC Trust without the need for any person or Entity to take any further action or obtain any approval and (b) the Debtors shall deposit into the Kodak GUC Trust Cash in the amount of \$3 million. Such transfers will be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax.

The “**Kodak GUC Trust Avoidance Actions**” include any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b) and 724(a) of the Bankruptcy Code, or under similar

¹⁷ Excludes KPP obligations.

or related state or federal statutes and common law (collectively, “**Avoidance Actions**”), excluding all Avoidance Actions against any (a) Released Party, (b) Holder of Allowed Second Lien Notes Claims, solely in their capacity as a holder of Second Lien Notes, and (c) employee, landlord, vendor, customer, joint venture partner, or non-debtor party to any Specified Contract or open purchase order, in each case, related or useful to the Post-Effective Date Business as reasonably determined by the Reorganized Debtors in consultation with the Creditors’ Committee. For the avoidance of doubt, Avoidance Actions do not include, and the Debtors shall retain all rights to commence, pursue, and/or proceed with, breach of contract and/or intellectual property litigation Causes of Action.

As of June 14, 2013, the Debtors, with the assistance of AP Services LLC estimated the value of the Kodak GUC Trust Avoidance Actions to fall within a range of \$11 million to \$22 million.

At least annually, the Kodak GUC Trustee will (in consultation with the Reorganized Debtors) make Distributions to the beneficiaries of the Kodak GUC Trust of all Cash on hand in accordance with the Kodak GUC Trust Agreement (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section any permitted investments under Article 16.8 of the Plan) except such amounts (i) that would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such Distribution (but only until such Claim is resolved), (ii) that are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Kodak GUC Trust during liquidation, (iii) that are necessary to pay reasonable expenses (including any taxes imposed on the Kodak GUC Trust or in respect of its assets), and (iv) that are necessary to satisfy other liabilities incurred by the Kodak GUC Trust in accordance with the Plan or the Kodak GUC Trust Agreement.

E. Additional Information

Additional information concerning the Debtors’ business operations and financial results are set forth in EKC’s filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2012, filed on March 11, 2013. These filings are available from the website of the SEC at <http://www.sec.gov>, and from the Debtors’ website at <http://www.kodak.com>.

5. SUMMARY OF THE PLAN

A. Treatment of Unclassified Claims

1. Administrative Claims Bar Date

Any request for payment of a General Administrative Claim must be filed and served on the Reorganized Debtors pursuant to the procedures specified in the notice of entry of the Confirmation Order and the Confirmation Order on or prior to the Administrative Claim Bar Date, *provided* that no request for payment is required to be filed and served with respect to any:

- a. Allowed Administrative Claim;

- b. 503(b)(9) Claim, which requests for payment of a 503(b)(9) Claim shall be governed by the 503(b)(9) Procedures Order;
- c. Ordinary Course General Administrative Claim;
- d. Claim of a Governmental Unit not required to be filed pursuant to section 503(b)(1)(D) of the Bankruptcy Code;
- e. General Administrative Claim held by a current officer, director or employee of any Debtor for indemnification, contribution, or advancement of expenses pursuant to such Debtor's certificate of incorporation, by-laws, or similar organizational document;
- f. Non-Qualified Plan Accrual Claim;
- g. Professional Claim; or
- h. Claim for U.S. Trustee Fees.

Any Holder of a General Administrative Claim who is required to, but does not, file and serve a request for payment of such General Administrative Claim pursuant to the procedures specified in the Confirmation Order on or prior to the Administrative Claim Bar Date shall be forever barred, estopped and enjoined from asserting such General Administrative Claim against the Debtors or the Reorganized Debtors or their respective property, and such General Administrative Claim shall be deemed discharged as of the Effective Date.

Any objection to a request for payment of a General Administrative Claim that is required to be filed and served pursuant to Article 3.1 of the Plan must be filed and served on the Reorganized Debtors and the requesting party creditor (a) no later than 60 days after the Administrative Claim Bar Date or (b) by such later date as may be established by order of the Bankruptcy Court upon a motion by a Reorganized Debtor, with notice only to those parties entitled to receive notice pursuant to Bankruptcy Rule 2002.

2. General Administrative Claims

Except to the extent that a Holder of an Allowed General Administrative Claim agrees to less favorable treatment, the Holder of each Allowed General Administrative Claim shall receive Cash in an amount equal to the full unpaid amount of such Allowed General Administrative Claim on the later of (a) the Effective Date or as soon as reasonably practicable thereafter, (b) the date on which such Claim is Allowed or as soon as reasonably practicable thereafter, (c) with respect to Ordinary Course General Administrative Claims, the date such amount is due in accordance with applicable non-bankruptcy law and the terms and conditions of any applicable agreement or instrument or (d) with respect to a Non-Qualified Plan Accrual Claim, as and when such Claim would have otherwise been due and payable under the terms of the applicable terminated Non-Qualified Plan (assuming such plan had not been terminated).

3. DIP Claims

a. DIP ABL Claims

“**DIP ABL Claim**” means a Claim held by the DIP ABL Parties arising out of a loan or loans to the Debtors pursuant to the terms of the DIP ABL Credit Agreement.

DIP ABL Claims shall be Allowed in the full amount due and owing under the DIP ABL Credit Agreement. Except to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, each Holder of Allowed DIP ABL Claims shall receive Cash equal to the full amount of its Allowed DIP ABL Claims in full and final satisfaction of such Claims; provided that:

- (a) Any indemnification and expense reimbursement obligations of the Debtors that are contingent as of the Effective Date shall survive the Effective Date and be paid by the Reorganized Debtors as and when due under the DIP ABL Credit Agreement; and
- (b) Outstanding letters of credit and other cash management products will be addressed consistent with the terms of the Emergence Credit Facility Documents

b. DIP Term Loan Claims

“**DIP Term Loan Claim**” means a Claim arising under the DIP Term Loan Credit Agreement.

The DIP Term Loan Claims shall be Allowed and deemed to be Allowed Claims in the full amount due and owing under the DIP Term Loan Credit Agreement, including principal, interest, and reasonable fees and expenses, in each case, to the extent required to be paid under the terms of the DIP Term Loan Credit Agreement.

All DIP Term Loan Claims shall be Allowed and deemed to be Allowed Claims in the full amount due and owing under the DIP Term Loan Credit Agreement. Except to the extent that a Holder of Allowed DIP Term Loan Claims agrees to a less favorable treatment, each Holder of each Allowed DIP Term Loan Claims shall receive Cash equal to the full amount of its Allowed DIP Term Loan Claims in full and final satisfaction of such Claims, provided that:

- (a) if any Convertible DIP Term Loans are converted into Emergence Rollover Term Loans on the Effective Date, the Holder of such Convertible DIP Term Loans shall receive Emergence Rollover Term Loans as provided in the DIP Term Loan Credit Agreement in lieu of any other Distribution on account of its Convertible DIP Term Loans; and
- (b) any indemnification and expense reimbursement obligations of the Debtors that are contingent as of the Effective Date shall survive the Effective Date and be paid by the Reorganized Debtors as and when due under the DIP Term Loan Credit Agreement.

4. Professional Claims

a. Final Fee Applications

All final requests for payment of Professional Claims, including the Holdback Amount, shall be filed and served no later than 60 days after the Confirmation Date, in the manner set forth in the Professional Fee Order or, as it relates to APS, in the APS Retention Order. The Bankruptcy Court shall determine the Allowed amounts of such Professional Claims.

b. Professional Fee Escrow Amount

The Debtors shall establish and fund on or prior to the Effective Date the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Except as provided in the last sentence of this paragraph, such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors, as applicable. The Reorganized Debtors shall pay Professional Claims in Cash as soon as reasonably practicable after such Claims are Allowed by order of the Bankruptcy Court. When all Allowed Professional Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to the Reorganized Debtors.

c. Professional Fee Reserve Amount

Professionals shall provide good faith estimates of their Professional Claims for purposes of the Professional Fee Escrow Account and shall deliver such estimates to the Debtors no later than 10 days prior to the Confirmation Hearing, provided that such estimates shall not be considered an admission or limitation with respect to the fees and expenses of such Professionals. If a Professional does not provide such an estimate, the Reorganized Debtors may estimate, in their reasonable discretion, the Professional Claims of such Professional.

d. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors or the Reorganized Debtors, as the case may be, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional or other fees and expenses related to implementation and Consummation of the Plan incurred by the Debtors, the Reorganized Debtors, or the Creditors' Committee as the case may be. Except as otherwise specifically provided in the Plan, upon the Confirmation Date, any requirement that Professionals comply with sections 327, 328, 329, 330, 331 or 1103 of the Bankruptcy Code or the Professional Fee Order (or, as it relates to APS, the APS Retention Order) in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors, the Reorganized Debtors or, solely with respect to the matters set forth in Article 15.9 of the Plan, the Creditors' Committee, may (a) employ and pay any Professional in the ordinary course of business and (b) pay the Unsecured Notes Trustee Claim without any further notice to or action, order or approval of the Bankruptcy Court.

5. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, the Holder of each Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, at the election of the applicable Debtor or Reorganized Debtor, (a) Cash on the Effective Date or as soon as reasonably practicable thereafter in an amount equal to the full unpaid amount of such Allowed Priority Tax Claim or (b) deferred Cash payments in accordance with section 1129(a)(9)(C) of the Bankruptcy Code. Any Allowed Priority Tax Claim that is not due and payable on or prior to the Effective Date shall be paid in the ordinary course of business after the Effective Date as and when due under applicable non-bankruptcy law.

6. Statutory Fees Payable Pursuant to 28 U.S.C. § 1930

The Debtors or the Reorganized Debtors, as applicable, shall pay all U.S. Trustee Fees for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first. For the avoidance of doubt, each separate Debtor is separately obligated to pay U.S. Trustee Fees until such separate Debtor's Chapter 11 Case is converted, dismissed, or closed, whichever occurs first.

7. Retiree Committee Administrative Claim

The VEBA Trust or its assignee(s), on account of the Retiree Committee Administrative Claim, shall receive Cash in an amount equal to the full unpaid amount of the Retiree Committee Administrative Claim on the Effective Date. In lieu of a Cash payment, the VEBA Trust or its assignee(s) may, in its discretion and in final and full satisfaction, settlement, release and discharge of the Retiree Committee Administrative Claim, elect by written notice to the Debtors on or prior to the Confirmation Date to exercise the Retiree Committee Conversion Right.

8. Backstop Fees; Backstop Expense Reimbursement

The Backstop Fees and Backstop Expense Reimbursement shall be Allowed Administrative Claims, without reduction or offset, in the full amount due and owing under the Backstop Commitment Agreement. On the Effective Date, if not previously paid in full in accordance with the terms of the Backstop Commitment Agreement, any outstanding Backstop Expense Reimbursement shall be paid in Cash and any outstanding Backstop Fees shall be paid in Cash or New Common Stock, at the election of Kodak.

B. Classification, Treatment and Voting of Claims and Equity Interests

1. Classification of Claims and Equity Interests

All Claims and Equity Interests, except for Administrative Claims, Priority Tax Claims, DIP Facility Claims and Professional Claims, are classified in the Classes set forth in Article 4 of the Plan. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Equity Interest qualifies

within the description of such other Classes. A Claim or Equity Interest also is classified in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Equity Interest in that Class and has not been paid, released or otherwise satisfied prior to the Effective Date.

a. Deemed Substantive Consolidation

The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order deeming the substantive consolidation of the Debtors' Estates into a single Estate for certain limited purposes related to the Plan, including Voting, Confirmation and Distribution. As a result of the deemed substantive consolidation of the Estates, each Class of Claims and Equity Interests will be treated as against a single consolidated Estate without regard to the separate legal existence of the Debtors. The Plan will not result in the merger or otherwise affect the separate legal existence of each Debtor, other than with respect to voting and distribution rights under the Plan.

b. Summary of Classification and Treatment

The classification of Claims and Equity Interests pursuant to the Plan is as follows:

Class	Claims and Equity Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Second Lien Notes Claims	Impaired ¹⁸	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote
5	KPP Claims	Impaired	Entitled to Vote
6	Retiree Settlement Unsecured Claim	Impaired	Entitled to Vote
7	Convenience Claims	Impaired	Entitled to Vote
8	Subsidiary Convenience Claims	Impaired	Entitled to Vote
9	Equity Interests	Impaired	Deemed to Reject
10	Section 510(b) Claims	Impaired	Deemed to Reject

2. Treatment of Claims and Equity Interests

a. Class 1 – Other Priority Claims

“**Other Priority Claim**” means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim, DIP Facility Claim or Priority Tax Claim.

Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in

¹⁸ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.

exchange for its Allowed Other Priority Claims, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Other Priority Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court.

Class 1 is Unimpaired. Each Holder of an Other Priority Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of Other Priority Claims is entitled to vote to accept or reject the Plan.

b. Class 2 – Other Secured Claims

“**Other Secured Claim**” means any Secured Claim other than the DIP Facility Claims or the Second Lien Notes Claims.

Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Other Secured Claims, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the sole discretion of the applicable Debtor: (i) payment in full in Cash including the payment of any interest payable under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing such Allowed Other Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other manner that renders the Claim Unimpaired.

Class 2 is Unimpaired. Each Holder of an Other Secured Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of an Other Secured Claim is entitled to vote to accept or reject the Plan.

c. Class 3 – Second Lien Notes Claims

“**Second Lien Notes Claim**” means any Claim arising under or in connection with the Second Lien Notes Indentures, including Adequate Protection Claims.

If the Second Lien Acceptance is obtained, the Second Lien Notes Claims shall be Allowed in an aggregate amount equal to the Second Lien Agreed Amount, *plus* the Second Lien Settlement Amount. If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed:

- (i) with respect to each Stipulating Second Lien Noteholder, its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and
- (ii) with respect to any other Second Lien Noteholder, in the amount determined by the Court.

Except to the extent that a Holder of an Allowed Second Lien Notes Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Second Lien Notes Claims, each Holder of an Allowed Second Lien Notes Claim shall receive:

- (i) if the Second Lien Acceptance is obtained, payment in Cash of its Pro Rata share of the Allowed amount; and
- (ii) otherwise, at the Debtors' election, (A) payment in full in Cash, including the payment of any amounts due under section 506(b) of the Bankruptcy Code or (B) such other treatment that renders the Second Lien Notes Claims Unimpaired;¹⁹ *provided* that, in either instance, and notwithstanding any judicial determination or subsequent settlement regarding the allowance of the Second Lien Make-Whole, each Stipulating Second Lien Noteholder shall receive payment in Cash of its Pro Rata²⁰ share of the Second Lien Agreed Amount plus the Second Lien Settlement Amount in full and final satisfaction, settlement, release and discharge of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder.

In addition to the foregoing, but without duplication in the event the Second Lien Notes Claims are Unimpaired, the Debtors shall pay, in Cash, an amount equal to the incurred and unpaid reasonable and documented fees and expenses (including the reasonable and documented fees and expenses of counsel) due to the Second Lien Indenture Trustee under the Second Lien Notes Indentures as of the Effective Date.

Class 3 is Impaired and each Holder of a Second Lien Notes Claim is entitled to vote to accept or reject the Plan; *provided* that, if the Second Lien Acceptance is not obtained, the Debtors may elect to treat the Second Lien Notes Claims as Unimpaired and, in that case, each Holder of a Second Lien Notes Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

d. Class 4 – General Unsecured Claims

“General Unsecured Claim” means an Unsecured Claim that is not a Retiree Settlement Unsecured Claim, Convenience Claim or Subsidiary Convenience Claim.

¹⁹ The Backstop Commitment Agreement provides that no amendment, supplement or other modification to the Plan shall provide for the reinstatement of the Second Lien Notes Claims without the consent of each Backstop Parties to its sole discretion.

²⁰ For purposes of the allocation of the Second Lien Settlement Amount among holders of the 2018 Notes and the 2019 Notes, respectively, Pro Rata shall mean, with respect to the 2018 Notes, the percentage represented by a fraction (a) the numerator of which shall be an amount equal to the redemption premium calculated pursuant to section 3.03 of the Second Lien Notes Indenture relating to the 2018 Notes based on a September 30, 2013 redemption date, and (b) the denominator of which shall be an amount equal to the aggregate of the redemption premiums calculated pursuant to section 3.03 of each of the Second Lien Notes Indentures based on a September 30, 2013 redemption date; and, with respect to the 2019 Notes, the percentage represented by a fraction (a) the numerator of which shall be an amount equal to the redemption premium calculated pursuant to section 3.03 of the Second Lien Notes Indenture relating to the 2019 Notes based on a September 30, 2013 redemption date, and (b) the denominator of which shall be an amount equal to the aggregate of the redemption premiums calculated pursuant to section 3.03 of each of the Second Lien Notes Indentures based on a September 30, 2013 redemption date.

Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its:

- (i) Pro Rata share of the Unsecured Creditor New Common Stock Pool;
- (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants;
- (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver;²¹ and
- (iv) applicable Rights Offerings Consideration.

Class 4 is Impaired. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

e. Class 5 – KPP Claims

The Holder of the KPP Claims shall receive such consideration as is provided in the KPP Global Settlement.

Class 5 is Impaired. The Holder of the KPP Claims is entitled to vote to accept or reject the Plan.

f. Class 6 – Retiree Settlement Unsecured Claim

The “**Retiree Settlement Unsecured Claim**” means the \$635 million Unsecured Claim Allowed pursuant to the Retiree Settlement.

Except to the extent that a Holder of the Retiree Settlement Unsecured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for its portion of the Retiree Settlement Unsecured Claim, each Holder of the Retiree Settlement Unsecured Claim shall receive its:

- (i) Pro Rata share of the Unsecured Creditor New Common Stock Pool;
- (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants;
- (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver; and
- (iv) applicable Rights Offerings Consideration.

²¹ “**Backstop Trust Waiver**” means the waiver by the Backstop Parties of distributions from the Kodak GUC Trust; *provided* that notwithstanding the foregoing, each Backstop Party shall participate Pro Rata in any distribution from the Kodak GUC Trust that, when added to all prior distributions, exceeds the lesser of (x) \$25 million and (y) an amount equal to 20% of the amount of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim (other than those held by the Backstop Parties).

Class 6 is Impaired. Each Holder of the Retiree Settlement Unsecured Claim is entitled to vote to accept or reject the Plan.

g. Class 7 – Convenience Claims

“**Convenience Claim**” means (a) any Unsecured Claim Allowed in an amount equal to or less than \$10,000, or (b) any Unsecured Claim Allowed in an amount greater than \$10,000 but which is reduced to \$10,000 by an irrevocable written election of the Holder of such Claim made on a properly executed and delivered Ballot; provided that any Unsecured Claim that was originally Allowed in excess of \$10,000 may not be subdivided into multiple Unsecured Claims of \$10,000 or less for purposes of receiving treatment as a Convenience Claim. In addition, Subsidiary Convenience Claims shall not be Convenience Claims.

On the later of the Effective Date or as soon as practicable after a Convenience Claim becomes Allowed, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Convenience Claim, each Holder of an Allowed Convenience Claim shall receive payment in Cash in an amount equal to 4.5 percent of such Allowed Convenience Claim; *provided* that the aggregate amount of Cash received by Holders of Convenience Claims on account of their Convenience Claims shall not exceed \$600,000.

Class 7 is Impaired. Each Holder of a Convenience Claim is entitled to vote to accept or reject the Plan.

h. Class 8 – Subsidiary Convenience Claims

“**Subsidiary Convenience Claim**” means an Unsecured Claim against Eastman Kodak International Capital Company, Inc., FPC Inc., Kodak (Near East), Inc. or Kodak Philippines, Ltd.

Except to the extent that a Holder of a Subsidiary Convenience Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for its Subsidiary Convenience Claim, each Holder of such Subsidiary Convenience Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Subsidiary Convenience Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court; provided that the aggregate amount of Cash received by Holders of Subsidiary Convenience Claims on account of their Subsidiary Convenience Claims shall not exceed \$300,000.

Class 8 is Impaired. Each Holder of a Subsidiary Convenience Claim is entitled to vote to accept or reject the Plan.

i. Class 9 – Equity Interests

No Holder of an Equity Interest in EKC shall receive any Distributions on account of its Equity Interest. On and after the Effective Date, all Equity Interests in EKC shall be cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise.

Class 9 is Impaired. Each Holder of an Equity Interest in EKC is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of an Equity Interest in EKC is entitled to vote to accept or reject the Plan.

j. Class 10 – Section 510(b) Claims

“**Section 510(b) Claim**” means any Claim arising from the rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors, for damages arising from the purchase or sale of such security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim.

No Holder of a Section 510(b) Claim shall receive any Distributions on account of its Section 510(b) Claim. On the Effective Date, all Section 510(b) Claims shall be discharged.

Class 10 is Impaired. Holders of Section 510(b) Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of a Section 510(b) Claim is entitled to vote to accept or reject the Plan.

3. Intercompany Claims and Interests

Notwithstanding anything herein to the contrary, on the Effective Date or as soon thereafter as is reasonably practicable, at the option of the Reorganized Debtors and in consultation with the Requisite Backstop Parties, all Intercompany Claims and Intercompany Interests will be: (a) preserved and reinstated, in full or in part; (b) cancelled and discharged, in full or in part, in which case such discharged and satisfied portion shall be eliminated and the Holders thereof shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such portion under the Plan; (c) eliminated or waived based on accounting entries in the Debtors’ or the Reorganized Debtors’ books and records and other corporate activities by the Debtors or the Reorganized Debtors; (d) contributed to the capital of the obligor entity or (e) otherwise compromised. In no event shall Intercompany Claims be allowed as Unsecured Claims or entitled to any Distribution under the Plan.

4. Special Provision Governing Unimpaired Claims

Except as otherwise provided herein, the Plan shall not affect the Debtors’ or the Reorganized Debtors’ rights in respect of any Unimpaired Claims, including legal and equitable defenses or setoff or recoupment rights with respect thereto.

5. Confirmation Pursuant to Sections 1129(a) and 1129(b) of the Bankruptcy Code

For purposes of Confirmation, section 1129(a)(10) of the Bankruptcy Code shall be satisfied if any one of Classes 3 – 8²² accepts the Plan. The Debtors shall seek Confirmation

²² Or Classes 4 – 8, if Claims in Class 3 are deemed Unimpaired as set forth in Article 4.2.3 of the Plan.

of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class or Classes of Claims.

6. Subordinated Claims

The allowance, classification and treatment of all Allowed Claims and the respective Distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise; *provided*, the Debtors reserve the right to re-classify any Allowed Claim in accordance with any contractual, legal or equitable subordination rights relating thereto.

C. Implementation of the Plan

1. Operations Between the Confirmation Date and Effective Date

During the period from the Confirmation Date through and until the Effective Date, the Debtors may continue to operate their businesses as debtors in possession, subject to all applicable orders of the Bankruptcy Court and any limitations set forth in the Backstop Commitment Agreement.

2. KPP Global Settlement

A motion to approve the KPP Global Settlement [Docket No. 3709] has been submitted to the Bankruptcy Court for its approval under Bankruptcy Rule 9019 and sections 363 and 365 of the Bankruptcy Code.

3. Settlement of Committee's Lien Challenge

On the Effective Date, the transactions contemplated by the Plan, including the distributions to Holders of Claims in Class 3, Class 4 and Class 6, shall be in full and final settlement of the Committee's Lien Challenge, and the Committee's Lien Challenge shall be deemed dismissed with prejudice, and the Creditors' Committee and the Second Lien Notes Trustee shall file a joint notice of dismissal with the Bankruptcy Court.

4. Other Restructuring Transactions

Following the Confirmation Date, the Debtors, in consultation with the Requisite Backstop Parties, may reorganize their corporate structure by eliminating certain entities (including non-Debtor entities) that are deemed no longer helpful, and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, liquidation, domestication, continuation or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability,

debt or obligation on terms consistent with the terms of the Plan; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution with the appropriate governmental authorities pursuant to applicable law; and (d) all other actions that the Debtors, in consultation with the Requisite Backstop Parties, determine are necessary or appropriate, including making filings or recordings that may be required by applicable law. To the extent deemed helpful or appropriate to the Debtors or the Reorganized Debtors, the restructuring may be effected pursuant to sections 368 and 381 of the Internal Revenue Code, to preserve for the Debtors or the Reorganized Debtors the tax attributes of such entities. Notwithstanding anything else to the contrary in the Plan, the Debtors may engage in any restructuring, reorganizations, liquidation, intercompany sales and similar transactions after prior notice to the Backstop Parties in order to implement tax planning, which transactions are not reasonably expected to materially adversely affect any Backstop Party.

5. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided herein or in the Confirmation Order, as of the Effective Date, all property of each Estate (including Causes of Action) and any property acquired by any Debtor under the Plan shall vest in the applicable Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances or interests; *provided* that the Kodak GUC Trust Avoidance Actions shall be transferred to the Kodak GUC Trust in accordance with Article 16.3 of the Plan; *provided, further*, that nothing in Article 5.5 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court. On and after the Effective Date, except as otherwise provided in the Plan, the Reorganized Debtors may operate their businesses and may use, acquire or dispose of property and compromise or settle any Claims or Causes of Action (other than the Kodak GUC Trust Avoidance Actions) without supervision or approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules; *provided* that the claims asserted by GOT in the GOT Adversary Proceeding, as well as any property interest of GOT in the GOT Adversary Patents or the GOT Royalties, are preserved during the pendency of the GOT Adversary Proceeding.

6. *Cancellation of Existing Agreements, Notes and Equity Interests*

On the Effective Date, except as otherwise specifically provided for in the Plan, the obligations of the Debtors under the Second Lien Notes Indentures, Unsecured Notes Indentures, and any other Certificate, Equity Interest, share, note, bond, indenture, purchase right, option, warrant or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Equity Interest (except such Certificates, notes or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan), shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors and their Affiliates shall not have any obligations thereunder and shall be released and discharged therefrom; provided that (x) the Second Lien Notes Indentures and Unsecured Notes Indentures shall remain in effect and govern the rights and obligations of the Indenture Trustees and the beneficial holders of notes issued under such indentures, including to effectuate any charging liens permitted under the Second Lien Notes Indentures and Unsecured Notes Indentures, respectively and (y) any obligations of the Debtors in the Backstop

Commitment Agreement that by their terms are to be satisfied after, or are otherwise stated to survive, the closing of the Backstop Commitment Agreement shall be the obligations of the Reorganized Debtors. Notwithstanding any provision in the Second Lien Notes Indentures or the Second Lien Notes to the contrary, the Second Lien Indenture Trustee shall be permitted to pay the Stipulating Second Lien Noteholders, and the Stipulating Second Lien Noteholders shall be entitled to receive, payment with respect to the Second Lien Settlement Amount and Second Lien Agreed Amount without any pro rata reallocation to non-Stipulating Second Lien Noteholders.

7. New Common Stock

On the Effective Date, the Reorganized Kodak Certificate of Incorporation shall have provided for 500 million shares of authorized New Common Stock, and Reorganized Kodak shall issue or reserve for issuance a sufficient number of shares of New Common Stock equal to the Fully Diluted Effective Date Share Issuance, *plus* any additional shares of New Common Stock to satisfy any share issuances authorized under the Warrants. The shares of New Common Stock issued in connection with the Plan, including in connection with the consummation of the Rights Offerings, the Backstop Commitment Agreement, or upon exercise of the Warrants, and options or other equity awards issued pursuant to the New Equity Plan, shall be authorized without the need for further corporate action or without any further action by any Person, and once issued, shall be duly authorized, validly issued, fully paid and non-assessable. .

Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.

8. Rights Offerings

The Debtors will implement the Rights Offerings in accordance with the Backstop Commitment Agreement and the Rights Offerings Procedures.

a. 1145 Rights Offering

The 1145 Rights Offering shall be open to all Holders of 1145 Eligible Claims. The 1145 Rights Offering shall consist of a distribution of the 1145 Rights in respect of the 1145 Rights Offering Shares in accordance with the Rights Offerings Procedures Order.

b. 4(2) Rights Offering

The 4(2) Rights Offering shall be open to 4(2) Eligible Participants. The 4(2) Rights Offering shall consist of a distribution of the 4(2) Rights in respect of the 4(2) Rights Offering Shares in accordance with the 4(2) Rights Offering Procedures. Kodak and Reorganized Kodak shall conduct the 4(2) Rights Offering in accordance with the Rights Offerings Procedures Order.

The Backstop Parties have agreed to purchase (on a several and not joint basis) all of the 4(2) Rights Offering Unsubscribed Shares, subject to and in accordance with the terms of the Backstop Commitment Agreement.

9. Exemption from Registration

Except with respect to any Person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, the offer, issuance, sale or distribution under the Plan of the (a) shares of New Common Stock comprising the Unsecured Creditor New Common Stock Pool, (b) shares of New Common Stock issued in connection with the Retiree Committee Conversion Rights, if applicable, (c) 1145 Rights, (d) 1145 Rights Offering Shares, (e) Warrants, and (f) shares of New Common Stock issuable upon the exercise of the Warrants shall all be exempt from registration under Section 5 of the Securities Act (or any State or local law requiring registration for offer or sale of a security) under section 1145 of the Bankruptcy Code.

The (a) 4(2) Rights, (b) 4(2) Rights Offering Shares, (c) any shares of New Common Stock issued in connection with the payment of the Backstop Commitment Fees and (d) any shares of New Common Stock issued pursuant to the Backstop Commitment Agreement shall all be issued without registration in reliance upon the exemption set forth in section 4(2) of the Securities Act and will be “restricted securities.”

The Rights and 1145 Rights Offering Shares and 4(2) Rights Offering Shares are being offered, distributed and sold pursuant to the Plan.

10. Emergence Financing

If all or any portion of the Convertible DIP Term Loans are converted into Emergence Rollover Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement, then on the Effective Date: (a) Obligations (as defined in the DIP Term Loan Credit Agreement) under the DIP Term Loan Credit Agreement and the other DIP Term Loan Documents shall be converted into and continue as obligations under the Emergence Rollover Credit Agreement and the other Emergence Credit Facility Documents; and (b) all liens, rights, interests, duties and obligations under the DIP Term Loan Documents shall convert into and continue as liens, rights, interests, duties and obligations under the Emergence Term Loan Credit Agreement and any such liens shall continue to secure obligations of Reorganized Kodak under the Emergence Term Loan Credit Agreement. Without limiting the foregoing, all liens and security interests granted under the DIP Term Loan Documents to the DIP Term Loan Parties and converted into and continued as liens and security interest under the Emergence Term Loan Credit Agreement shall be (x) valid, binding, perfected and enforceable liens and security interest in the personal and real property described in such documents, with the priorities established in respect thereof under applicable non-bankruptcy law and (y) not subject to avoidance, recharacterization or subordination under any applicable law; and Reorganized Kodak shall, and is authorized to, enter into and perform and to execute and deliver the Emergence Term Loan Credit Agreement and such other agreements, instruments or documents reasonably requested by the DIP Term Loan Agent (in form and substance acceptable to the DIP Term Loan Agent) to evidence or effectuate the conversion of all or any portion of the Convertible DIP Term Loans to Emergence Rollover Term Loans in accordance with the terms

of the DIP Term Loan Documents. Without limiting the foregoing, Reorganized Kodak shall pay, as and when due, all fees and expenses and other amounts provided under the Emergence Credit Facility Documents.

To the extent the Reorganized Debtors obtain one or more Emergence Credit Facilities in lieu of, or in addition to, the conversion of all or any portion of the Convertible DIP Term Loans into Emergence Rollover Term Loans, then, on the Effective Date, the Reorganized Debtors shall, and are hereby authorized to, enter into and perform and execute and deliver the Emergence Credit Facility Documents to which such Reorganized Debtor is contemplated to be a party on the Effective Date. The Reorganized Debtors are hereby authorized to borrow under such Emergence Credit Facilities and use the proceeds of such borrowings for any purpose permitted thereunder, including to fund (a) the repayment of all DIP Term Loan Claims that are not converted into Emergence Rollover Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement, (b) distributions under and in accordance with the Plan, and (c) ongoing business operations, general corporate purposes and working capital needs. Without limiting the foregoing, the Reorganized Debtors shall pay, as and when due, all fees, expenses, losses, damages, indemnities and other amounts, including any applicable refinancing premiums and applicable exit fees, provided under the Emergence Credit Facility Documents relating to such Emergence Credit Facilities.

Confirmation of the Plan shall be deemed (a) approval of the Emergence Credit Facilities and all transactions contemplated hereby and thereof (including additional syndication of the Emergence Credit Facilities (if any)), and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, expenses, losses, damages, indemnities and other amounts provided for by the Emergence Credit Facility Documents, and (b) authorization for the Reorganized Debtors to enter into and perform under the Emergence Credit Facility Documents. The Emergence Credit Facility Documents shall constitute legal, valid, binding and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Emergence Credit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law.

On the Effective Date, all of the liens and security interests to be granted in accordance with the Emergence Credit Facility Documents (a) shall be deemed to be approved; (b) shall be legal, binding and enforceable liens on, and security interests in, the collateral granted under respective Emergence Credit Facility Documents in accordance with the terms of the Emergence Credit Facility Documents; (c) shall be deemed perfected on the Effective Date, subject only to such liens and security interests as may be permitted under the Emergence Credit Facility Documents, and the priorities of such liens and security interests shall be as set forth in the respective Emergence Credit Facility Documents; and (d) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The

Reorganized Debtors and the secured parties (and their designees and agents) under such Emergence Credit Facility Documents are hereby authorized to make all filings and recordings, and to obtain all governmental approvals and consents to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection of the liens and security interests granted under the Emergence Credit Facility Documents shall occur automatically by virtue of the entry of the Confirmation Order and funding on or after the Effective Date, and any such filings, recordings, approvals and consents shall not be necessary or required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties. To the extent that any Holder of a Secured Claim that has been satisfied or discharged pursuant to the Plan, or any agent for such Holder, has filed or recorded any liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Debtors, Reorganized Kodak or any administrative agent under the Emergence Credit Facility Documents that are necessary to cancel and/or extinguish such liens and/or security interests (it being understood that such liens and security interests shall be automatically canceled/or extinguished automatically by virtue of the entry of the Confirmation Order).

On the Effective Date, all issued and outstanding letters of credit shall be cash collateralized, replaced or reinstated in accordance with their terms and the terms of the DIP Credit Agreements and any applicable Emergence Credit Facility Documents.

11. Section 1146 Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any transfers from the Debtors to the Reorganized Debtors or to any other Person, pursuant to, in contemplation of, or in connection with the Plan (including any transfer pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, assumption, termination, refinancing and/or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment or recording of any lease or sublease; (d) the grant of collateral as security for any or all of the Emergence Credit Facilities; (e) the KPP Global Settlement; (f) the Backstop Commitment Agreement; or (g) the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, sales and use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall, and shall be directed to, forgo the collection of any such tax, recordation fee or government assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee or government assessment. The Bankruptcy Court shall retain specific jurisdiction with respect to these matters.

12. Preservation of Causes of Action

Except as otherwise provided in Article 12 or 16 or the other provisions of the Plan, each Cause of Action of a Debtor shall be preserved and, along with the exclusive right to enforce such Cause of Action, shall vest exclusively in the applicable Reorganized Debtor as of the Effective Date; *provided* that nothing in Article 5.12 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court. Unless a Cause of Action is expressly waived, relinquished, released or compromised in the Plan or an order of the Bankruptcy Court, the Reorganized Debtors expressly reserve such Cause of Action for later adjudication and, accordingly, no doctrine of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), laches or other preclusion doctrine shall apply to such Cause of Action as a consequence of the Confirmation, the Plan, the vesting of such Cause of Action in the Reorganized Debtors, any order of the Bankruptcy Court or these Chapter 11 Cases. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as an indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue such Cause of Action.**

13. Effectuating Documents and Further Transactions

The Debtors or the Reorganized Debtors, as applicable, may take all actions to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, including the distribution of the securities to be issued pursuant hereto in the name of, and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions or consents except for those expressly required pursuant hereto; *provided* that after the Confirmation Date (but prior to the Effective Date) the Debtors shall consult with and, to the extent required by the terms of the Backstop Commitment Agreement, seek the consent of the Requisite Backstop Parties on such actions. The secretary and any assistant secretary of each Debtor shall be authorized to certify or attest to any of the foregoing actions.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the shareholders, directors or members of the Debtors shall be deemed to have been so approved and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant to applicable law, and without any requirement of further action by the shareholders, directors, managers or partners of the Debtors, or the need for any approvals, authorizations, actions or consents.

14. Reinstatement of Interests in Debtor Subsidiaries

In the event that the Debtors elect to reinstate Intercompany Interests pursuant to Article 4.3 of the Plan, each Reorganized Debtor shall issue authorized new equity securities to the Reorganized Debtor that was that Debtor's corporate parent prior to the Effective Date so that each Reorganized Debtor will retain its 100% ownership of its pre-Petition Date Debtor subsidiaries. The Debtors may modify the foregoing at any time in consultation with the Requisite Backstop Parties.

15. Intercompany Account Settlement

The Debtors and Reorganized Debtors, and their respective subsidiaries, will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Debtors or Reorganized Debtors (as applicable) to satisfy their obligations under the Plan.

16. Fees and Expenses of the Unsecured Notes Trustee

Reasonable and documented fees and expenses incurred by the Unsecured Notes Trustee during the pendency of the Chapter 11 Cases, solely in its capacity as such, shall, without duplication and to the extent unpaid by the Debtors prior to the Effective Date, be Allowed Administrative Claims and paid by the Reorganized Debtors without further Bankruptcy Court approval upon the submission of invoices to the Reorganized Debtors.

D. Corporate Governance and Management

1. Corporate Existence

Subject to any restructuring transactions as permitted under Article 5 of the Plan or as otherwise expressly provided in the Plan, each of the Debtors shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership or other form, as the case may be, pursuant to applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed, and pursuant to the respective certificate of incorporation and bylaws (or other formation documents in the case of a limited liability company, partnership or other form) in effect prior to the Effective Date, except to the extent such certificate of incorporation or bylaws (or other formation documents in the case of a limited liability company, partnership or other form) are amended by, or in connection with the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions or consents.

2. Organizational Documents

The Reorganized Kodak Certificate of Incorporation shall be filed with the Secretary of State of New Jersey on the Effective Date. The amended and restated bylaws of Reorganized Kodak and certificate of incorporation and bylaws of the other Reorganized Debtors (or other formation documents relating to limited liability companies, partnerships or other forms) shall be in the form set forth in the Plan Supplement and filed with the applicable state officers or entities on or as soon as reasonably practicable after the Effective Date.

3. Indemnification Provisions in Organizational Documents

As of the Effective Date, each Reorganized Debtor's bylaws shall provide for the indemnification, defense, reimbursement, exculpation and/or limitation of liability of, and advancement of fees and expenses to, directors or officers of such Debtor who served in such capacity after the Petition Date, at least to the same extent as the bylaws of each of the respective

Debtors did on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and none of the Reorganized Debtors shall amend and/or restate their certificate of incorporation or bylaws before or after the Effective Date to terminate or materially adversely affect any of these obligations of the Reorganized Debtors' or such directors', officers', employees' or agents' rights.

4. Directors and Officers of the Reorganized Debtors

The identity and affiliations of each individual proposed to serve as a director, officer or voting trustee of any Reorganized Debtor after the Effective Date, as well as the nature of any compensation of such individual who is an insider of a Debtor, will be disclosed in the Plan Supplement no later than the Confirmation Hearing. No director, officer, manager or voting trustee of a Debtor who continues to serve a Reorganized Debtor in any capacity after the Effective Date shall be liable to any Person for any Claim that arose prior to the Effective Date in connection with service as a director, officer, manager or voting trustee of a Debtor.

The New Board of Directors shall be composed of nine (9) directors consisting of: (i) the chief executive officer of Reorganized Kodak; (ii) six (6) directors designated by the Backstop Parties (one of which shall be James Continenza, as long as he is able and willing to serve and one of which shall be selected in consultation with the Creditors' Committee); and (iii) two (2) directors to be designated by the Creditors' Committee in consultation with the Requisite Backstop Parties; provided, that (x) not less than five of the directors identified or designated pursuant to clause (ii) and (y) the directors identified or designated pursuant to clause (iii) shall, in each case, be "independent" (as defined in the rules and regulations governing the requirements of companies listing on the New York Stock Exchange) with respect to Reorganized Kodak.

E. Compensation and Benefits Programs

1. New Compensation and Benefits Programs

a. Management Arrangements

On the Effective Date, Reorganized Kodak shall enter into the New Management Agreements.²³

²³ The Debtors intend that the Plan will authorize and implement a New Equity Plan and New Management Agreements with certain members of the Reorganized Debtors' senior management team (the material terms or form of which will be included in the Plan Supplement), each of which will be binding on the Reorganized Debtors only after the occurrence of the Effective Date. The terms and conditions of each of the foregoing, as well as the identity of any individual who will be a party to a New Management Agreement, must be reasonably satisfactory to the Requisite Backstop Parties (the likely majority owners of Reorganized Kodak) and the Creditors' Committee. The Debtors do not believe that these arrangements violate section 503(c) of the Bankruptcy Code.

On the Effective Date, Reorganized Kodak shall adopt the New Equity Plan authorizing the grant, from time to time, of stock and cash-based awards to eligible officers, directors and employees of Reorganized Kodak. The New Board of Directors will establish a management incentive program that is in form and substance reasonably satisfactory to the Requisite Backstop Parties providing for the grant of stock-based awards under the New Equity Plan.

b. Other Arrangements

On the Effective Date, and as more fully set forth in the Plan Supplement, the Reorganized Debtors shall enter into the New Non-Qualified Employee Compensation Plan.

2. Compensation and Benefits Programs

On the Effective Date, with respect to all Compensation and Benefits Programs (including, for the avoidance of doubt, the Qualified Plans), each Reorganized Debtor shall assume and continue to honor in accordance with their terms and applicable laws (including, as applicable, ERISA and the Internal Revenue Code) and perform all Compensation and Benefits Programs to which the applicable Debtor is party, subject to any rights to terminate or modify such plans. As of the Effective Date, all Non-Qualified Plans will be deemed terminated and any accruals thereunder will be frozen and, other than any Non-Qualified Plan Accrual Claims, treated as General Unsecured Claims.

The Debtors' or Reorganized Debtors' performance under any employment agreement will not entitle any person to any benefit or alleged entitlement under any contract, agreement, policy, program or plan that has expired or been terminated before the Effective Date, or restore, reinstate or revive any such benefit or alleged entitlement under any such contract, agreement, policy program or plan, and any assumed Compensation and Benefits Programs shall be subject to modification in accordance with their terms. Nothing in the Plan shall limit, diminish or otherwise alter the Debtors' or the Reorganized Debtors' defenses, claims, Causes of Action or other rights with respect to any such contracts, agreements, policies, programs and plans, including the Reorganized Debtors' rights to modify unvested benefits pursuant to their terms, nor shall confirmation of the Plan and/or consummation of any restructuring transactions constitute a change in control or change in ownership under any such contracts, agreements, policies, programs and plans.

3. Workers' Compensation Program

On the Effective Date, except as set forth in the Plan or the Disclosure Statement, the Reorganized Debtors shall assume and continue to honor the Debtors' obligations under (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate and (b) the Debtors' written contracts, agreements, agreements of indemnity, self-insured workers' compensation bonds, policies, programs, and plans for workers' compensation and workers' compensation insurance. As of the Effective Date, all Proofs of Claim on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of

Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans; provided, further, that nothing in the Plan shall be deemed to impose any obligations on the Debtors or the Reorganized Debtors in addition to what is provided for under applicable state law.

4. Compensation Arrangements with APS

On the Effective Date, Reorganized Kodak shall assume, and continue to honor and perform any compensation agreements with APS in connection with its role as crisis managers and specifically in connection with its provision of a chief restructuring officer and interim chief financial officer.

F. Treatment of Executory Contracts and Unexpired Leases

1. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, all Executory Contracts and Unexpired Leases will be rejected by the Plan on the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code, other than (a) Executory Contracts or Unexpired Leases previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) Executory Contracts or Unexpired Leases that are the subject of a motion to assume that is pending on the Effective Date and (c) Specified Contracts that EKC elects to assume pursuant to the Plan. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejection of such Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code.

2. Claims Against the Debtors Upon Rejection

No Executory Contract or Unexpired Lease rejected by the Debtors on or prior to the Effective Date shall create any obligation or liability of the Debtors or the Reorganized Debtors that is not a Claim. Any Proof of Claim arising from or relating to the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan must be filed with the Bankruptcy Court within 30 days after the Effective Date, unless rejected at a later date as a result of a disputed assumption, assignment or cure amount as set forth in Article 8.5 of the Plan. Any Claim arising from or relating to the rejection of an Executory Contract or Unexpired Lease that is not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors or any of their property. Any Allowed Claim arising from the rejection of an Executory Contract or Unexpired Lease shall be classified as an Unsecured Claim, and shall be treated in accordance with Article 4.2 of the Plan. Nothing in the Plan shall compromise the rights of any non-Debtor counterparty who is a licensee of a right to intellectual property to exercise its rights under section 365(n) of the Bankruptcy Code or any other similar rights.

3. Cure and Assumption of Specified Contracts

Any counterparty to a Specified Contract that fails to object timely to the proposed assumption of such Specified Contract or the related cure amount will be deemed to have consented to the assumption and cure on the terms provided in the notice, and entry of the

Confirmation Order by the Bankruptcy Court shall constitute approval of assumption and amount required to cure a default (if any) under such Specified Contract and/or a determination of the cure amount, as applicable, pursuant to sections 365 and 1123 of the Bankruptcy Code. Any payment required to cure a default under a Specified Contract shall be paid in Cash promptly after the Effective Date or, if there is a dispute regarding the assumption or cure of such Specified Contract, the entry of a Final Order or orders resolving such dispute.

4. Effect of Assumption

Assumption of any Executory Contract or Unexpired Lease, pursuant to the Plan or otherwise, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, and the deemed waiver of any termination right or remedial provision arising under any such Executory Contract or Unexpired Lease at any time prior to the effective date of its assumption, or as a result of such assumption, the transactions contemplated by the Plan or any changes in control or ownership of any Debtors during the Chapter 11 Cases as a result of the implementation of the Plan. Notwithstanding the foregoing, with respect to Executory Contracts with customers of the Debtors that are assumed pursuant to the Plan, the Reorganized Debtors shall remain obligated to honor any obligations set forth in such contracts to provide rebates or discounts, to the extent such rebates or discounts accrued but are not yet due under the terms of such contracts, in the ordinary course of business. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged without further notice to, or action, order or approval of, the Bankruptcy Court, except in the event that the applicable Debtor and the counterparty to an Executory Contract or Unexpired Lease have separately agreed to a waiver or reduction of obligations that would otherwise constitute cure obligations, subject to the counterparties' explicit retention of their rights to assert any such amounts as Unsecured Claims.

Each Executory Contract and Unexpired Lease assumed pursuant to Article 8 of the Plan or any order of the Bankruptcy Court, which has not been assigned to a third party on or prior to the Effective Date, shall vest in, and be fully enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court.

5. Assumption or Rejection of Disputed Contracts

Except as otherwise provided by order of the Bankruptcy Court, if there is a dispute as of the Effective Date regarding any of the terms or conditions for the assumption, assignment or cure of an Executory Contract or Unexpired Lease (whether or not a Specified Contract) proposed by the Debtors to be assumed by the Reorganized Debtors or assumed and assigned to any other Person, the Reorganized Debtors shall have until 30 days after entry of a Final Order resolving such dispute to determine whether to (a) proceed with assumption (or assumption and assignment, as applicable) in a manner consistent with such Final Order or (b) reject the Executory Contract or Unexpired Lease. If the Reorganized Debtors elect to reject the applicable Executory Contract or Unexpired Lease, the Reorganized Debtors shall send written notice of rejection to the applicable counterparty within such 30-day period and the counterparty may file a Proof of Claim arising out of rejection within 30 days after receipt of notice of rejection.

6. Modification, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed or rejected shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or are rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to Prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the Prepetition nature of such Executory Contract or Unexpired Lease or the validity, priority or amount of any Claims that may arise in connection therewith.

7. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease as a Specified Contract, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Leases, or that any Reorganized Debtor has any liability thereunder.

8. Contracts and Leases Entered Into After the Petition Date

Each Reorganized Debtor will perform its obligations under each contract and lease entered into by such Reorganized Debtor after the Petition Date, including any Executory Contract and Unexpired Lease assumed by such Reorganized Debtor, in each case, in accordance with and subject to the then applicable terms. Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

9. Directors and Officers Insurance Policies and Agreements

To the extent that the D&O Liability Insurance Policies issued to, or entered into by, the Debtors prior to the Petition Date constitute executory contracts, notwithstanding anything in the Plan to the contrary, the Reorganized Debtors shall be deemed to have assumed all of the Debtors' unexpired D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code effective as of the Effective Date. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan shall not discharge, impair or otherwise modify any advancement, indemnity or other obligations of the D&O Liability Insurance Policies.

In addition, after the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any of the D&O Liability Insurance Policies with respect to conduct occurring prior thereto, and all directors and officers of the Debtors who

served in such capacity at any time prior to the Effective Date shall be entitled from the insurers to the full benefits of any such policy for the full term of such policy regardless of whether such directors and officers remain in such positions after the Effective Date.

10. Indemnification and Reimbursement Obligations

On and from the Effective Date, except as prohibited by applicable law and subject to the limitations set forth in the Plan, the Reorganized Debtors shall assume all (i) contractual indemnification obligations set forth in the Plan Supplement and the Backstop Commitment Agreement and (ii) indemnification obligations currently in place in the Debtors' bylaws, certificates of incorporation (or other formation documents), board resolutions, and in Compensation and Benefits Programs or other agreements with the Indemnified Parties, including any agreements with APS. Without limiting the foregoing and except as prohibited by applicable law, the Debtors shall indemnify and hold harmless each of the Indemnified Parties for all costs, expenses, loss, damage or liability incurred by any such Indemnified Party arising from or related in any way to any and all Causes of Action whether known or unknown, whether for tort, contract, violations of federal or state securities laws or otherwise, including any claims or causes of action, whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, based in whole or in part upon any act or omission, transaction or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including those arising from or related in any way to: (a) any action or omission of any such Indemnified Party with respect to any indebtedness of or any Equity Interest in the Debtors (including any action or omission of any such Indemnified Party with respect to the acquisition, holding, voting or disposition of any such investment); (b) any action or omission of any such Indemnified Party in such Indemnified Party's capacity as an officer, director, member, employee, partner or agent of, or advisor to any Debtor; (c) any disclosure made or not made by any Indemnified Party to any current or former Holder of any such indebtedness of or any such Equity Interest in the Debtors; (d) any consideration paid to any such Indemnified Party by any of the Debtors in respect of any services provided by any such Indemnified Party to any Debtor; and (e) any action taken or not taken in connection with the Chapter 11 Cases or the Plan, other than costs, expenses, loss, damage or liability arising out of or relating to any act or omission that is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud or a criminal act. In the event that any such Indemnified Party becomes involved in any action, proceeding or investigation brought by or against any Indemnified Party, as a result of matters to which the foregoing "Indemnification" may be related, the Reorganized Debtors shall promptly reimburse any such Indemnified Party for its reasonable and documented legal and other expenses (including advancing the costs of any investigation and preparation prior to final adjudication) incurred in connection therewith as such expenses are incurred and after a request for indemnification is made in writing, with reasonable documentation in support thereof; *provided* that, with respect to those individuals who were directors or officers of any of the Debtors at any time prior to the Effective Date (other than the chief restructuring officer, the interim chief financial officer, and other temporary staff provided by APS), but who, as of the Effective Date, no longer are directors or officers of such Debtor, the Debtors' obligation to make advancements to and indemnify such individuals shall be limited to the extent of available coverage under their D&O Liability Insurance Policies (and payable from the proceeds of such D&O Liability Insurance Policies).

G. Provisions Governing Distributions

1. Initial Distributions

On the Initial Distribution Date, the Distribution Agent shall make Distributions under the Plan on account of each Claim that is Allowed on or prior to the Effective Date.

2. Subsequent Distributions

a. Subsequent Distribution Dates

Reorganized Kodak shall (in consultation with the Kodak GUC Trustee) identify periodic dates after the Initial Distribution Date to be Subsequent Distribution Dates for purposes of making additional Distributions under the Plan. Each Subsequent Distribution Date shall be a Business Day and the period between any Subsequent Distribution Date and the prior Distribution Date shall not exceed 180 days.

b. Distributions on Disputed Claims

The Distribution Agent shall make Distributions with respect to a Claim that becomes an Allowed Claim after the Effective Date on the first Subsequent Distribution Date after such Claim is Allowed. Unless Reorganized Kodak otherwise agrees, no partial Distributions shall be made with respect to a Disputed Claim until all disputes in connection with such Disputed Claim have been resolved by Final Order of the Bankruptcy Court.

c. Distributions on Allowed Claims from Disputed Claims Reserve

If there is Excess Property in the Disputed Claims Reserve on any Distribution Date and Reorganized Kodak so directs, the Distribution Agent shall make an additional Distribution to each Holder of an Allowed General Unsecured Claim in an amount equal to such Holder's Pro Rata share of such Excess Property.

3. Record Date and Delivery of Distributions

a. Record Date for Distributions

On the Distributions Record Date, the Claims Register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distributions Record Date. If a Claim, other than one based on a publicly traded security, is transferred 20 or fewer days before the Distributions Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical, and in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

b. Delivery of Distributions in General

Except as otherwise provided in the Plan, the Distribution Agent shall make all Distributions required under the Plan to Holders of Allowed Claims, except that distributions to Holders of Allowed Claims governed by a separate agreement and administered by a Servicer shall be deposited with the appropriate Servicer, at which time such distributions shall be deemed complete, and the Servicer shall deliver such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, Distributions to Holders of Allowed Claims shall be made to Holders of record as of the Distributions Record Date by the Distribution Agent or a Servicer as appropriate: (a) to the signatory set forth on any of the Proofs of Claim filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is filed or if the Debtors, the Reorganized Debtors or the Distribution Agent have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of change of address delivered to the Notice and Claims Agent; or (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Notice and Claims Agent has not received a written notice of a change of address. The Debtors, the Reorganized Debtors, the Distribution Agent and the Notice and Claims Agent shall not incur any liability whatsoever on account of the delivery of any Distributions under the Plan.

c. Foreign Currency Exchange Rate

Except as otherwise provided in the Plan, an order of the Bankruptcy Court, or as agreed to by the Holder and the Debtors or the Reorganized Debtors, as applicable, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollars at the Exchange Rate.

4. Distribution Agents

The Debtors and the Reorganized Debtors, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the Distributions required hereunder. To the extent the Debtors and the Reorganized Debtors, as applicable, do determine to utilize a Distribution Agent to facilitate the Distributions, such Distribution Agent would first be required to: (a) affirm its obligation to facilitate the prompt distribution of any documents; (b) affirm its obligation to facilitate the prompt distribution of any recoveries or Distributions required under the Plan; and (c) waive any right or ability to set off, deduct from or assert any Lien or other encumbrance against the Distributions required under the Plan to be distributed by such Distribution Agent.

The Debtors or the Reorganized Debtors, as applicable, shall pay to the Distribution Agents all of their reasonable and documented fees and expenses without the need for any approvals, authorizations, actions or consents of the Bankruptcy Court or otherwise. The Distribution Agents shall submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agents seek reimbursement and the Debtors or the Reorganized Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. In the

event that the Debtors or the Reorganized Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtors or the Reorganized Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Debtors or the Reorganized Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

5. *Delivery of Distributions to DIP Facility Claims*

For purposes of Distributions hereunder, the DIP ABL Agent shall be deemed to be the Holder of all DIP ABL Claims, and the DIP Term Loan Agent shall be the Holder of all DIP Term Loan Claims, and all Distributions on account of the DIP Facility Claims shall be made to the applicable DIP Facility Agent. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the DIP Facility Agents shall arrange to deliver or direct the delivery of such Distributions to the applicable holders of Allowed DIP Facility Claims. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Facility Agents shall not have any liability to any person with respect to Distributions made or directed to be made by the DIP Facility Agents.

6. *Delivery of Distributions to Second Lien Notes Claims*

The Second Lien Indenture Trustee shall be deemed to be the Holder of all Second Lien Notes Claims for purposes of Distributions hereunder, and all Distributions on account of Second Lien Notes Claims shall be made to or on behalf of the Second Lien Indenture Trustee. The Second Lien Indenture Trustee shall hold or direct such Distributions for the benefit of the holders of Allowed Second Lien Notes Claims. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the Second Lien Indenture Trustee shall arrange to deliver such Distributions to, or on behalf of, such holders of Allowed Second Lien Notes Claims. For the avoidance of doubt, the Second Lien Indenture Trustee shall only be required to act to make Distributions in accordance with the terms of the Plan. The Debtors' obligations to make Distributions to the Holders of the Second Lien Notes Claims in accordance with Article 4 of the Plan above shall be deemed satisfied upon delivery of Distributions to the Second Lien Indenture Trustee or, if consent of the Second Lien Indenture Trustee is given, to the Distribution Agent on behalf of the Second Lien Indenture Trustee, as provided for in the Plan.

7. *Delivery of Distributions to the Unsecured Notes Claims*

The Unsecured Notes Trustee shall be deemed to be the Holder of all Unsecured Notes Claims for purposes of Distributions hereunder, and all Distributions on account of Unsecured Notes Claims shall be made to or on behalf of the Unsecured Notes Trustee. The Unsecured Notes Trustee shall hold or direct such Distributions for the benefit of holders of Allowed Unsecured Notes Claims. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the Unsecured Notes Trustee shall arrange to deliver such Distributions to, or on behalf of, such holders of Allowed Unsecured Notes Claims.

For the avoidance of doubt, the Unsecured Notes Trustee shall only be required to act to make Distributions in accordance with the terms of the Plan. The Debtors' obligations to make Distributions to the Holders of Unsecured Notes Claims in accordance with Article 4 of the Plan shall be deemed satisfied upon delivery of Distributions to the Unsecured Notes Trustee or, if consent of the Unsecured Notes Trustee is given, to the Distribution Agent on behalf of the Unsecured Notes Trustee, as provided for in the Plan.

8. Fractional and De Minimis Distributions

Notwithstanding anything herein to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make Distributions or payments of less than \$50.00, or such other amount as the Reorganized Debtors and the Kodak GUC Trustee reasonably agree, which amount shall be set forth in the Plan Supplement (whether Cash or otherwise) and shall not be required to make partial Distributions or Distributions of fractional shares of New Common Stock. Whenever any payment or Distribution of a fractional share of New Common Stock under the Plan would otherwise be called for, the actual payment or Distribution will reflect a rounding of such fraction to the nearest number of shares of New Common Stock (up or down), with half shares of New Common Stock or less being rounded down.

In addition, the Distribution Agent may, but shall not have any obligation to, make a Distribution on account of an Allowed Claim on a Subsequent Distribution Date if the aggregate amount of all Distributions authorized to be made on the Distribution Date has an economic value less than \$250,000, unless such Subsequent Distribution Date would be the final Distribution Date.

9. Undeliverable Distributions

In the event that any Distribution to any Holder is returned as undeliverable, or no address for such Holder is found in the Debtors' records, no further Distribution to such Holder shall be made unless and until the Reorganized Debtors or the Distribution Agent is notified in writing of the then-current address of such Holder, at which time such Distribution shall be made to such Holder on the first Distribution Date that is not less than 30 days thereafter. Undeliverable Distributions shall remain in the possession of the Reorganized Debtors and the Distribution Agent until such time as such Distribution becomes deliverable or such Distribution reverts to the Reorganized Debtors or is cancelled pursuant to Article 9.10 of the Plan, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

10. Reversion

Any Distribution under the Plan that is an Unclaimed Distribution for a period of six months thereafter shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and such Unclaimed Distribution shall revert in the Reorganized Debtors and, to the extent such Unclaimed Distribution is New Common Stock, such Unclaimed Distribution shall be deemed cancelled. Upon such reversion or cancellation, the Claim of any Holder or its successors and assigns with respect to such property shall be cancelled, discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable Distributions and

Unclaimed Distributions shall apply with equal force to Distributions that are issued by the Debtors, the Reorganized Debtors, or the Distribution Agent made pursuant to any indenture or Certificate, notwithstanding any provision in such indenture or Certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned or unclaimed property law.

Nothing contained in the Plan shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim whose Distribution is declared an undeliverable or Unclaimed Distribution.

11. Surrender of Cancelled Instruments or Securities

Except as otherwise provided in the Plan, on the Effective Date, or as soon as reasonably practicable thereafter, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim is administered by a Servicer). Such Certificate shall be cancelled solely as to the Debtors and the Second Lien Notes Indentures and Unsecured Notes Indentures shall remain in effect and govern the rights and obligations of the Indenture Trustees and the beneficial holders of notes issued under such indentures. Subject to the foregoing sentence, regardless of any actual surrender of a Certificate, the deemed surrender shall have the same effect as if its Holder had actually surrendered such Certificate (including the discharge of such Holder's Claim or Equity Interest pursuant to the Plan), and such Holder shall be deemed to have relinquished all rights, Claims and Equity Interests with respect to such Certificate. Notwithstanding the foregoing paragraph, Article 9.11 of the Plan shall not apply to any Claims Reinstated pursuant to the terms of the Plan.

12. Compliance with Tax Requirements and Allocations to Principal and Interest

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any tax law, and all Distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including withholding in kind (including withholding New Common Stock), liquidating a portion of the Distributions to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding Distributions pending receipt of information necessary to facilitate such Distributions or establishing any other mechanisms they believe are reasonable and appropriate. For purposes of the Plan, any withheld amount (or property) shall be treated as if paid to the applicable claimant. The Reorganized Debtors reserve the right to allocate all Distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances. Distributions in full or partial satisfaction of Allowed Claims shall be allocated first to trust fund-type taxes, then to other taxes and then to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that has accrued on such Claims.

13. Setoffs

Except as otherwise provided in the Plan, a Final Order of the Bankruptcy Court, or as agreed to by the Holder and the Debtors or the Reorganized Debtors, as applicable, each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 thereof), applicable non-bankruptcy law, or such terms as may be agreed to by the Holder and the Debtors or the Reorganized Debtors, as applicable, may, without any further notice to, or action, order or approval of the Bankruptcy Court, set off against any Allowed Claim and the Distributions to be made on account of such Allowed Claim (before any Distribution is made on account of such Allowed Claim), any claims, rights and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such claims, rights or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); *provided* that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Debtor or Reorganized Debtor of any such Claims, rights, and Causes of Action that such Debtor or Reorganized Debtor may possess against such Holder. In no event shall any Holder of a Claim be entitled to set off any Claim against any Claim, right, or Cause of Action of a Debtor or a Reorganized Debtor, as applicable, unless such Holder has filed a Proof of Claim in the Chapter 11 Cases by the applicable Claims Bar Date preserving such setoff and a Final Order of the Bankruptcy Court has been entered, authorizing and approving such setoff.

14. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order (including, for the avoidance of doubt, Article 4.2.3 of the Plan), required by applicable law, or agreed to by the Debtors or the Reorganized Debtors, as applicable, postpetition interest shall not accrue or be paid on any Claim, and no Holder of a Claim against the Debtors shall be entitled to interest accruing on, or after the Petition Date, on any such Claim. For the avoidance of doubt, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date an initial or final Distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

15. No Payment Over the Full Amount

In no event shall a Holder of a Claim receive more than the full payment of such Claim. To the extent any Holder has received payment in full with respect to a Claim, such Claim shall be disallowed and expunged without an objection to such Claim having been filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

16. Claims Paid or Payable by Third Parties

a. Claims Paid by Third Parties

If the Debtors become aware of the payment by a third party which causes the Holder of an Allowed Claim to receive more than payment in full, the Debtors or the Reorganized Debtors, as applicable, shall send a notice of wrongful payment to the applicable Holder requesting return of any excess payments and advising the recipient of the provisions of

the Plan requiring turnover of excess funds. The failure of such Holder to timely repay or return such Distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period until the amount is repaid.

b. Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim shall be disallowed and expunged without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

H. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. Objections to Claims

Any objections to Claims (other than Administrative Claims) shall be filed on or before the Claims Objection Bar Date.

2. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not yet been the subject of a Final Order, shall be deemed to be estimated at zero dollars unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of Distributions).

Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court or under the Plan. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation of such Claim unless the Holder of such Claim has filed a motion with the Bankruptcy Court requesting the right to seek such reconsideration on or before 20 calendar days after the date such Claim is estimated by the Bankruptcy Court.

3. Expungement and Disallowance of Claims

a. Paid, Satisfied, Amended, Duplicate or Superseded Claims

Any Claim that has been paid, satisfied, amended, duplicated (by virtue of the substantive consolidation provided for under the Plan, or otherwise) or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors on or after 14 calendar days after the date on which notice of such adjustment or expungement has been filed with the Bankruptcy Court, without an objection to such Claim having to be filed, and without any further action, order or approval of the Bankruptcy Court.

b. Retiree Benefit Claims

Consistent with the Retiree Settlement, any Claims filed by Retirees on account of Retiree Benefits modified by the Retiree Settlement are expunged and disallowed without an objection to such Claim having to be filed, and without any further notice to or action, order or approval of the Bankruptcy Court.

c. Claims by Persons From Which Property Is Recoverable

Unless otherwise agreed to by the Reorganized Debtors or ordered by the Bankruptcy Court, any Claims held by any Person or Entity from which property is recoverable under sections 542, 543, 550 or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and any Holder of such Claim may not receive any Distributions on account of such Claim until such time as such Cause of Action against that Person or Entity has been resolved.

d. Indemnification Claims

All Claims filed on account of an indemnification obligation to a director, officer or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date, to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order or approval of the Bankruptcy Court.

e. Employee Benefit Claims

All Claims filed on account of obligations owed under any Compensation and Benefits Program (including, for the avoidance of doubt, the Qualified Plans) shall be deemed satisfied, withdrawn and expunged from the Claims Register as of the Effective Date, to the extent the Reorganized Debtors elect to assume or continue to honor such Compensation and Benefits Program, without any further action of the Debtors or Reorganized Debtors and without further notice to, or action, order or approval of, the Bankruptcy Court.

f. Claims Filed After the Applicable Claims Bar Date

Except as otherwise specifically provided in the Plan or in a Final Order of the Bankruptcy Court, any and all Proofs of Claim filed after the applicable Claims Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order or approval of the Bankruptcy Court, and any and all Holders of such Claims shall not receive any Distributions on account of such Claims, unless such late-filed Proof of Claim has been deemed timely filed by a Final Order of the Bankruptcy Court.

g. Amendments to Proofs of Claim

On or after the Effective Date, a Proof of Claim may not be amended (other than solely to update or correct the name or address of the Holder of such Claim) without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such amended Proof of Claim filed without such prior authorization shall be deemed disallowed in full and expunged without any further notice to or action, order or approval of the Bankruptcy Court.

4. No Distributions Pending Allowance

If an objection to a Claim or a portion thereof is filed as set forth in Article 10 of the Plan or the Claim otherwise remains a Disputed Claim, except as otherwise provided in a Final Order of the Bankruptcy Court, no payment or Distribution provided under the Plan shall be made on account of such Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

5. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the applicable provisions of the Plan.

6. Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date the Reorganized Debtors shall have the sole authority to (a) file, withdraw or litigate to judgment objections to Claims, (b) settle or compromise any Disputed Claim without any further notice to or action, order or approval of the Bankruptcy Court, and (c) administer and adjust, or cause to be administered and adjusted, the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court; *provided* that nothing in Article 10.7 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court.

7. Disputed Claims Reserve

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Reorganized Debtors (after consultation with the Kodak GUC Trustee) shall set aside in the Disputed Claims Reserve the amount of New Common Stock or Cash that Reorganized Kodak

determines would likely have been distributed to the Holders of all Disputed Claims as if such Disputed Claims had been Allowed on the Effective Date, with the amount of such Allowed Claims to be determined, solely for the purposes of establishing reserves and for maximum Distribution purposes, to be the lesser of (a) the asserted amount of the Disputed Claim filed with the Bankruptcy Court as set forth in the non-duplicative Proof of Claim, or (if no proof of such Claim was filed) listed by the Debtors in the Schedules, (b) the amount, if any, estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code or ordered by other order of the Bankruptcy Court, or (c) the amount otherwise agreed to by the Debtors or the Reorganized Debtors, in consultation with the Requisite Backstop Parties, as applicable, and the Holder of such Disputed Claim for Distribution purposes. With respect to all Disputed Claims that are General Unsecured Claims and are unliquidated or contingent and for which no dollar amount is asserted on a Proof of Claim, the Debtors will reserve an aggregate number of shares of New Common Stock adjusted from time to time equal to the amount reasonably determined by the Debtors.

The Distribution Agent may, at the direction of the Debtors or the Reorganized Debtors, adjust the Disputed Claims Reserve to reflect all earnings thereon (net of any expenses relating thereto, such expenses including any taxes imposed thereon or otherwise payable by the reserve), to be distributed on the Distribution Dates, as required by the Plan. The Distribution Agent shall hold in the Disputed Claims Reserve all dividends, payments and other distributions made on account of, as well as any obligations arising from, the property held in the Disputed Claims Reserve, to the extent that such property continues to be so held at the time such distributions are made or such obligations arise. The taxes imposed on the Disputed Claims Reserve (if any) shall be paid by the Distribution Agent from the property held in the Disputed Claims Reserve, and the Reorganized Debtors shall have no liability for such taxes.

To the extent that a Disputed Claim becomes an Allowed Claim after the Effective Date, the Distribution Agent will, out of the Disputed Claims Reserve, distribute to the Holder thereof the Distribution, if any, to which such Holder is entitled in accordance with the Plan. Subject to the Plan, all Distributions made under this paragraph on account of Allowed Claims will be made together with any dividends, payments or other Distributions made on account of, as well as any obligations arising from, the distributed property, then held in the Disputed Claims Reserve as if such Allowed Claim had been an Allowed Claim on the dates Distributions were previously made to Allowed Claim Holders included in the applicable Class under the Plan.

The Distribution Agent shall cause all New Common Stock in the Disputed Claims Reserve to be voted in proportion to the votes of all other holders of New Common Stock. After all Disputed Claims have become Allowed Claims or become disallowed and all Distributions required pursuant to the Plan have been made, the Distribution Agent shall, at the direction of Reorganized Debtors, either (a) effect a final distribution of the shares remaining in the Disputed Claims Reserve or (b) effect the orderly sale of the shares remaining in the Disputed Claims Reserve (so long as the aggregate market value of such shares does not exceed \$1 million) and distribute the actual Cash proceeds, in each case as required by the Plan.

I. Conditions Precedent to Effectiveness of the Plan

1. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11 of the Plan.

a. Confirmation Order

The Confirmation Order shall have been entered in a form and substance reasonably satisfactory to Kodak, the DIP Facility Agents, the Requisite Backstop Parties, the Creditors' Committee and the administrative agents under the Emergence Credit Facilities and there shall not be a stay or injunction in effect with respect thereto.

b. Backstop Commitment Agreement.

The Backstop Commitment Agreement shall be in full force and effect and the transactions contemplated thereunder shall have been consummated and there shall not be a stay or injunction in effect with respect thereto.

c. New Kodak Charter

The Reorganized Kodak Certificate of Incorporation shall have been duly filed with the Secretary of State of New Jersey.

d. Emergence Credit Facilities

The Emergence Credit Facility Documents shall have been duly executed and delivered by the Reorganized Debtors parties thereto, and all conditions precedent to the consummation of the Emergence Credit Facilities shall have been waived or satisfied in accordance with the terms thereof and the closing of the Emergence Credit Facilities shall have occurred.

e. KPP Global Settlement

The KPP Global Settlement shall have been consummated on or prior to the Effective Date.

f. Kodak GUC Trust.

The Kodak GUC Trust Initial Amount shall have been deposited in the Kodak GUC Trust on or prior to the Effective Date.

g. Professional Fee Escrow Account

The Debtors shall have established and funded the Professional Fee Escrow Account in accordance with Article 3.4.2 of the Plan.

h. Necessary Documents

All actions, documents, certificates and agreements necessary to implement the Plan shall have been effected or executed and delivered, as applicable.

i. Necessary Authorizations

All authorizations, consents, regulatory approvals, rulings or documents that are necessary to implement and effectuate the Plan as of the Effective Date shall have been received, waived or otherwise resolved.

2. Waiver of Conditions

The Debtors may waive conditions to the occurrence of the Effective Date set forth in Article 11 of the Plan at any time (x) in consultation with the Creditors' Committee, and (y) with the consent of the Requisite Backstop Parties in accordance with section 7.2 of the Backstop Commitment Agreement (which consent shall not be unreasonably withheld, conditioned or delayed).

3. Simultaneous Transactions

Except as otherwise expressly set forth in the Plan, the Confirmation Order or a written agreement by EKC, each action to be taken on the Effective Date shall be deemed to occur simultaneously as part of a single transaction.

4. Effect of Non-Occurrence of the Effective Date

If the Effective Date does not occur by October 2, 2013 or such later date as the Debtors, in consultation with the Requisite Backstop Parties, agree, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors, prejudice in any manner the rights of the Debtors or any other Person, or constitute an admission, acknowledgment, offer or undertaking by the Debtors or any Person.

J. Settlement, Release, Injunction and Related Provisions

1. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any Distribution to be made on account of such Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors and their Estates and is fair, equitable and reasonable.

2. Subordinated Claims

The allowance, classification and treatment of all Allowed Claims and Equity Interests and the respective Distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, however the Debtors reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal or equitable subordination relating thereto.

3. Discharge of Claims and Termination of Equity Interests

Pursuant to and to the fullest extent permitted by the Bankruptcy Code, except as otherwise specifically provided in the Plan or the Confirmation Order, the treatment of Claims and Equity Interests under the Plan shall be in full and final satisfaction, settlement, release, discharge, and termination, as of the Effective Date, of all Claims of any nature whatsoever, whether known or unknown, against, and Equity Interests in, the Debtors, any property of the Estates, the Reorganized Debtors or any property of the Reorganized Debtors, including all Claims of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Equity Interest based upon such Claim, debt, right, or Equity Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Equity Interest based upon such Claim, liability, obligation or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim, liability, obligation or Equity Interest has accepted the Plan. Except as otherwise provided in the Plan, any default by the Debtors or their Affiliates with respect to any Claim that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date.

4. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged, and all of the rights, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

5. Debtor Release

Except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, the Released Parties are hereby released and discharged by the Debtors, the Reorganized Debtors and the Estates, including any successor to the Debtors or any Estate representative from all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, existing or hereafter arising, in

law, at equity or otherwise, whether for indemnification, tort, contract, violations of federal or state securities laws or otherwise, including those that any of the Debtors, the Reorganized Debtors or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or any other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors and their non-Debtor subsidiaries, the Estates, the conduct of the businesses of the Debtors and their non-Debtor subsidiaries, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Supplement, the Disclosure Statement, the KPP Global Settlement, the Emergence Credit Facility Documents, the Rights Offerings, the Backstop Commitment Agreement or, in each case, related agreements, instruments or other documents, any action or omission with respect to Intercompany Claims, any action or omission as an officer, director, agent, representative, fiduciary, controlling person, affiliate or responsible party, or any transaction entered into or affecting, a non-Debtor subsidiary, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud or a criminal act.

6. Release by Holders of Claims

Except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, to the fullest extent permitted by applicable law, the Releasing Parties (regardless of whether a Releasing Party is a Released Party) shall be deemed to conclusively, absolutely, unconditionally, irrevocably and forever release, waive and discharge the Released Parties of any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including: any derivative claims asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, existing or hereafter arising, in law, at equity or otherwise, whether for indemnification, tort, contract, violations of federal or state securities laws or otherwise, including those that any of the Debtors, the Reorganized Debtors or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or any other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors and their non-Debtor subsidiaries, the Estates, the conduct of the businesses of the Debtors and their non-Debtor subsidiaries, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Supplement, the Disclosure Statement, the KPP Global

Settlement, the Rights Offerings, the Emergence Credit Facility Documents, the Backstop Commitment Agreement or, in each case, related agreements, instruments or other documents, any action or omission with respect to Intercompany Claims, any action or omission as an officer, director, agent, representative, fiduciary, controlling person, affiliate or responsible party, or any transaction entered into or affecting, a non-Debtor subsidiary, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud, or a criminal act.

Each Person providing releases under the Plan, including the Debtors, the Reorganized Debtors, the Estates and the Releasing Parties, shall be deemed to have granted the releases set forth in those sections notwithstanding that such Person may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those claims or causes of action actually known or suspected to exist at the time of execution of such release.

Notwithstanding anything contained in the Plan to the contrary, the foregoing release does not release any post-Effective Date obligations of any party under the Plan or any document, instrument or agreement (including those set forth in the Backstop Commitment Agreement and the Plan Supplement) executed to implement the Plan.

Additionally, nothing in the Debtors' Chapter 11 Cases, the Confirmation Order, the Plan, the Bankruptcy Code (including section 1141 thereof) or any other document filed in the Chapter 11 Cases shall in any way be construed to discharge, release, limit, or relieve the Debtors, the Reorganized Debtors, or any other party, in any capacity, from any liability or responsibility with respect to (a) any post-Effective Date obligation arising under the Internal Revenue Code, the Environmental Laws or any criminal laws of the United States or any state and local authority against the Released Parties or the Exculpated Parties or (b) the KRIP and the Qualex Base Plan. The United States, the Pension Benefit Guaranty Corporation, the KRIP, the Qualex Base Plan or any state or local authority shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Chapter 11 Cases. Kodak and its wholly-owned subsidiary, Qualex Inc., sponsor the KRIP and the Qualex Base Plan, respectively, each of which is a defined benefit plan covered by Title IV of ERISA. Kodak and Qualex, respectively, will continue KRIP and the Qualex Base Plan in accordance with their terms and the relevant provisions of ERISA and the Internal Revenue Code, subject to any statutory right to terminate such plans or any right to modify such plans.

7. Exculpation

Notwithstanding anything in the Plan to the contrary, as of the Effective Date, the Debtors and their directors, officers (including the chief restructuring officer and interim management), employees, attorneys, investment bankers, financial advisors, restructuring advisors and other professional advisors, representatives and agents will be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including section 1125(e) of the Bankruptcy Code and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with the solicitation.

Except with respect to any acts or omissions expressly set forth in and preserved by the Plan, the Plan Supplement or related documents, the Exculpated Parties shall neither have nor incur any liability to any Entity for any Prepetition or postpetition act taken or omitted to be taken in connection with, or arising from or relating in any way to, the Chapter 11 Cases, including, (a) the operation of the Debtors' businesses during the pendency of these Chapter 11 Cases; (b) formulating, negotiating, preparing, disseminating, implementing, administering, confirming and/or effecting the issuance of any shares of New Common Stock in connection with the Plan, the DIP Credit Agreements, the Disclosure Statement and the Plan, the Plan Supplement, the Rights Offerings and the issuance of Rights Offerings Shares, the Rights Offerings Procedures, the Backstop Commitment, Backstop Fees and any related contract, instrument, release or other agreement or document created or entered into in connection therewith (including the solicitation of votes for the Plan and other actions taken in furtherance of Confirmation and Consummation of the Plan); (c) the offer and issuance of any securities under or in connection with the Plan, including pursuant to the Rights Offerings and the Backstop Commitment Agreement; or (d) any other Prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors.

Notwithstanding anything in the Plan to the contrary, nothing in the foregoing "Exculpation" shall exculpate any Person or Entity from any liability resulting from any act or omission that is determined by Final Order to have constituted fraud, willful misconduct, gross negligence, criminal conduct, or limits the liability of the professionals of the Exculpated Parties to their respective clients pursuant to N.Y. Comp. Codes R. & Regs. Tit. 22 § 1200.8 Rule 1.8(h)(1) (2009) and any other statutes, rules or regulations dealing with professional conduct to which such professionals are subject; *provided* that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement. Nothing in the Plan will effectuate the transfer of the GOT Adversary Patents or rights in the GOT Royalties during the pendency of the GOT Adversary Proceeding.

8. Injunction

Except as otherwise expressly provided in the Plan or Confirmation Order, the satisfaction, release and discharge pursuant to Article 12 of the Plan shall also act as a permanent injunction against any Person who has held, holds or may hold Claims or

Equity Interests against commencing or continuing any action, employment of process or act to collect, enforce, offset, recoup or recover any Claim or Cause of Action satisfied, released, or discharged under the Plan or the Confirmation Order to the fullest extent authorized or provided by the Bankruptcy Code, including to the extent provided for or authorized by sections 524 and 1141 thereof.

9. Limitations on Exculpations and Releases

Notwithstanding anything to the contrary herein, none of the releases or exculpations set forth herein shall operate to waive or release any Causes of Action of any Debtor against any Person: (a) arising under any contract, instrument, agreement, release or document delivered pursuant to the Plan or the Rights Offerings, or, in each case, documents, agreements or instruments executed in connection therewith or (b) expressly set forth in and preserved by the Plan, the Plan Supplement or related documents.

K. Modification, Revocation or Withdrawal of the Plan

1. Modification of Plan

Subject to the limitations contained in the Plan: (a) the Debtors reserve the right, in consultation with the Creditors' Committee and with the consent of the Requisite Backstop Parties (which consent shall not be unreasonably withheld, conditioned or delayed), in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, in consultation with the Creditors' Committee and with the consent of the Requisite Backstop Parties (which consent shall not be unreasonably withheld, conditioned or delayed), may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

2. Effect of Confirmation on Modification

Entry of a Confirmation Order shall mean that all modifications and amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code, and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

3. Revocation of Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if the Confirmation Order is not entered or the Effective Date does not occur, then: (a) the Plan shall be null and void in all respects (provided, the Debtors shall remain obligated to pay the Backstop Fees and Backstop Expense Reimbursement to the extent required under the Backstop Commitment Agreement); (b) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases affected by the Plan, and any

document or agreement executed pursuant hereto shall be deemed null and void; and (c) nothing contained in the Plan shall: (i) constitute a waiver or release of any claims by or Claims against, or any Equity Interests in, any Debtor or any other Entity; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission of any sort by the Debtors or any other Entity.

L. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain its existing exclusive jurisdiction over all matters arising in or out of, or related to, the Chapter 11 Cases or the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- (a) allow, disallow, determine, liquidate, classify, estimate or establish the priority, secured or unsecured status, or amount of any Claim or Equity Interest, including the resolution of any request for payment of any General Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;
- (b) decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
- (c) resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including any disputes regarding cure obligations in accordance with Article 8.3 of the Plan; and (ii) any dispute regarding whether a contract or lease is, or was, executory or expired;
- (d) ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the Plan;
- (e) adjudicate, decide or resolve any motions, adversary proceedings, including the GOT Adversary Proceeding, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
- (f) adjudicate, decide or resolve any and all matters related to Causes of Action pending before the Bankruptcy Court on the Effective Date;
- (g) adjudicate, decide or resolve any Causes of Action, including any Avoidance Actions;

- (h) adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- (i) adjudicate, decide or resolve any and all matters related to the KPP Claims and the KPP Global Settlement;
- (j) enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, Plan Supplement or the Disclosure Statement;
- (k) enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- (l) adjudicate, decide or resolve any and all disputes as to the ownership of any Claim or Equity Interest;
- (m) resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
- (n) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with enforcement of the Plan;
- (o) resolve any cases, controversies, suits, disputes or Causes of Action with respect to the existence, nature and scope of the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
- (p) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;
- (q) determine any other matters that may arise in connection with or relate to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Plan Supplement or the Disclosure Statement;
- (r) enter an order or final decree concluding or closing the Chapter 11 Cases;
- (s) adjudicate any and all disputes arising from, or relating to, Distributions under the Plan;

- (t) consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
- (u) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan (other than any dispute arising after the Effective Date under, or directly with respect to, the Emergence Credit Facility Documents and any intercreditor agreement, which disputes shall be adjudicated in accordance with the terms of such agreements);
- (v) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (w) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retirement benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
- (x) enforce all orders previously entered by the Bankruptcy Court;
- (y) hear and resolve any disputes relating to the Kodak GUC Trust or the Kodak GUC Trust Agreement;
- (z) hear and resolve any disputes relating to the Rights Offerings (and the conduct thereof) and the issuances of Rights Offerings Shares;
- (aa) hear and resolve any disputes relating to the Backstop Commitment Agreement; and
- (bb) hear any other matter not inconsistent with the Bankruptcy Code.

As of the Effective Date, notwithstanding anything in Article 14 of the Plan to the contrary, the Emergence Credit Facility Documents shall be governed by the jurisdictional provisions therein.

M. Kodak GUC Trust

1. Execution of Kodak GUC Trust Agreement

On or before the Effective Date, the Kodak GUC Trust Agreement shall be executed by the Debtors, the Creditors' Committee and the Kodak GUC Trustee, and all other necessary steps shall be taken to establish the Kodak GUC Trust and allocate the beneficial interests therein to the Holders of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim, as provided in Articles 4.2.4 and 4.2.6, respectively, of the Plan, whether their

Claims are Allowed on or after the Effective Date. The Kodak GUC Trust Agreement may provide powers, duties and authority in addition to those explicitly stated herein, but only to the extent that such powers, duties and authority do not affect the status of the Kodak GUC Trust as a liquidating trust for United States federal income tax purposes.

2. *Purpose of the Kodak GUC Trust*

The Kodak GUC Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

3. *Kodak GUC Trust Assets*

On the Effective Date, (a) the Kodak GUC Trust Avoidance Actions shall be transferred (and deemed transferred) to the Kodak GUC Trust without the need for any person or Entity to take any further action or obtain any approval and (b) the Debtors shall deposit the Kodak GUC Trust Initial Amount into the Kodak GUC Trust by wire transfer in accordance with wire transfer instructions provided by the Kodak GUC Trust to the Debtors prior to the Effective Date. Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax.

4. *Governance of the Kodak GUC Trust*

The Kodak GUC Trustee shall govern the Kodak GUC Trust.

5. *The Kodak GUC Trustee*

The Creditors' Committee shall designate the Kodak GUC Trustee. In the event the then appointed Kodak GUC Trustee dies, is terminated or resigns for any reason, the Trust Advisory Board shall promptly designate a successor trustee.

6. *Role of the Kodak GUC Trustee*

In furtherance of and consistent with the purpose of the Kodak GUC Trust and the Plan, the Kodak GUC Trustee shall (i) have the power and authority to hold, manage, convert to Cash, and distribute the Kodak GUC Trust's assets, including prosecuting and resolving the Kodak GUC Trust Avoidance Actions, (ii) hold the Kodak GUC Trust's assets for the benefit of its beneficiaries, and (iii) have the power and authority to hold, manage, and distribute Cash or non-Cash assets obtained through the exercise of its power and authority. In all circumstances, the Kodak GUC Trustee shall act in the best interests of all beneficiaries of the Kodak GUC Trust and in furtherance of the purpose of the Kodak GUC Trust.

7. *Non-transferability of Kodak GUC Trust Interests*

The beneficial interests in the Kodak GUC Trust shall not be certificated and shall not be transferable.

8. Cash

The Kodak GUC Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code, *provided* that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

9. Kodak GUC Trust Distributions

At least annually, the Kodak GUC Trustee shall (in consultation with the Reorganized Debtors) make Distributions to the beneficiaries of the Kodak GUC Trust of all Cash on hand in accordance with the Kodak GUC Trust Agreement (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section any permitted investments under Article 16.8 of the Plan) except such amounts (i) that would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such Distribution (but only until such Claim is resolved), (ii) that are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Kodak GUC Trust during liquidation, (iii) that are necessary to pay reasonable expenses (including any taxes imposed on the Kodak GUC Trust or in respect of its assets), and (iv) that are necessary to satisfy other liabilities incurred by the Kodak GUC Trust in accordance with the Plan or the Kodak GUC Trust Agreement.

10. Costs and Expenses of the Kodak GUC Trust

The costs and expenses of the Kodak GUC Trust, including the fees and expenses of the Kodak GUC Trustee and its retained professionals, shall be paid from the Kodak GUC Trust with assets of the Kodak GUC Trust. Reorganized Kodak shall have no liability therefor.

11. Compensation of the Kodak GUC Trustee

The Kodak GUC Trustee shall be entitled to reasonable compensation approved by the Trust Advisory Board and paid by the Kodak GUC Trust with assets of the Kodak GUC Trust in an amount consistent with that of similar functionaries in similar roles.

12. Retention of Professionals by the Kodak GUC Trustee

The Kodak GUC Trustee may retain and compensate attorneys and other professionals to assist in its duties as Kodak GUC Trustee on such terms as the Kodak GUC Trustee deems appropriate without Bankruptcy Court approval. Without limiting the foregoing, the Kodak GUC Trustee may retain any professional who represented the Creditors' Committee in the Chapter 11 Cases.

13. Federal Income Tax Treatment of the Kodak GUC Trust

a. Kodak GUC Trust Assets Treated as Owned by Creditors.

For all federal income tax purposes, all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the beneficiaries of the Kodak GUC Trust) shall treat the transfer of assets to the Kodak GUC Trust for the benefit of the beneficiaries thereof, whether their Claims are Allowed on or after the Effective Date, as

- (i) a transfer to the Holders of Allowed Claims receiving Kodak GUC Trust beneficial interests of their proportionate interests in the Kodak GUC Trust's assets (other than to the extent allocable to Disputed Claims), it being understood that the Backstop Party's interests in the Kodak GUC Trust's assets shall be reduced to take into account the Backstop Trust Waiver, followed by
- (ii) the transfer by such Holders to the Kodak GUC Trust of the Kodak GUC Trust's assets in exchange for their beneficial interests in the Kodak GUC Trust (and in respect all remaining assets, as a transfer to the Kodak GUC Trust to hold in reserve pending the resolution of Disputed Claims).

Accordingly, the Holders of Allowed Claims receiving Kodak GUC Trust beneficial interests shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the assets of the Kodak GUC Trust. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

b. Tax Reporting.

- (i) The Kodak GUC Trustee shall file returns for the Kodak GUC Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with Article 16.13.2 of the Plan. The Kodak GUC Trustee shall also annually send to each Holder of a beneficial interest a separate statement setting forth the Holder's share of items of income, gain, loss, deduction or credit and will instruct all such Holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Kodak GUC Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Kodak GUC Trust that are required by any governmental unit.
- (ii) As soon as possible after the Effective Date, the Kodak GUC Trustee shall make a good-faith valuation of the Kodak GUC Trust's assets, and such valuation shall be made available from time to time, to the extent relevant, and shall be used consistently by all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the

beneficiaries of the Kodak GUC Trust), for all federal income tax purposes.

- (iii) Allocations of Kodak GUC Trust taxable income among the Kodak GUC Trust beneficiaries shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein) if, immediately prior to such deemed distribution, the Kodak GUC Trust had distributed all its other assets (valued at their tax book value) to the Holders of the Kodak GUC Trust interests (treating all Disputed Claims as if they were Allowed Claims, in each case up to the tax book value of the assets treated as contributed by such Holders, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Kodak GUC Trust. Similarly, taxable loss of the Kodak GUC Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Kodak GUC Trust's assets. The tax book value of the Kodak GUC Trust's assets for this purpose shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, the applicable tax regulations, and other applicable administrative and judicial authorities and pronouncements.
- (iv) Subject to definitive guidance from the Internal Revenue Service, or a court of competent jurisdiction to the contrary (including the receipt by the Kodak GUC Trustee of a private letter ruling if the Kodak GUC Trustee requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Kodak GUC Trustee), the Kodak GUC Trustee shall (A) timely elect to treat the Kodak GUC Trust Claims Reserve as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, and (B) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All parties (including the Reorganized Debtors, the Kodak GUC Trustee, and the Kodak GUC Trust beneficiaries) shall report for tax purposes consistent with the foregoing.
- (v) The Kodak GUC Trustee shall be responsible for payments, out of the assets of the Kodak GUC Trust, of any taxes imposed on the trust or its assets, including the Kodak GUC Trust Disputed Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Kodak GUC Trust Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims,

or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Kodak GUC Trustee as a result of the resolutions of such Disputed Claims.

- (vi) The Kodak GUC Trustee may request an expedited determination of taxes of the Kodak GUC Trust, including the Kodak GUC Trust Disputed Claims Reserve, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Kodak GUC Trust for all taxable periods through the dissolution of the Kodak GUC Trust.

14. Dissolution

The Kodak GUC Trustee and the Kodak GUC Trust shall be discharged or dissolved, as the case may be, at such time as (a) the Kodak GUC Trustee and the Trust Advisory Board determine that the administration of the Kodak GUC Trust is not likely to yield sufficient additional proceeds to justify further pursuit of the Kodak GUC Trust Avoidance Actions or the Creditors' Committee's Causes of Action and (b) all Distributions required to be made by the Kodak GUC Trustee under the Plan and the Kodak GUC Trust Agreement have been made, *provided* that in no event shall the Kodak GUC Trust be dissolved later than three years after the Effective Date unless the Bankruptcy Court, upon motion within the six month period prior to the third anniversary (or at least six months prior to the end of any extension period), determines that a fixed period extension (not to exceed three years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that such further extension would not adversely affect the status of the trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Kodak GUC Trust's assets.

15. Indemnification and Exculpation

The Kodak GUC Trustee or the individuals comprising the Kodak GUC Trustee, as the case may be, and the Kodak GUC Trustee's agents and professionals, shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Kodak GUC Trustee, except those acts arising out of its or their own willful misconduct or gross negligence, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Kodak GUC Trustee, except for any actions or inactions involving willful misconduct or gross negligence. Any indemnification claim of the Kodak GUC Trustee (and the other parties entitled to indemnification under this subsection) shall be satisfied solely from the assets of the Kodak GUC Trust. The Kodak GUC Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

The members of the Trust Advisory Board shall be exculpated by the beneficiaries of the Kodak GUC Trust and any other Holders of General Unsecured Claims or the Retiree Settlement Unsecured Claim from any and all claims or causes of action and assertions of liability arising out of their performance of the duties conferred upon them by the Kodak GUC Trust Agreement, or any orders of the Bankruptcy Court, except to the extent an act constitutes bad faith, gross negligence, willful misconduct, or actual fraud. No Holder of a General Unsecured Claim or the Retiree Settlement Unsecured Claim or

representative thereof shall have or pursue any claim or cause of action against any member of the Trust Advisory Board for taking any action in accordance with the Kodak GUC Trust Agreement, or to implement the provisions of an order of the Bankruptcy Court. Nothing in this provision shall be deemed to alter or limit the provisions of the Kodak GUC Trust Agreement.

16. Authority to Prosecute and Settle Actions

Subject to the terms of the Kodak GUC Trust Agreement, after the Effective Date, only the Kodak GUC Trustee shall have the authority to maintain, prosecute, settle, dismiss, abandon or otherwise dispose of the Kodak GUC Trust Avoidance Actions. Subject to the terms of the Kodak GUC Trust Agreement, the Kodak GUC Trustee may enter into and consummate settlements and compromises of the Kodak GUC Trust Avoidance Actions without notice to or approval by the Bankruptcy Court.

17. Reorganized Debtors' Cooperation and Supply of Information and Documentation

Upon written request from the Kodak GUC Trustee, the Reorganized Debtors shall provide commercially reasonable cooperation, and shall supply, at the Kodak GUC Trust's sole expense and subject to confidentiality protections reasonably acceptable to the Reorganized Debtors, all reasonable information, records and documentation, to the Kodak GUC Trustee that is required to promptly, diligently and effectively evaluate, file, prosecute and settle the Kodak GUC Trust Avoidance Actions. Additionally, upon request by the Kodak GUC Trustee, the Reorganized Debtors shall use commercially reasonable efforts to make available personnel with information relevant to the Kodak GUC Trust Avoidance Actions.

18. Preservation of Privilege and Defenses

In connection with the Kodak GUC Trust Avoidance Actions, any applicable privilege or immunity of the Debtors (or Reorganized Debtors), including any attorney-client privilege or work-product privilege attaching to any documents or communications (whether written or oral), and all defenses, claims, counterclaims and rights of setoff or recoupment shall vest in the Kodak GUC Trust and may be asserted by the Kodak GUC Trustee. Nothing in Article 16.18 of the Plan nor any action taken by the Debtors or Reorganized Debtors in connection with the Plan, including any action taken pursuant to the Reorganized Debtors' obligations under Article 16.17 of the Plan, shall be (or be deemed to be) a waiver of any privilege or immunity of the Debtors or Reorganized Debtors, as applicable, including any attorney-client privilege or work-product privilege attaching to any documents or communications (whether written or oral). Notwithstanding the Reorganized Debtors' providing any privileged information to the Kodak GUC Trustee, the Kodak GUC Trust, or any party or person associated with the Kodak GUC Trust, such privileged information shall remain privileged. The GUC Trust shall have no right to waive the attorney-client privilege, work product or other protection or immunity of any information received from the Reorganized Debtors. The Debtors (or the Reorganized Debtors) retain the right to waive their own privileges or immunities.

6. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the process of confirmation of the Plan. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and/or consult their own attorneys.

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing at which the Debtors will seek confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING ON [●], 2013 AT [●] (EASTERN TIME), BEFORE THE HONORABLE ALLAN L. GROPPER, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ONE BOWLING GREEN, NEW YORK, NEW YORK 10004. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT THEREOF.

OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE [●] (EASTERN TIME) ON [●], 2013, IN ACCORDANCE WITH THE NOTICE OF THE CONFIRMATION HEARING. UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE SOLICITATION PROCEDURES ORDER, THE NOTICE OF THE CONFIRMATION HEARING AND THE VOTING PROCEDURES, THEY WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Confirmation Standards

To confirm the Plan, the Bankruptcy Court must find that the requirements of section 1129 of the Bankruptcy Code have been satisfied. The Debtors believe that section 1129 has been satisfied because, among other things:

- (i) the Plan complies with the applicable provisions of the Bankruptcy Code;
- (ii) the Debtors, as plan proponents, have complied with the applicable provisions of the Bankruptcy Code;
- (iii) the Plan has been proposed in good faith and not by any means forbidden by law;
- (iv) any payment made or promised under the Plan for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in

connection with the Plan and incident to these Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable;

- (v) the Debtors will disclose the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer or voting trustee of the Debtors, an affiliate of the Debtors participating in the Plan with the Debtor or a successor to the Debtors under the Plan. The appointment to, or continuance in, such office of such individuals, will be consistent with the interests of Holders of Claims and Equity Interests and with public policy, and the Debtors will have disclosed the identity of any insider that the Reorganized Debtors will employ or retain and the nature of any compensation for such insider;
- (vi) with respect to each class of Impaired Claims or Equity Interests, either each holder of a Claim or Equity Interest in such class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code (see Section 6.C below, "Best Interests Test");
- (vii) each class of Claims or Equity Interests has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such class pursuant to section 1129(b) of the Bankruptcy Code;
- (viii) except to the extent that the holder of a particular General Administrative Claim has agreed or will agree to a different treatment of such Claim, the Plan provides that Allowed General Administrative Claims will be paid in full in Cash on the Effective Date;
- (ix) except to the extent that a holder of an Allowed Other Priority Claim has agreed to a different treatment of such Claim, each such holder shall receive cash in an amount equal to the Allowed amount of such Claim, or treatment in any other manner so that such Claim shall otherwise be rendered Unimpaired, (i) on the Effective Date or as soon as reasonably practicable thereafter; (ii) if an Other Priority Claim is Allowed after the Effective Date, on the date such Other Priority Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as the case may be; or (iv) at such time and upon such terms as set forth in an order of the Bankruptcy Court;

- (x) except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, as soon as reasonably practicable after the Effective Date, on account of such Claim: (i) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (ii) Cash in an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and such holder; provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim at a later date; or (iii) at the option of the Debtors or the Reorganized Debtors, as applicable, and in lieu of payment in full in Cash of an Allowed Priority Tax Claim, deferred Cash payments on account thereof in the manner and to the extent permitted under section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on or before the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors or the Reorganized Debtors, as applicable, and such holder, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business;
- (xi) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan (see Section 6.D below, “Financial Feasibility”); and
- (xii) all fees payable under section 1930 of title 28 of the United States Code will be paid as of the Effective Date of the Plan.

C. Best Interests Test

1. Explanation of the Best Interests Test

Pursuant to section 1129(a)(7) of the Bankruptcy Code, Confirmation of the Plan requires that, with respect to each Class of Impaired Claims or Equity Interests, each Holder of a Claim or Equity Interest in such Class either (i) accept the Plan or (ii) receive or retain under the Plan on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code (this latter clause is known as the “**Best Interests Test**”).

To determine the probable distribution to Holders of Claims and Equity Interests in each Impaired Class, if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors assets and properties in the context of a chapter 7 liquidation.

The Debtors' liquidation value would consist primarily of the unencumbered and unrestricted cash held by the Debtors at the time of the conversion to a chapter 7 liquidation and the proceeds resulting from the sale of the Debtors remaining unencumbered assets and properties by a chapter 7 trustee. The gross cash available for distribution would be reduced by the costs and expenses of the chapter 7 liquidation and any additional Administrative Claims that might arise as a result of the chapter 7 cases. Costs and expenses incurred as a result of the chapter 7 liquidation would include, among other things, the fees payable to a trustee in bankruptcy and the fees payable to attorneys and other professionals engaged by such trustee. Additional Administrative Claims could arise by reason of, among other things, the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtors during the pendency of these Chapter 11 Cases. Such Administrative Claims and any other Administrative Claims that might arise in a liquidation case or result from these Chapter 11 Cases, such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition Claims.

To determine if the Plan is in the best interests of each Impaired Class, the present value of the distributions from the proceeds of a liquidation of the Debtors' unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses and Administrative Claims associated with a chapter 7 liquidation, must be compared with the value offered to such Impaired Classes under the Plan. If the hypothetical liquidation distribution to Holders of Claims or Equity Interests in any Impaired Class is greater than the distributions to be received by such parties under the Plan, then the Plan is not in the best interests of the Holders of Claims or Equity Interests in such Impaired Class.

2. *Estimated Valuation, Financial Projections, and Emergence Balance Sheet of the Reorganized Debtors*

The value offered to Holders of Claims in Impaired Classes under the Plan is discussed in the valuation analysis for the Reorganized Debtors attached to this Disclosure Statement as Appendix F (the "**Valuation Analysis**"). The Valuation Analysis is based, in part, on the financial projections provided in Appendix G to this Disclosure Statement (the "**Financial Projections**").

The Financial Projections do not reflect an adoption of "fresh start" reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Attached hereto as Appendix H is the Debtors' projected fresh start balance sheet for the Reorganized Debtors (the "**Emergence Balance Sheet**"). Fresh start adjustments in the Emergence Balance Sheet are not expected to have a material impact on the projected recoveries for creditors described therein.

3. *Liquidation Analysis of the Debtors*

Amounts that a Holder of Claims and Equity Interests in Impaired Classes would receive in a hypothetical chapter 7 liquidation are discussed in the liquidation analysis of the Debtors prepared by the Debtors' management with the assistance of its advisors, attached to this Disclosure Statement as Appendix I (the "**Liquidation Analysis**").

As described in the Liquidation Analysis, underlying this analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management and their financial advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis if the Debtors were, in fact, to undergo a liquidation.

The Liquidation Analysis was developed solely for purposes of the formulation and negotiation of the Plan and to enable Holders of Claims entitled to vote under the Plan to make an informed judgment about the Plan, and should not be used or relied upon for any other purpose, including the purchase or sale of securities of, or Claims or Equity Interests in, the Debtors or any of their affiliates.

Events and circumstances subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The Debtors and the Reorganized Debtors do not intend and do not undertake any obligation to update or otherwise revise the Liquidation Analysis to reflect events or circumstances existing or arising after the date the Liquidation Analysis is initially filed or to reflect the occurrence of unanticipated events. Therefore, the Liquidation Analysis may not be relied upon as a guarantee or other assurance of actual future results.

In deciding whether to vote to accept or reject the Plan, Holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Liquidation Analysis and the reliability of the Liquidation Analysis.

4. *Application of the Best Interests Test to the Liquidation Analysis of the Debtors and the Valuation Analysis of the Reorganized Debtors*

Notwithstanding the difficulties in quantifying with precision the recoveries to Holders of Claims and Equity Interests, the Debtors believe that, based on a comparison between the Valuation Analysis and the Liquidation Analysis, the Debtors' proposed Plan satisfies the requirements of the Best Interests Test. As the following table indicates, members of each Impaired Class will receive more (or no less) under the Plan than they would through a liquidation of the Debtors in a hypothetical chapter 7 case.

Class	Description	Estimated Recovery	
		Plan	Liquidation
1	Other Priority Claims	100%	0%
3	Second Lien Notes Claims	100%	0%
4	General Unsecured Claims	4%-5%	0%
6	Retiree Settlement Unsecured Claim	4%-5%	0%
7	Convenience Claims	4.5%	0%
8	Subsidiary Convenience Claims	100%	0%
9	Equity Interests	0%	0%
10	Section 510(b) Claims	0%	0%

Accordingly, the Debtors believe that their continued operation as a going concern will allow the realization of greater value for their respective Impaired Classes than their liquidation.

D. Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to confirmation of the Plan, that the Bankruptcy Court find that confirmation is not likely to be followed by the liquidation of the Debtors or the need for further financial reorganization, unless such liquidation is contemplated by the Plan. For purposes of demonstrating that the Plan meets this feasibility standard, the Debtors, with the assistance of their financial advisors, have analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their business, taking into account the Financial Projections for the Reorganized Debtors. The Financial Projections were prepared by the Debtors' management.

In addition to the cautionary notes contained elsewhere in this Disclosure Statement and in the Financial Projections, the Debtors reiterate that they make no representation as to the accuracy of the Financial Projections or their ability to achieve the projected results. The Financial Projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions which, though considered reasonable by the Debtors, may not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, many of which are beyond the control of the Debtors and the Reorganized Debtors. The Debtors caution that no representations can be made or are made as to the accuracy of the Financial Projections or to the Reorganized Debtors' ability to achieve the projected results. Some assumptions inevitably will have been incorrect. Moreover, events and circumstances occurring subsequent to the date on which the Financial Projections were prepared may be different from those assumed, or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The Debtors and the Reorganized Debtors do not intend and do not undertake any obligation to update or otherwise revise the Financial Projections to reflect events or circumstances existing or arising after the date the Financial Projections are initially filed or to reflect the occurrence of unanticipated events. Therefore, the Financial Projections may not be relied upon as a guarantee or other assurance of actual future results.

In deciding whether to vote to accept or reject the Plan, Holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Financial Projections and the reliability of the Financial Projections.

Based upon the Financial Projections, the Debtors believe they will be able to make all distributions and payments under the Plan (including payment of all cure costs) and that Confirmation of the Plan is not likely to be followed by liquidation of the Reorganized Debtors or the need for further financial reorganization of the Reorganized Debtors.

E. Acceptance by Impaired Classes

Except as described in Section 6.F. below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. A class of claims or equity interests that is unimpaired under the plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Under section 1124 of the Bankruptcy Code, a class is impaired under a plan of reorganization unless (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan of reorganization by an impaired class as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class; only those holders that actually vote to accept or reject the plan are counted for purposes of determining whether these dollar and number thresholds are met. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number that actually vote cast their ballots in favor of acceptance. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted a plan of reorganization if holders of such equity interests holding at least two-thirds in amount have actually voted to accept the plan. Holders of Claims who fail to vote are deemed neither to accept nor to reject the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan will be confirmed in a procedure commonly known as cram-down, so long as the Plan does not “discriminate unfairly” and is “fair and equitable,” for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Equity Interests that is Impaired under, and has not accepted, the Plan. Pursuant to Article 4.5 of the Plan, the Debtors reserve the right to seek confirmation under section 1129(b) of the Bankruptcy Code if necessary.

I. Unfair Discrimination

The Plan does not “discriminate unfairly” for the purposes of section 1129 of the Bankruptcy Code if the Plan gives substantially equivalent treatment to each Class of equal rank;

in determining whether a plan discriminates unfairly, courts take into account a number of factors, including the effect of applicable subordination agreements between parties. Accordingly, the Plan may treat two Classes of Holders of Unsecured Claims differently without unfairly discriminating against either Class.

2. Fair and Equitable

The condition that the Plan be fair and equitable includes the following requirement as applicable:

- (i) with respect to a non-accepting Class of Secured Claims, that: (a) the Holders of such Secured Claims retain the liens securing such Claims to the extent of the Allowed amount of the Secured Claims, whether the property subject to the liens is retained by the Debtors or transferred to another entity under the Plan; and (b) each Holder of a Secured Claim in the Class receive deferred cash payments totaling at least the Allowed amount of such Claim with a present value, as of the Effective Date, at least equivalent to the value of such Secured Claim holder's interest in the Debtors' property subject to the Liens.
- (ii) with respect to a non-accepting Class of Unsecured Claims, that either: (a) the Plan provide that each Claim Holder in such Class receive or retain, on account of such Claim, property of a value, as of the Effective Date, equal to the Allowed amount of such Claim; or (b) no Holder of any Claim or Equity Interest that is junior to the Claims or Equity Interests of such Class receive or retain any property under the Plan on account of such junior Claim or Equity Interest.
- (iii) with respect to a non-accepting Class of Equity Interests, that either: (a) the Plan provide that each Holder of an Equity Interest in such Class receive or retain under the Plan, on account of such Equity Interest, property of a value, as of the Effective Date, equal to the greater of: (i) the Allowed amount of any fixed liquidation preference to which such Holder is entitled; (ii) any fixed redemption price to which such Holder is entitled; or (iii) the value of such Equity Interest; or (b) if the Class does not receive property in the amount required under (a), no Class of Equity Interests junior to the non-accepting Class receive a distribution under the Plan.

3. Confirmation of the Plan Pursuant to Section 1129(b)

The Debtors may seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any Impaired Class presumed to reject the Plan, and reserve the right to do so with respect to any other rejecting Class of Claims, and/or to modify the Plan. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of confirmation of the Plan by the acceptance of the Plan by at least one Class that is Impaired under the Plan.

The Debtors submit that the Plan does not “discriminate unfairly” for the purposes of section 1129(b) of the Bankruptcy Code because all Classes of equal rank receive substantially equivalent treatment under the Plan.

The Debtors submit that the Plan is “fair and equitable” for the purposes of section 1129(b) of the Bankruptcy Code because, as set forth above and in the Plan, the Holders of Claims in Class 3 may be, and the Holders of Claims in Classes 1 and 2 are, Unimpaired and therefore deemed to have accepted the Plan. The Holders of Claims in Class 3 may not receive, and the Holders of Claims in Classes 4 – 8 will not receive, a distribution equal to the Allowed amount of their Claims, but no Holders of Claims or Equity Interests junior to these Classes will receive a distribution under the Plan on account of such junior Claims or Equity Interests.

Holders of Equity Interests and Section 510(b) Claims will receive no distribution under the Plan on account of their Equity Interests or Claims, but there is no junior Claim or Equity Interest that shall receive any distribution under the Plan. Therefore, the requirements of section 1129(b) of the Bankruptcy Code would be satisfied in the event that the Debtors are required to cram down.

7. VOTING PROCEDURES

On June [●], 2013, the Bankruptcy Court entered an order, among other things, approving this Disclosure Statement, approving procedures for soliciting votes on the Plan, approving the form of the solicitation documents and various other notices, setting the Voting Record Date, the Voting Deadline and the date of the Confirmation Hearing and establishing the relevant objection deadlines and procedures associated with Confirmation of the Plan (the “**Solicitation Procedures Order**”).²⁴

A copy of the Solicitation Procedures Order is hereby incorporated by reference as though fully set forth herein. The Solicitation Procedures Order should be read in conjunction with this Section 7 of this Disclosure Statement.

If you have any questions about: (a) the procedures for voting your Claim or with respect to materials that you have received or (b) the amount of your Claim or Equity Interest, or wish to obtain (at no charge) an additional copy of the Plan, this Disclosure Statement or other solicitation documents, please contact:

Kodak Balloting Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245
T: 888-249-2721
<http://www.kccllc.net/kodak>

²⁴ Capitalized terms in this Section 7 not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the Solicitation Procedures Order.

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code and that the disclosure by the Debtors concerning the Plan has been adequate and includes information concerning all payments made or promised by the Debtors in connection with the Plan and these Chapter 11 Cases. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law and, under Bankruptcy Rule 3020(b)(2), it may make such a determination without receiving evidence if no objection is timely filed.

In particular, and as described in more detail below, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that: (a) the Plan has been accepted by the requisite votes of all Classes of Impaired Claims unless approval will be sought under section 1129(b) of the Bankruptcy Code in spite of the nonacceptance by one or more such Classes; (b) the Plan is “feasible,” meaning there is a reasonable probability that the Debtors will be able to perform their obligations under the Plan and continue to operate their businesses without further financial reorganization or liquidation; and (c) the Plan is in the “best interests” of all Holders of Claims and Equity Interests, meaning that all such Holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code.

The Bankruptcy Court must find that all conditions mentioned above are met before it can confirm the Plan. Thus, even if all classes of Impaired Claims accept the Plan by the requisite votes, the Bankruptcy Court must still make an independent finding that the Plan satisfies these requirements of the Bankruptcy Code, that the Plan is feasible, and that the Plan is in the best interests of the Holders of Claims against and Equity Interests in the Debtors.

UNLESS THE BALLOT BEING FURNISHED IS TIMELY RECEIVED BY THE NOTICE AND CLAIMS AGENT ON OR PRIOR TO AUGUST 9, 2013 AT 8:00 P.M. (EASTERN TIME) TOGETHER WITH ANY OTHER DOCUMENTS REQUIRED BY SUCH BALLOT, THE DEBTORS MAY, IN THEIR SOLE DISCRETION, REJECT SUCH BALLOT AS INVALID AND, THEREFORE, DECLINE TO COUNT IT AS AN ACCEPTANCE OR REJECTION OF THE PLAN. BENEFICIAL BALLOTS MUST BE COMPLETED, EXECUTED AND RETURNED TO THE VOTING NOMINEE SO THAT THEY ARE ACTUALLY RECEIVED BY THE VOTING NOMINEE IN SUFFICIENT TIME SO THAT THE VOTING NOMINEE CAN ENSURE THAT YOUR BALLOT IS ACTUALLY COUNTED AND SUBMITTED WITH THE MASTER BALLOT. IN NO CASE SHOULD A BALLOT OR ANY OF THE CERTIFICATES BE DELIVERED TO THE DEBTORS OR ANY OF THEIR ADVISORS.

A. Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “impaired” under a plan of reorganization unless: (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan of reorganization is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan of reorganization is deemed to have accepted the plan, and the plan proponent need not solicit such holder's vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed description of the treatment of Claims and Equity Interests under the Plan, refer to Section 5 above—Summary of the Plan.

The Holder of a Claim that is Impaired under the Plan is entitled to vote to accept or reject the Plan if the Plan provides a distribution in respect of such Claim and; (i) the Holder has timely filed a Proof of Claim, such Proof of Claim is not in an amount of \$0.00, and is not subject to an objection as of July 12, 2013, (ii) the Claim has been scheduled by the respective Debtor in the Schedules in an amount that is not listed in its entirety as contingent, unliquidated or disputed (a claim that is listed as partially liquidated and partially unliquidated shall vote only in the liquidated amount); (iii) the Holder of a Claim has timely filed a motion pursuant to Bankruptcy Rule 3018(a) seeking temporary allowance of such Claim for voting purposes only and the Debtor has not opposed such motion or objected to the Claim, in which case the Holder's vote will be counted only upon order of the Bankruptcy Court at the Confirmation Hearing; or (v) by other Court order.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures Order also sets forth assumptions and procedures for tabulating Ballots, including Ballots that are not completed fully or correctly.

B. Releases under the Plan

The third-party release and injunction language in Article 12 of the Plan is described above in Section 5 of this Disclosure Statement. Each Ballot advises creditors in bold and capitalized print that creditors who (a) vote to accept the Plan or (b) vote to reject the Plan and do not elect to opt out of the release provisions of Article 12 of the Plan shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged the Released Parties from any and all Causes of Action.

C. Classes under the Plan

1. Voting Impaired Classes of Claims

Classes 3 — 8 are Impaired under, and entitled to vote to accept or reject, the Plan.

2. Unimpaired Classes of Claims

Classes 1 and 2 are Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to have accepted the Plan.

3. *Impaired Classes of Equity Interests Deemed to Reject the Plan*

Holders of Equity Interests in Class 9 and Holders of Section 510(b) Claims in Class 10 are not entitled to receive any distribution under the Plan on account of their Claims and Equity Interests.

D. Solicitation Packages for Voting Classes

All Eligible Rights Offerings Participants will receive separate materials regarding the Rights Offerings, including a copy of the Rights Offerings Procedures and Rights Exercise Forms. These materials will not be included in the Solicitation Packages described below.

To be entitled to receive Rights Offerings Consideration in the form of Cash (in addition to 1145 Rights, if eligible), a Holder of a Claim in Class 4 or 6 must certify on its Ballot that it (a) is neither a “qualified institutional buyer” or an “accredited investor” within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, or (b) did not, as of April 30, 2013 and the 4(2) Certification Date, beneficially own General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a “qualified institutional buyer,” \$100,000 or (y) in the case of an “accredited investor,” \$500,000. A Holder of a Claim in Class 4 or 6 that does not provide such certification will receive no Cash Rights Offerings Consideration.

As set forth in the Solicitation Procedures Order, the Debtors will distribute Solicitation Packages, or cause Solicitation Packages to be distributed, to the Classes entitled to vote on the Plan. The Solicitation Packages will contain²⁵:

- (i) a cover letter (a) describing the contents of the Solicitation Package, the contents of any enclosed CD-ROM and instructions for how hard copies of any materials provided on CD-ROM can be obtained at no charge and (b) urging the Holders in each of the voting Classes to vote to accept the Plan;
- (ii) the Confirmation Hearing Notice;
- (iii) a Ballot or Master Ballot, as appropriate, together with a pre-addressed postage-paid return envelope;
- (iv) this Disclosure Statement (with the Plan annexed thereto and other exhibits) in electronic format on a CD-ROM;
- (v) the Solicitation Procedures Order (without exhibits) in electronic format on a CD-ROM;
- (vi) a letter from the Creditors’ Committee; and

²⁵ The Solicitation Packages will be distributed electronically to certain creditors who were customers of Kodak Gallery.

- (vii) such other materials as the Bankruptcy Court may direct, including any letters from the various official committees recommending acceptance of the Plan.

E. Solicitation Packages for Non-Voting Classes

1. Unimpaired Classes of Claims Not Eligible to Vote

Under section 1126(f) of the Bankruptcy Code, classes that are not impaired under a plan of reorganization are deemed to accept the plan. The following Classes are Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to accept the Plan: Classes 1 and 2.²⁶ Their votes to accept or reject the Plan will not be solicited. Pursuant to the Solicitation Procedures Order, these parties should only receive a notice of non-voting status with respect to Unimpaired Classes deemed to accept the Plan.

2. Impaired Classes of Claims and Equity Interests Not Eligible to Vote

Under section 1126(g) of the Bankruptcy Code, classes that are not entitled to receive or retain any property under a plan of reorganization are deemed to reject the plan. The following Classes receive no property under the Plan and deemed under section 1126(g) of the Bankruptcy Code to reject the Plan: Classes 9 and 10. Their vote to accept or reject the Plan will not be solicited. Pursuant to the Solicitation Procedures Order, these parties should only receive a notice of non-voting status with respect to Impaired Classes deemed to reject the Plan.

F. Voting Procedures

Ballots cast by Holders and Master Ballots cast on behalf of beneficial Holders in Classes entitled to vote must be received by the Notice and Claims Agent by the Voting Deadline at the following address:

For Ballots, If by U.S. Mail, courier or hand delivery:

Kodak Balloting Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

For Master Ballots, if by U.S. Mail, courier or hand delivery:

Kurtzman Carson Consultants LLC
Attn: Kodak Balloting Center
599 Lexington Avenue
39th Floor
New York, NY 10022
Telephone: (887) 833-4150

²⁶ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.

Beneficial Ballots must be completed, executed and returned to your Voting Nominee so that they are actually received by your Voting Nominee in sufficient time so that your Voting Nominee can ensure that your Ballot is actually counted and submitted with the Master Ballot.

IF YOU HAVE ANY QUESTIONS ON VOTING PROCEDURES, PLEASE
CALL THE NOTICE AND CLAIMS AGENT AT 888-249-2721.

Ballots received after the Voting Deadline will not be counted by the Debtors in connection with the Debtors' request for confirmation of the Plan. The method of delivery of Ballots to be sent to the Notice and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Plan, such delivery will be deemed made only when the original executed Ballot is actually received by the Notice and Claims Agent. In all cases, sufficient time should be allowed to ensure timely delivery. Ballots must be signed and legible, and must be clearly marked to either except or reject the Plan (but not marked both). If a Ballot is signed by a trustee, executor, administrator, guardian, attorney in fact or other person acting in a fiduciary or representative capacity, such person shall be required to indicate such capacity when signing the Ballot. Original executed Ballots are required. Delivery of a Ballot to the Notice and Claims Agent by facsimile, e-mail or any other electronic means will not be accepted. No Ballot should be sent to the Debtors, their agents (other than the Notice and Claims Agent), any Indenture Trustee (unless specifically instructed to do so) or the Debtors' financial or legal advisors, and if so sent will not be counted.

Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and those restrictions on modifications set forth in the Plan, the Debtors may alter, amend or modify the Plan, without additional disclosure pursuant to section 1125 of the Bankruptcy Code. If the Debtors make changes in the terms of the Plan materially adverse to any Holder of Claims or Equity Interests or if the Debtors waive a material condition to the effectiveness of the Plan described in Article 11 of the Plan, the Debtors will disseminate additional solicitation materials to such affected Class and will extend the solicitation period, in each case to the extent directed by the Bankruptcy Court. After the Confirmation Date and prior to substantial consummation of the Plan, the Debtors may institute proceedings in the Bankruptcy Court pursuant to section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistencies in the Plan, this Disclosure Statement or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of the Plan.

8. RIGHTS OFFERINGS AND RIGHTS OFFERINGS PROCEDURES²⁷

A. Overview of the Rights Offerings

Rights (the “**1145 Rights**”) to purchase 1145 Rights Offering Shares at a price per share equal to \$11.94 (the “**Per Share Price**”) are being distributed to the 1145 Eligible Participants as pre-confirmation distributions under the Plan and in conjunction with the Debtors’ solicitation of votes to accept or reject the Plan. The aggregate number of 1145 Rights Offering Shares (the “**Aggregate 1145 Share Amount**”) will be six million.

In addition, Rights (the “**4(2) Rights**” and, together with the 1145 Rights, the “**Rights**”) to purchase 4(2) Rights Offering Shares at the Per Share Price are being distributed to the 4(2) Eligible Participants as pre-confirmation distributions under the Plan and in conjunction with the Debtors’ solicitation of votes to accept or reject the Plan. The aggregate number of 4(2) Rights Offering Shares (the “**Aggregate 4(2) Share Amount**”) will be determined based on the results of the 1145 Rights Offering, and will be equal to the sum of (x) 28 million and (y) the number of 1145 Rights Offering Unsubscribed Shares.

The two Rights Offerings, in conjunction with the Backstop Commitment Agreement, are designed to raise \$406 million of equity capital. In addition to the Debtors’ cash on hand and proceeds that will be made available under the Debtors’ proposed emergence financing, the proceeds from the Rights Offerings will be used to consummate the Plan.

The Debtors have designated Kurtzman Carson Consultants LLC as the “**Subscription Agent**” for the Rights Offerings.

B. The Rights Offerings Procedures

On June 19, 2013, the Debtors filed a motion [Docket No. 4082] (the “**Rights Offerings Procedures Motion**”) seeking, among other things, approval of the Debtors’ proposed procedures for the implementation of the Rights Offerings, attached as Exhibits B and C to the Rights Offerings Procedures Motion (the “**Rights Offerings Procedures**”). The Rights Offerings Procedures are attached hereto as Appendix J.

1. 1145 Rights Offering Procedures

a. 1145 Eligible Participants

An “**1145 Eligible Participant**” means a Person that satisfies the following criteria: (a) such Person is the beneficial owner of an 1145 Eligible Claim as of July 26, 2013 (or such later date as the Debtors may determine in consultation with the Creditors’ Committee and

²⁷ Capitalized terms in this Section 8 not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the applicable Rights Offerings Procedures. This Section 8 is only intended to provide a summary of the Rights Offerings Procedures. To the extent of any inconsistency between this summary and the applicable Rights Offerings Procedures, the applicable Rights Offerings Procedures shall govern.

the Requisite Backstop Parties, the “**1145 Claim Determination Date**”) and (b) such Person is the beneficial owner of such 1145 Eligible Claim on the Effective Date.

b. 1145 Rights Exercise Form

In order to exercise 1145 Rights, an 1145 Eligible Participant must duly complete and timely deliver the rights exercise form (the “**1145 Rights Exercise Form**”), along with its Subscription Purchase Price in accordance with the 1145 Rights Offering Procedures. The 1145 Rights Exercise Form indicates the Per Share Price payable in connection with the exercise of the 1145 Rights.

c. Determination of an 1145 Eligible Participant’s 1145 Available Shares

Each 1145 Eligible Participant shall be entitled to subscribe for that number of 1145 Rights Offering Shares equal to the product (rounded down to the nearest whole share) of: (a) the resulting quotient of (x) the aggregate amount of such holder’s 1145 Eligible Claims to (y) \$2.8 billion,²⁸ multiplied by (b) the Aggregate 1145 Share Amount (such number of shares, the “**1145 Available Shares**”; and any remaining unsubscribed and unpaid for shares being the “**1145 Rights Offering Unsubscribed Shares**”).

An “**1145 Eligible Claim**” means (a) a Retiree Settlement Unsecured Claim, (b) an Unsecured Notes Claim equal to or greater than \$10,000 in principal amount or (c) any other General Unsecured Claim (x) equal to the amount, as of the 1145 Claim Determination Date, that such Claim has been (i) stipulated to by the Debtors in writing (including on its Schedules, provided that if such 1145 Eligible Claim is stipulated to on the Schedules in an amount greater than the amount given on the Proof of Claim relating to such 1145 Eligible Claim, the amount of such 1145 Eligible Claim for the purposes of the 1145 Rights Offering Procedures shall be the amount given on such Proof of Claim) or (ii) allowed by the Bankruptcy Court by Final Order, in each case, on or before the 1145 Claim Determination Date, or (y) in such other amount as the Debtors, the Creditors’ Committee and the Requisite Backstop Parties may collectively agree. For the avoidance of doubt, (1) contingent, unliquidated and disputed Claims set forth on the Schedules shall not be deemed “stipulated,” and (2) the Unsecured Notes Claims and the Non-Qualified Pension Unsecured Claims (solely to the extent the Non-Qualified Pension Stipulation is entered by the Bankruptcy Court prior to the 1145 Claim Determination Date) will be deemed stipulated Claims, in each case, for purposes of (a)(i) above.

d. Transfer Restrictions

THE 1145 RIGHTS ARE NOT DETACHABLE FROM 1145 ELIGIBLE CLAIMS.

²⁸ This amount represents the Debtors’ good faith estimate of the valid amount of Claims represented by General Unsecured Claims and the Retiree Settlement Unsecured Claim, which amount has been determined in consultation with the Requisite Backstop Parties and Creditors’ Committee in order to ensure compliance with section 1145 of the Bankruptcy Code.

THE 1145 RIGHTS ARE NOT TRANSFERABLE AFTER THE 1145 CLAIM DETERMINATION DATE.

IF ANY PORTION OF AN 1145 ELIGIBLE CLAIM IS OR HAS BEEN (AFTER THE 1145 CLAIM DETERMINATION DATE) TRANSFERRED BY AN 1145 ELIGIBLE PARTICIPANT, THE CORRESPONDING 1145 RIGHTS WILL BE CANCELLED, AND NEITHER SUCH 1145 ELIGIBLE PARTICIPANT NOR THE TRANSFEREE OF SUCH 1145 ELIGIBLE CLAIM WILL RECEIVE 1145 RIGHTS OFFERING SHARES IN CONNECTION WITH SUCH TRANSFERRED 1145 ELIGIBLE CLAIM.

e. Duration of the 1145 Rights Offering

The 1145 Rights Offering will commence on the day upon which the 1145 Rights Exercise Form is first mailed or made available to 1145 Eligible Participants (the “**1145 Rights Offering Commencement Date**”), which the Debtors estimate to be no later than July 8, 2013.

The 1145 Rights Offering will expire at 5:00 p.m. (Eastern Time) on August 9, 2013 (the “**1145 Rights Offering Expiration Date**”).

Each 1145 Eligible Participant intending to participate in the 1145 Rights Offering must affirmatively make a binding election to exercise its 1145 Rights on or prior to the 1145 Rights Offering Expiration Date, and submit payment by wire transfer of immediately available funds for all duly subscribed for 1145 Rights Offering Shares, so that such payment is actually received by the Subscription Agent on or prior to the 1145 Rights Offering Expiration Date.

To facilitate the exercise of the 1145 Rights, the Debtors will mail or cause to be mailed the 1145 Rights Exercise Form (i) on the 1145 Rights Offering Commencement Date, to each beneficial owner of a General Unsecured Claim or the Retiree Settlement Unsecured Claim as of June 18, 2013, or its intermediary, or (ii) within three Business Days of the 1145 Claim Determination Date, to each 1145 Eligible Participant whose Claim is or became an 1145 Eligible Claim, or whose 1145 Eligible Claim increases, as of the 1145 Claim Determination Date, or its intermediary, together with a copy of the 1145 Rights Offering Procedures and a set of instructions for the proper completion, due execution and timely delivery of the 1145 Rights Exercise Form and payment of the Subscription Purchase Price to the Subscription Agent.

To the extent that an 1145 Eligible Participant holds an Unsecured Notes Claim through the facilities of The Depository Trust Company (“**DTC**”), the Debtors will furnish or cause to be furnished an 1145 Rights Exercise Form to such 1145 Eligible Participant’s broker, bank, dealer, or other agent or nominee (a “**Subscription Nominee**”). Each Subscription Nominee will be entitled to receive sufficient copies of the 1145 Rights Exercise Form for distribution to 1145 Eligible Participants that are beneficial owners of Unsecured Notes Claims for whom such Subscription Nominee holds such Claims.

f. Exercise of 1145 Rights

In order to participate in the 1145 Rights Offering, each 1145 Eligible Participant must affirmatively make a binding election to exercise all or a portion of its 1145 Rights on or prior to the 1145 Rights Offering Expiration Date. The exercise of the 1145 Rights shall be irrevocable unless the 1145 Rights Offering is not consummated by November 4, 2013.

Each 1145 Eligible Participant is entitled to participate in the 1145 Rights Offering solely to the extent of its 1145 Eligible Claims.

In order to exercise 1145 Rights, each 1145 Eligible Participant (excluding 1145 Eligible Participants that hold Unsecured Notes Claims (but only with respect to such Unsecured Notes Claims)) must submit an 1145 Rights Exercise Form indicating the whole number of 1145 Available Shares that such 1145 Eligible Participant elects to purchase, along with payment by wire transfer of immediately available funds of a “**Subscription Purchase Price**” equal to the product of (a) the number of 1145 Rights Offering Shares such 1145 Eligible Participant elects to purchase multiplied by (b) the Per Share Price.

For an 1145 Eligible Participant that is the beneficial Holder of an Unsecured Notes Claim to exercise its 1145 Rights, such 1145 Eligible Participant must return a duly completed 1145 Rights Exercise Form to its Subscription Nominee or otherwise instruct its Subscription Nominee as to its 1145 Rights in accordance with the procedures established by its Subscription Nominee, which, in turn, *must* (i) deliver a duly completed 1145 Master Exercise Form so that such information is actually received by the Subscription Agent on or before the 1145 Rights Offering Expiration Date and (ii) pay to the Subscription Agent, by wire transfer of immediately available funds, the Subscription Purchase Price, so that the payment of the Subscription Purchase Price is actually received by the Subscription Agent on or before the 1145 Rights Offering Expiration Date in accordance with the 1145 Rights Offering Procedures.

Any difference between the Subscription Purchase Price actually paid by any 1145 Eligible Participant and the amount duly payable by such 1145 Eligible Participant to purchase 1145 Rights Offering Shares shall be refunded to such 1145 Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, *provided* that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten Business Days after the 1145 Rights Offering Expiration Date.

Unexercised 1145 Rights will be cancelled on the 1145 Rights Offering Expiration Date. An 1145 Eligible Participant shall be deemed to have relinquished and waived all rights to participate in the 1145 Rights Offering to the extent the Subscription Agent for any reason does not receive from an 1145 Eligible Participant or its Subscription Nominee, on or before the 1145 Rights Offering Expiration Date, (i) a duly completed 1145 Rights Exercise Form or equivalent instructions from DTC (if applicable) and (ii) immediately available funds by wire transfer for the Subscription Purchase Price with respect to such 1145 Eligible Participant’s 1145 Rights.

Any attempt to exercise any 1145 Rights after the 1145 Rights Offering Expiration Date shall be null and void and the Debtors shall not honor any 1145 Rights Exercise Form or other documentation received by the Subscription Agent relating to such purported exercise after the 1145 Rights Offering Expiration Date, regardless of when such 1145 Rights Exercise Form or other documentation was sent.

The method of delivery of the 1145 Rights Exercise Form and any other required documents by each 1145 Eligible Participant is at such 1145 Eligible Participant's option and sole risk, and delivery will be considered made only when such 1145 Rights Exercise Form and other documentation are actually received by the Subscription Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the 1145 Rights Offering Expiration Date.

Any and all disputes concerning the timeliness, viability, form and eligibility of any exercise of 1145 Rights shall be addressed in good faith by the Debtors in consultation with the Creditors' Committee. Any determination made by the Debtors with respect to such disputes shall be final and binding.

All 1145 Rights Offering Unsubscribed Shares shall be available for purchase in the 4(2) Rights Offering.

g. 1145 Eligible Participant Release

Upon the Effective Date of the Plan, each 1145 Eligible Participant that elects to exercise 1145 Rights shall be deemed, by virtue of such election, to have waived and released, to the fullest extent permitted under applicable law, all rights, claims or causes of action against the Debtors, Reorganized Debtors, the Creditors' Committee, the Backstop Parties and the Subscription Agent, and each of their respective affiliates, officers, directors, counsel and advisors, arising out of or related to the 1145 Rights Offering and the receipt, delivery, disbursements, calculations, transmission or segregation of cash, 1145 Rights and 1145 Rights Offering Shares, except to the extent such rights, claims or causes of action arise from any act of gross negligence or willful or intentional misconduct or fraud.

h. Exemption From Securities Act Registration

Except with respect to any person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, no registration under Section 5 of the Securities Act of 1933, as amended from time to time (or any State or local law requiring registration for offer or sale of a security) shall be required in connection with the issuance and distribution of the 1145 Rights or the 1145 Rights Offering Shares issued upon the exercise thereof.

Please refer to Section 10.B below and Article 5.8 of the Plan for a more detailed discussion of securities law considerations related to the securities to be issued pursuant to the 1145 Rights Offering.

2. 4(2) Rights Offering Procedures

a. 4(2) Eligible Participants

A Holder of a General Unsecured Claim and/or the Retiree Settlement Unsecured Claim (other than the Backstop Parties) that does not duly complete, execute and timely deliver a 4(2) Certification Form to the Subscription Agent on or before July 19, 2013 at 5:00 p.m. (Eastern Time) cannot participate in the 4(2) Rights Offering.

A “**4(2) Eligible Participant**” means a Person that (a)(x) is a Backstop Party or (y) duly completes, executes and timely delivers the 4(2) Certification Form to the Subscription Agent on or before the 4(2) Certification Date and (b) is the beneficial owner of a 4(2) Eligible Claim on the Effective Date.

The “**4(2) Certification Date**” means July 19, 2013 at 5:00 p.m. (Eastern Time), or such later date as the Debtors may determine in consultation with the Creditors’ Committee and the Requisite Backstop Parties.

The “**4(2) Certification Form**” means a certification form executed by a Person confirming that such Person (a) is either a “qualified institutional buyer” or an “accredited investor” within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, and (b) as of April 30, 2013 and on the 4(2) Certification Date, beneficially owned General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a “qualified institutional buyer,” \$100,000 or (y) in the case of an “accredited investor,” \$500,000.

b. 4(2) Rights Exercise Form

In order to exercise 4(2) Rights, a 4(2) Eligible Participant must duly complete and timely deliver the rights exercise form (the “**4(2) Rights Exercise Form**”), along with its Subscription Purchase Price (as defined below) in accordance with the 4(2) Rights Offering Procedures.

The 4(2) Rights Exercise Form indicates the Per Share Price payable in connection with the exercise of the 4(2) Rights.

c. Determination of a 4(2) Eligible Participant’s 4(2) Primary Shares

Prior to the implementation of the Overallotment Procedures, if applicable, each 4(2) Eligible Participant shall be entitled to subscribe for that number of 4(2) Rights Offering Shares equal to the product (rounded down to the nearest whole share) of (a) the resulting quotient of (x) the aggregate amount of 4(2) Eligible Claims beneficially owned by such 4(2) Eligible Participant divided by (y) \$1.82 billion,²⁹ multiplied by (b) the Aggregate 4(2) Share Amount (such number of shares, the “**4(2) Primary Shares**”).

²⁹ This amount represents the Debtors’ good faith estimate, as reasonably consented to by the Creditors’ Committee and the Requisite Backstop Parties, of the amount of 4(2) Eligible Claims held by 4(2) Eligible

A “**4(2) Eligible Claim**” means (a) a Retiree Settlement Unsecured Claim, (b) an Unsecured Notes Claim equal to or greater than \$10,000 in principal amount or (c) any other General Unsecured Claim in an amount, determined as of July 26, 2013 (or such later date as the Debtors may determine in consultation with the Creditors’ Committee and the Requisite Backstop Parties, the “**4(2) Claim Determination Date**”), (x) equal to the amount on account of which such Claim is eligible to vote to accept or reject the Plan (as determined in accordance with the Solicitation Procedures Order) or (y) in such other amount as the Debtors, the Creditors’ Committee and the Requisite Backstop Parties may collectively agree.

d. Overallotment Procedures

If any 4(2) Rights Offering Shares remain available for subscription after giving effect to duly subscribed for and purchased 4(2) Primary Shares (such number of remaining shares, the “**Initial Overallotment Shares**”), the Subscription Agent shall employ the overallotment procedures described below (the “**Overallotment Procedures**”).

First, the Backstop Parties that have duly subscribed for and purchased 100 percent of their respective 4(2) Primary Shares shall have the right to purchase, in addition to such Backstop Parties’ 4(2) Primary Shares, 10,000,000 Initial Overallotment Shares, which shall be allocated among such Backstop Parties based upon their (and, without duplication, their affiliates’) respective Backstop Commitment Percentages (as defined in the Backstop Commitment Agreement) or in any other manner as all such Backstop Parties shall agree (such Shares, the “**Backstop Party Overallotment Shares**”); *provided, however,* that if the number of Initial Overallotment Shares is less than 10,000,000, the number of 4(2) Primary Shares duly subscribed for and purchased by each 4(2) Eligible Participant shall be reduced on a pro rata basis such that the number of Initial Overallotment Shares equals 10,000,000 (the “**4(2) Reallocation**”).

Second, if any 4(2) Rights Offering Shares remain available for subscription after giving effect to the aggregate number of duly subscribed for and purchased 4(2) Primary Shares and Backstop Party Overallotment Shares (such number of remaining shares, the “**4(2) Remaining Overallotment Shares**”), each 4(2) Eligible Participant that has duly subscribed for and purchased 100 percent of its 4(2) Primary Shares (each, a “**4(2) Eligible Overallotment Participant**”) also may elect to subscribe for and purchase that number of 4(2) Remaining Overallotment Shares equal to the product (rounded down to the nearest whole share) of (a) the resulting quotient of (x) the aggregate amount of 4(2) Eligible Claims beneficially owned by such 4(2) Eligible Overallotment Participant divided by (y) \$1.82 billion,³⁰ multiplied by (b) the aggregate number of 4(2) Remaining Overallotment Shares (such number of shares being the “**4(2) Overallotment Shares**”; and any remaining unsubscribed and unpaid for shares being the “**4(2) Rights Offering Unsubscribed Shares**”).

Holders (as determined without regard to whether a Person has duly completed and submitted a 4(2) Certification Form).

³⁰ This amount represents the Debtors’ good faith estimate, as reasonably consented to by the Creditors’ Committee and the Requisite Backstop Parties, of the amount of 4(2) Eligible Claims held by 4(2) Eligible Holders (as determined without regard to whether a Person has duly completed and submitted a 4(2) Certification Form).

Notwithstanding any contrary provision in the Plan, the 4(2) Rights Offering Procedures or the Backstop Commitment Agreement, the Debtors shall not be required to accept the exercise of 4(2) Rights to purchase any Backstop Party Overallotment Shares or 4(2) Overallotment Shares if the Debtors have requested, but not received, reasonable assurances that such exercise will not result in any Person becoming the “beneficial owner,” for purposes of Rule 13d-3 under the Securities Exchange Act (as amended from time to time) of 50 percent or more of the issued and outstanding New Common Stock on the Effective Date after giving effect to the Plan.

e. Transfer Restrictions

THE 4(2) RIGHTS ARE NOT TRANSFERABLE OR DETACHABLE FROM 4(2) ELIGIBLE CLAIMS.

IF ANY PORTION OF A 4(2) ELIGIBLE CLAIM IS OR HAS BEEN TRANSFERRED AFTER THE 4(2) CERTIFICATION DATE, THE CORRESPONDING 4(2) RIGHTS WILL BE CANCELLED, AND NEITHER THE TRANSFEROR NOR THE TRANSFEREE OF SUCH 4(2) ELIGIBLE CLAIM WILL RECEIVE 4(2) RIGHTS OFFERING SHARES IN CONNECTION WITH SUCH TRANSFERRED 4(2) ELIGIBLE CLAIM.

f. Duration of the 4(2) Rights Offering

The 4(2) Rights Offering will commence on the day upon which the 4(2) Rights Exercise Form is first mailed or made available to 4(2) Eligible Participants (the “**4(2) Rights Offering Commencement Date**”), which the Debtors estimate to be no later than July 23, 2013.

The 4(2) Rights Offering will expire at 5:00 p.m. (Eastern Time) on August 9, 2013 (the “**4(2) Rights Offering Expiration Date**”).

Each 4(2) Eligible Participant intending to participate in the 4(2) Rights Offering must affirmatively make a binding election to exercise its 4(2) Rights on or prior to the 4(2) Rights Offering Expiration Date, and submit payment by wire transfer of immediately available funds for all duly subscribed for 4(2) Rights Offering Shares, including any Backstop Party Overallotment Shares and 4(2) Overallotment Shares, so that such payment is actually received by the Subscription Agent on or prior to the 4(2) Rights Offering Expiration Date.

To facilitate the exercise of the 4(2) Rights, the Debtors will mail or cause to be mailed the 4(2) Rights Exercise Form (i) on the 4(2) Rights Offering Commencement Date, to each 4(2) Eligible Participant or (ii) within three Business Days of the 4(2) Claim Determination Date, to each 4(2) Eligible Participant whose 4(2) Eligible Claim increases prior to the 4(2) Claim Determination Date, together with a copy of the 4(2) Rights Offering Procedures and a set of instructions for the proper completion, due execution and timely delivery of the 4(2) Rights Exercise Form and payment of the Subscription Purchase Price to the Subscription Agent.

g. Unsubscribed Shares

The Backstop Parties have agreed to purchase all Unsubscribed Shares pursuant to and in accordance with the Backstop Commitment Agreement.

h. Exercise of 4(2) Rights

In order to participate in the 4(2) Rights Offering, each 4(2) Eligible Participant must affirmatively make a binding election to exercise all or a portion of its 4(2) Rights on or prior to the 4(2) Rights Offering Expiration Date. The exercise of the 4(2) Rights shall be irrevocable unless the 4(2) Rights Offering is not consummated by November 4, 2013.

Each 4(2) Eligible Participant (other than the Backstop Parties) is entitled to participate in the 4(2) Rights Offering solely to the extent of its 4(2) Eligible Claims.

In order to exercise 4(2) Rights, each 4(2) Eligible Participant must submit a 4(2) Rights Exercise Form indicating the whole number of 4(2) Primary Shares and, if applicable, Backstop Party Overallotment Shares and 4(2) Overallotment Shares, that such 4(2) Eligible Participant elects to purchase, along with payment by wire transfer of immediately available funds of a Subscription Purchase Price equal to the product of (a) the number of 4(2) Rights Offering Shares such 4(2) Eligible Participant elects to purchase multiplied by (b) the Per Share Price, so that the 4(2) Rights Exercise Form and the payment of the Subscription Purchase Price are actually received by the Subscription Agent on or before the 4(2) Rights Offering Expiration Date in accordance with the 4(2) Rights Offering Procedures.

To the extent a 4(2) Eligible Participant duly elects to purchase more than its number of 4(2) Primary Shares, such 4(2) Eligible Participant will be deemed to have elected to purchase all of its 4(2) Primary Shares and an additional number of Backstop Party Overallotment Shares and/or 4(2) Overallotment Shares, as applicable, equal to the difference between (a) the number of 4(2) Rights Offering Shares duly subscribed by such 4(2) Eligible Participant *minus* (b) such 4(2) Eligible Participant's number of 4(2) Primary Shares.

Any difference between the Subscription Purchase Price actually paid by any 4(2) Eligible Participant and the amount duly payable by such 4(2) Eligible Participant to purchase 4(2) Rights Offering Shares shall be refunded to such 4(2) Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, provided that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten (10) Business Days after the 4(2) Rights Offering Expiration Date.

Unexercised 4(2) Rights will be cancelled on the 4(2) Rights Offering Expiration Date. A 4(2) Eligible Participant shall be deemed to have relinquished and waived all rights to participate in the 4(2) Rights Offering to the extent the Subscription Agent for any reason does not receive from a 4(2) Eligible Participant, on or before the 4(2) Rights Offering Expiration Date, (i) a duly completed 4(2) Rights Exercise Form and (ii) immediately available funds by wire transfer for the Subscription Purchase Price with respect to such 4(2) Eligible Participant's 4(2) Rights.

Any attempt to exercise any 4(2) Rights after the 4(2) Rights Offering Expiration Date shall be null and void and the Debtors shall not honor any 4(2) Rights Exercise Form or other documentation received by the Subscription Agent relating to such purported exercise after the 4(2) Rights Offering Expiration Date, regardless of when such 4(2) Rights Exercise Form or other documentation was sent.

The method of delivery of the 4(2) Rights Exercise Form and any other required documents by each 4(2) Eligible Participant is at such 4(2) Eligible Participant's option and sole risk, and delivery will be considered made only when such 4(2) Rights Exercise Form and other documentation are actually received by the Subscription Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the 4(2) Rights Offering Expiration Date.

Any and all disputes concerning the timeliness, viability, form and eligibility of any exercise of 4(2) Rights shall be addressed in good faith by the Debtors in consultation with the Creditors' Committee. Any determination made by the Debtors with respect to such disputes shall be final and binding.

i. 4(2) Eligible Participant Release

Upon the Effective Date of the Plan, each 4(2) Eligible Participant that elects to exercise 4(2) Rights shall be deemed, by virtue of such election, to have waived and released, to the fullest extent permitted under applicable law, all rights, claims or causes of action against the Debtors, Reorganized Debtors, the Creditors' Committee, the Backstop Parties and the Subscription Agent, and each of their respective affiliates, officers, directors, counsel and advisors, arising out of or related to the 4(2) Rights Offering and the receipt, delivery, disbursements, calculations, transmission or segregation of cash, 4(2) Rights and 4(2) Rights Offering Shares, except to the extent such rights, claims or causes of action arise from any act of gross negligence or willful or intentional misconduct or fraud.

j. Exemption From Securities Act Registration

Each 4(2) Right and 4(2) Rights Offering Share is being distributed and issued by the Debtors without registration under the Securities Act, in reliance upon the exemption provided in section 4(2) thereof and/or Regulation D promulgated thereunder.

None of the 4(2) Rights distributed in connection with the 4(2) Rights Offering Procedures have been or, except with respect to the Backstop Parties, will be registered under the Securities Act, nor any State or local law requiring registration for offer or sale of a security, and, as described in Section 8.B.2.e. above, no 4(2) Rights may be sold or transferred.

None of the 4(2) Rights Offering Shares have been registered or (except with respect to the Backstop Parties) will be registered under the Securities Act, nor any State or local law requiring registration for offer or sale of a security, and, except with respect to the Backstop Parties, no 4(2) Rights Offering Shares may be sold or transferred except pursuant to the exemption from registration under the Securities Act provided by Rule 144 thereunder, when available.

All 4(2) Rights Offering Shares will be issued in certificated form. Except with respect to the Backstop Parties, each certificate representing or issued in exchange for or upon the transfer, sale or assignment of any 4(2) Rights Offering Share, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], AND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE ACT PROVIDED BY RULE 144 THEREUNDER, WHEN AVAILABLE.”

Please refer to Section 10.C below and Article 5.8 of the Plan for a more detailed discussion of securities law considerations related to the securities to be issued pursuant to the 4(2) Rights Offering.

k. Subsequent Adjustments

If, prior to the 4(2) Claim Determination Date, the amount of a 4(2) Eligible Participant’s 4(2) Eligible Claim increases, such holder will receive additional 4(2) Rights which may be exercised prior to the 4(2) Rights Offering Expiration Date, entitling such 4(2) Eligible Participant to purchase additional 4(2) Rights Offering Shares.

If more than the total number of 4(2) Rights Offering Shares is duly subscribed for pursuant to the 4(2) Rights Offering Procedures, the number of 4(2) Primary Shares each 4(2) Eligible Participant may duly subscribe to purchase shall be reduced *pro rata* such that the total number of shares duly subscribed for equals the Aggregate 4(2) Share Amount.

Any difference between the Subscription Purchase Price actually paid by any 4(2) Eligible Participant and the amount duly payable by such 4(2) Eligible Participant to purchase 4(2) Rights Offering Shares pursuant to the exercise of 4(2) Rights shall be refunded to such 4(2) Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, provided that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten (10) Business Days after the 4(2) Rights Offering Expiration Date.

9. ADDITIONAL FACTORS TO BE CONSIDERED PRIOR TO VOTING

HOLDERS OF CLAIMS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HERewith, REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN OR ITS IMPLEMENTATION.

A. Plan Risks

1. The Plan May Not Be Confirmed.

The Debtors can make no assurances that they will receive the requisite acceptances to confirm the Plan. Even if the Debtors receive the requisite acceptances, there is no assurance that the Bankruptcy Court will confirm the Plan.

Even if the Bankruptcy Court determines that this Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court may still decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met, including that the Plan does not discriminate unfairly and is fair and equitable with respect to non-accepting Classes. Moreover, there can be no assurance that modifications to the Plan will not be required for confirmation or that such modifications will not necessitate the re-solicitation of votes. If the Plan is not confirmed, it is unclear what distributions Holders of Claims or Equity Interests would ultimately receive with respect to their Claims or Equity Interests in a subsequent plan of reorganization.

2. Objections to Classifications of Claims

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe the Plan classifies all Claims and Equity Interests in accordance with section 1122 of the Bankruptcy Code, but a Holder of a Claim or Equity Interest may challenge the classification of Claims and Equity Interests, and it is possible that the Bankruptcy Court may find a different classification to be required for the Plan to be confirmed. In such event, the Debtors intend, to the extent permitted by the Bankruptcy Court and the Plan, to make such reasonable modifications of classifications under the Plan to permit confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

3. The Plan May Not Become Effective.

Although the Debtors believe that the Effective Date of the Plan will occur soon after the Confirmation Date, there can be no assurance as to the occurrence of the Effective Date. If the Effective Date does not occur by October 2, 2013 or such later date as the Debtors, in consultation with the Requisite Backstop Parties, agree, the Plan shall be null and void in all respects and nothing contained in the Plan or this Disclosure Statement shall constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors, prejudice in any manner the rights of the Debtors or any other Person, or constitute an admission, acknowledgment, offer or undertaking by the Debtors or any Person.

4. *There Can Be No Assurance that the Debtors Will Be Able to Meet the Requirements under the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement and the Emergence Credit Facilities.*

A breach of any of the covenants (including financial covenants) or other terms contained in the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement, the Emergence Credit Facilities or, as applicable, of the related orders, could result in an event of default under the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement or the Emergence Credit Facilities, subject, in certain cases, to applicable grace and cure periods. If any event of default occurs and Kodak or Reorganized Kodak is not able either to cure such event of default or obtain the requisite waiver under such facility, then, automatically or upon acceleration by the required lenders under such facility, as applicable, all of the outstanding obligations under such facility, together with accrued and unpaid interest and fees, will become immediately due and payable, all outstanding commitments will terminate, and the agent may take certain other enforcement actions, including foreclosing on the pledged assets. Any event of default, regardless of whether enforcement action is taken, would materially and adversely affect Kodak's financial condition and its ability to satisfy its obligations as they come due.

5. *There Can Be No Assurance That Reorganized Kodak Will Be Able to Meet the Requirements to Convert Certain Loans into an Emergence Facility.*

The DIP Term Loan Credit Agreement provides for the conversion of up to \$653.7 million of the loans thereunder into term loans under the Emergence Rollover Credit Agreement, subject to certain conditions. The following conditions must be satisfied or waived to effectuate the conversion: (i) as of the Effective Date, EKC will have met the minimum requirements set forth in the Emergence Rollover Credit Agreement with respect to the Debtors' U.S. liquidity, EKC's Conversion Secured Leverage Ratio and EKC's Conversion Adjusted EBITDA; (ii) the Bankruptcy Court will have entered an order confirming the Plan and authorizing the credit facilities under the Emergence Rollover Credit Agreement and such order is in full force and effect on the date of the conversion; (iii) the Effective Date must occur no later than September 30, 2013; (iii) no default or event of default shall have occurred and be continuing under the DIP Term Loan Credit Agreement or would result from the conversion; (iv) the sale of certain specified assets that are not part of the Commercial Imaging business must have occurred for a minimum aggregate gross cash purchase price of \$600 million; (v) \$200 million of the New Money Loans must have been repaid in full in cash; (vi) there shall have been an additional repayment of loans in an amount equal to 75% of U.S. liquidity above \$200 million on the Effective Date; (vii) no Material Adverse Effect (as defined in the DIP Term Loan Credit Agreement) will have occurred since the date of approval of the Disclosure Statement by the Bankruptcy Court; (viii) the holders of New Money Loans will have received a fee of 2% of the New Money Loans being converted into loans under the Emergence Rollover Credit Agreement, fee to be paid in kind; (ix) all liability in respect of the KPP will have been resolved on terms reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement) and (x) entry of the Confirmation Order.

On April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities signed a settlement agreement at the same time EKC, the KPP and certain other Kodak

entities signed a stock and asset purchase agreement. Pursuant to the stock and asset purchase agreement, EKC agreed to sell to KPP (or its designee) the Personalized Imaging and Document Imaging businesses for \$650 million in cash and notes. As a result, EKC will be required to seek a waiver to condition specified in subclause (iv) above.

If the conditions to conversion are not satisfied or waived (including potentially in connection with the transactions with the KPP), EKC will be required to pay in cash all of the loans under the DIP Term Loan Credit Agreement at emergence. In such case, there is no assurance that EKC will have sufficient cash on hand to repay the loans or be able to obtain alternative financing, on favorable terms or at all, to repay the loans. Even if EKC was able to obtain an alternative financing to emerge, such financing may have terms not as favorable as those contained in the Emergence Rollover Credit Agreement and could further restrict EKC's operations post-emergence. In any event, if EKC is unable to pay the loans in full, it will be unable to consummate the Plan.

6. *Undue Delay in Confirmation May Disrupt the Debtors' Operations.*

The continuation of these Chapter 11 Cases, particularly if the Plan is not approved or confirmed in the time frame currently contemplated, could adversely affect the Debtors' operations and the Debtors' relationships with their customers, vendors, employees and other constituents. If confirmation and consummation of the Plan do not occur expeditiously, these Chapter 11 Cases could result in, among other things, increased costs for professional fees and similar expenses. In addition, prolonged continuation of these Chapter 11 Cases may hinder the Debtors' efforts to attract and retain management and other key personnel and would require senior management to spend significant time and effort attending to the Debtors' financial reorganization rather than the operation of the Debtors' businesses.

7. *Plan Releases May Not Be Approved.*

There can be no assurance that the Plan releases, as provided in Article 12 of the Plan, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of reorganization that differs from the Plan.

8. *Failure to Satisfy the Terms and Conditions in the KPP Global Settlement May Prevent Kodak's Successful Reorganization.*

On April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities entered into the KPP Global Settlement that resolves current and future liabilities of the Kodak group with respect to the KPP. The KPP Global Settlement is subject to terms and conditions described in more detail in Section 3.D.3.b above. Consummation of the KPP Global Settlement on or prior to the Effective Date is a condition precedent to effectiveness of the Plan. If the KPP Global Settlement has been terminated prior to the Plan becoming effective, the KPP Trustee will, and the Pension Protection Fund and the U.K. Pensions Regulator may, have claims against Kodak Limited and potentially other Kodak companies in addition to the claims filed by the KPP against the Debtors. Prosecution of these claims could lead to the insolvent liquidation of Kodak Limited, its subsidiary Kodak International Finance Limited and other non-U.S. subsidiaries of EKC. The insolvent liquidation of non-U.S. subsidiaries could result in the loss

of control of those subsidiaries by EKC, may disrupt global cash management, and may delay or prevent the successful restructuring of Kodak as a going concern. In addition, in the event a non-Debtor subsidiary of EKC becomes insolvent or enter insolvency proceedings, any outstanding amount under the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, principal and interest, could become immediately due and payable. These events could render the Debtors unable to reorganize successfully.

9. *Failure to Satisfy the Terms and Conditions in the Backstop Commitment Agreement May Prevent Kodak's Successful Reorganization.*

On June 18, 2013, EKC and the Backstop Parties entered into the Backstop Commitment Agreement, pursuant to which, among other things, the Backstop Parties have committed to purchase any shares offered but unsubscribed in the 4(2) Rights Offering. The Backstop Commitment Agreement is subject to certain conditions described in more detail in Section 3.E. above. Consummation of the transactions contemplated under the Backstop Commitment Agreement is a condition precedent to effectiveness of the Plan. If the Backstop Commitment Agreement is terminated prior to the Plan becoming effective, the Debtors may not have sufficient funds to satisfy the Claims of Holders of Claims, which may delay or prevent the successful restructuring of Kodak as a going concern.

B. Risks Relating to the Securities to Be Issued under the Plan

1. *Reorganized Kodak May Not Be Able to Achieve Projected Financial Results.*

Actual financial results may differ materially from the Financial Projections set forth in Appendix G hereto. If Reorganized Kodak does not achieve projected revenue or cash flow levels, Reorganized Kodak may lack sufficient liquidity to continue operating its business consistent with the Financial Projections after the Effective Date. The Financial Projections represent the view of Kodak's management based on currently known facts and assumptions about their future operations, and do not guarantee Reorganized Kodak's future financial performance.

2. *Reorganized Kodak's Financial Projections are Inherently Subject to Uncertainty Due to the Assumptions on Which They are Based.*

The Financial Projections are based on numerous assumptions, including the confirmation and consummation of the Plan in accordance with its terms and within the time frame projected by the Debtors; the anticipated future performance of Reorganized Kodak; the performance of the industries in which Reorganized Kodak operates; general business and economic conditions; and other matters, many of which are beyond the control of Reorganized Kodak and some or all of which may not materialize. The Financial Projections assume, for instance, improved profitability as well as the achievement of specific targets in cost reduction, including SG&A costs, business unit sales and marketing costs and procurement operating cost. There can be no assurance that these targets will be met. In addition, unanticipated events and circumstances occurring subsequent to the approval of this Disclosure Statement by the Bankruptcy Court, including any natural disasters, terrorism or health epidemics, may affect the

actual financial results of the Reorganized Kodak's operations. Because the actual results achieved throughout the periods covered by the Financial Projections may vary from the projected results, the Financial Projections should not be relied upon as an assurance of the actual results that will occur.

Except with respect to the Financial Projections and except as otherwise specifically and expressly stated herein, this Disclosure Statement does not account for any events that might occur subsequent to the date hereof. Such events could have a material impact on the information contained in this Disclosure Statement. Neither the Debtors nor Reorganized Kodak intend to update the Financial Projections. The Financial Projections will therefore not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Financial Projections. For more information on the risks related to the Financial Projections, see Section 1.D. of Appendix G hereto.

3. *The Price of the Shares of New Common Stock Offered in the Rights Offerings Does Not Necessarily Reflect the Value of the Debtors or Reorganized Kodak or the Future Trading Price of the New Common Stock.*

The Per Share Price for shares of New Common Stock offered pursuant to the Rights Offerings is \$11.94 per share. This price reflects the result of negotiations between the Debtors, the Backstop Parties, the Creditors' Committee and Holders of the Second Lien Notes, is based on certain assumptions, and does not necessarily reflect the Debtors' past operations, cash flows, net income or current financial condition, the book value of the Debtors' assets, the projected operations, cash flows, net income or financial condition of the Reorganized Debtors, the book value of the Reorganized Debtors' assets, or other established criteria for value. As a result, the Per Share Price should not be relied upon as an indication of the actual value of Reorganized Kodak or the future trading price of the shares of New Common Stock or the Warrants.

4. *If Eligible Rights Offerings Participants (Other Than the Backstop Parties) Do Not Participate in the Rights Offerings, the Percentage Ownership Interest in Reorganized Kodak that Such Eligible Rights Offerings Participants Will Receive Pursuant to the Plan Will Be Significantly Diluted.*

Reorganized Kodak will issue up to 34 million shares of New Common Stock pursuant to the Rights Offerings. As part of the transactions contemplated by the Plan, the Backstop Parties are obligated to purchase any shares of New Common Stock that are not purchased by Eligible Rights Offerings Participants (other than the Backstop Parties) as part of the Rights Offerings. If Eligible Rights Offerings Participants (other than the Backstop Parties) choose not to participate in the Rights Offerings, their relative ownership interest in Reorganized Kodak will be diluted. Eligible Rights Offerings Participants (other than the Backstop Parties) who do not fully participate in the Rights Offerings will own a smaller proportional interest in Reorganized Kodak than would be the case had they fully participated in the Rights Offerings.

5. *A Liquid Trading Market for the Shares of New Common Stock or Warrants May Not Develop.*

Although the Debtors intend to apply to list the New Common Stock on the New York Stock Exchange, the Debtors make no assurance that they will be able to obtain this listing or, even if the Debtors do, that liquid trading markets for shares of New Common Stock will develop. The liquidity of any market for shares of New Common Stock or the Warrants will depend upon, among other things, the number of Holders of shares of New Common Stock, Reorganized Kodak's financial performance and the market for similar securities, none of which can be determined or predicted. The Debtors therefore cannot make assurances as to the development of an active trading market or, if a market develops, the liquidity or pricing characteristics of that market.

6. *The Trading Price for the Shares of New Common Stock May be Depressed Following the Effective Date.*

Assuming that the Plan becomes effective, shares of New Common Stock and Warrants will be issued to Holders of certain Classes of Claims. Additional shares will be distributed from the Disputed Claims Reserve periodically as Disputed Claims become Allowed Claims. Following the Effective Date of the Plan, shares may be sold to satisfy withholding tax requirements. In addition, Holders of Claims that receive shares of New Common Stock or Warrants may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of New Common Stock available for trading could cause the trading price for the shares of New Common Stock or the Warrants to be depressed, particularly in the absence of an established trading market for the stock.

7. *Restricted Securities Issued under the Plan May Not Be Resold or Otherwise Transferred Unless They Are Registered under the Securities Act or an Exemption from Registration Applies.*

The 4(2) Securities will be deemed "restricted securities" that may not be sold, exchanged, assigned or otherwise transferred unless they are registered, or an exemption from registration applies, under the Securities Act. Except with regard to the Backstop Parties, Holders of 4(2) Securities will not be entitled to have their 4(2) Securities registered and will be required to agree not to resell them except in accordance with the exemption from registration provided by Rule 144 under the Securities Act, when available. Rule 144 permits the public resale of restricted securities if certain conditions are met, and these conditions vary depending on whether the holder of the restricted securities is an "affiliate" of the issuer, as defined in Rule 144. A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period unless certain current public information regarding the issuer is not available at the time of sale, in which case the non-affiliate may resell after a one-year holding period. An affiliate may resell restricted securities after a six-month holding period but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. While the Debtors currently expect that the current public information requirement will be met when the six-month holding period expires, they cannot guarantee that resales of the restricted securities will qualify for an exemption from

registration under Rule 144. In any event, Holders of 4(2) Securities should expect to be required to hold their 4(2) Securities for at least six months.

Holders of 1145 Securities who are deemed to be “underwriters” under Section 1145(b) of the Bankruptcy Code will also be subject to restrictions under the Securities Act on their ability to resell those securities. Resale restrictions are discussed in more detail in Section 10 below.

8. *Certain Significant Holders of Shares of New Common Stock May Have Interests and Positions that Present Potential Conflicts with the Interests of the Reorganized Debtors and of Other Holders of Shares of New Common Stock.*

The Backstop Parties make investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with the Reorganized Debtors. One or more of the Backstop Parties may, on its own account, pursue acquisition opportunities that may be complementary to the Reorganized Debtors’ businesses, and as a result, such acquisition opportunities may be unavailable to the Reorganized Debtors. Such actions by the Backstop Parties may have a material adverse impact on the Reorganized Debtors’ businesses, financial condition and operating results.

9. *Allowance of Claims May Substantially Dilute the Recovery to Holders of Claims under the Plan.*

There can be no assurance that the estimated Claim amounts set forth in this Disclosure Statement are correct, and the actual Allowed amounts of Claims may differ from these estimates. These estimated amounts are based on certain assumptions with respect to a variety of factors. Should these underlying assumptions prove incorrect, the actual Allowed amounts of Claims may vary from those estimated herein. Because distributions to Holders of Unsecured Claims under the Plan are linked to the amount and value of Allowed Unsecured Claims, any material increase in the amount of Allowed Unsecured Claims over the amounts estimated by the Debtors would materially reduce the recovery to Holders of Unsecured Claims under the Plan.

10. *The Results of an Actual Chapter 7 Liquidation May Be Different From the Liquidation Analysis.*

Conversion to Chapter 7 liquidation would, in the view of the Debtors, produce a less favorable outcome for Holders of Claims than would the Plan. However, underlying the Liquidation Analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors’ management and their financial advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis if the Debtors were, in fact, to undergo a liquidation. Events and circumstances subsequent to the date on which the

Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated.

11. *Certain Significant Holders of Shares of New Common Stock May Have Substantial Influence Over the Reorganized Debtors Following the Effective Date.*

Assuming that the Plan becomes effective, the Backstop Parties, pursuant to the Backstop Commitment Agreement, will receive a substantial percentage of the outstanding shares of New Common Stock. As a result, the Backstop Parties, as well as any other Holders of Claims who receive distributions representing a substantial percentage of the outstanding shares of the New Common Stock, may be in a position to influence matters requiring approval by the holders of shares of New Common Stock, including, among other things, the election of directors and the approval of a change of control of the Reorganized Debtors. The Backstop Parties, or other Holders, may have interests that differ from those of the other holders of shares of New Common Stock and may vote in a manner adverse to the interests of the other holders of shares of New Common Stock. This concentration of ownership may facilitate or may delay, prevent or deter a change of control of the Reorganized Debtors and, consequently, impact the value of the shares of New Common Stock or the Warrants. In addition, one or more of the Backstop Parties or other holders of a significant number of shares of New Common Stock may sell all or a large portion of its shares of New Common Stock within a short period of time, which sale may adversely affect the trading price of the shares of New Common Stock.

12. *Reorganized Kodak Does Not Expect to Pay Cash Dividends on its Common Stock for the Foreseeable Future.*

The terms of the new debt may limit, among other things, Reorganized Kodak's ability to pay dividends, and it is not anticipated that any cash dividends will be paid on shares of New Common Stock in the near future.

13. *Reorganized Kodak's Ability to Use its Pre-Emergence Tax Attributes is Expected to be Severely Limited Under the United States Federal Income Tax Rules; Limitations May Also Apply to Tax Attributes Created After the Effective Time.*

As of December 31, 2012, the Debtors estimate that they had approximately \$2.6 billion of United States federal net operating loss carryforwards and approximately \$535 million in United States federal foreign tax credit carryforwards and \$19 million of federal research and development credits. (These estimates may be subject to adjustments.) Reorganized Kodak's ability to use their United States Tax Attributes to offset future taxable income may be significantly limited if the Debtors experience an "ownership change" as defined in section 382 of the Internal Revenue Code. An entity that experiences an ownership change generally will be subject to an annual limitation on its use of its pre-ownership change Tax Attributes equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate posted by the Internal Revenue Service (the "IRS") (subject to certain adjustments). The annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The Debtors anticipate that they will experience an ownership

change as a result of the Plan, in which case the availability of Reorganized Kodak's substantial pre-ownership change Tax Attributes to offset future income and taxes may be significantly limited or possibly eliminated.

If the Plan is approved, the Debtors do not expect to qualify for the special rule under section 382(l)(5) of the Internal Revenue Code (section 382(l)(5) of the Internal Revenue Code materially alleviates the restrictions described above). However, section 382(l)(6) of the Internal Revenue Code may provide some relief from the limitation imposed by section 382 of the Internal Revenue Code because it will allow the Reorganized Debtors to calculate their limitation, in general, by reference to their equity value immediately after the ownership change (rather than the equity value of the Debtors immediately before the ownership change, as is the case under the general rule for non-bankruptcy ownership changes and thus reflecting the increase in the value of the stock due to the cancellation of debt resulting from the Plan).

The Financial Projections have been prepared on the basis that the Debtors will experience an ownership change as a result of Distributions pursuant to the Plan, that section 382(l)(6) of the Internal Revenue Code will apply in determining the amount of the limitation imposed by section 382 of the Internal Revenue Code on the Reorganized Debtors' use of their pre-ownership change Tax Attributes, and that the Reorganized Debtors will not experience a second ownership change thereafter. If the Reorganized Debtors experience a second ownership change after the Effective Date, the Reorganized Debtors' ability to use some or all of their post-emergence Tax Attributes may be severely limited and may render the Financial Projections inaccurate.

14. Certain Tax Consequences of the Plan Raise Unsettled and Complex Legal Issues and Involve Various Factual Determinations.

Certain United States federal income tax consequences of the Plan are summarized in Section 11 below. Many of these consequences are dependent in part upon facts that are uncertain at this time (such as valuations) and legal questions that are complex and unsettled. The Debtors cannot ensure that the IRS will not take views contrary to those expressed in Section 11 below and no ruling from the IRS has been or will be sought regarding the tax consequences described therein. In addition, the Debtors cannot ensure that the IRS will not challenge the various positions the Debtors have taken, or intend to take, with respect to the tax treatment of the Plan to the Debtors or the Holders of Claims or Equity Interests, or that a court would not sustain such a challenge. Holders of Claims and Equity Interests should consult their own tax advisors regarding the consequences of distributions to them and the tax positions taken by the Debtors in implementing the Plan.

15. Certain Holders of Shares of New Common Stock May Be Restricted under Applicable Securities Laws in their Ability to Transfer or Sell Their Securities.

Holders of shares of New Common Stock who are deemed to be "underwriters" for the purposes of section 1145(b) of the Bankruptcy Code will be restricted in their ability to transfer or sell their securities. These persons will be permitted to transfer or sell such securities only pursuant to: (i) ordinary trading transactions by a holder that is not an issuer within the

meaning of section 1145(b); (ii) the provisions of Rule 144 under the Securities Act, if available, or another available exemption from the registration requirements of the Securities Act; or (iii) an effective registration statement under the Securities Act. Moreover, although the Debtors currently expect that Reorganized Kodak will make publicly available the information required by Rule 144, there is no assurance that Reorganized Kodak will do so, which would limit the ability of holders of securities to avail themselves of Rule 144.

16. *Reorganized Kodak May Impose Trading Restrictions and/or Adopt a Rights Plan to Preserve its Tax Attributes*

The Debtors intend to include provisions in the Reorganized Kodak Certificate of Incorporation or other organizational documents that impose certain restrictions on the purchase and disposition of shares of New Common Stock and rights with respect thereto in order to protect its net Tax Attributes. Likewise, the Board of Reorganized Kodak may also adopt a rights plan intended to deter certain purchases and dispositions of Reorganized Kodak's New Common Stock and rights with respect thereto. Such restrictions may include disregarding transfers in violations of such restrictions and treating them as being void *ab initio* or, in the case of a rights plan, diluting certain persons that participate in prohibited transactions. It is anticipated that the New Board of Directors will have authority to exempt certain transfers from such restrictions or rights plan. If adopted, the transfer restrictions or rights plan may restrict the ability of Holders that receive 5% (or a pre-determined lower percentage) or more of the shares of New Common Stock as part of the Plan from disposing of their shares, unless they get prior approval from the New Board of Directors. Despite the intentions of such restrictions or rights plan to deter and prevent an ownership change that would restrict Reorganized Kodak's use of its Tax Attributes, such an event may still occur. In addition, such restrictions or rights plan may make it more difficult and more expensive to acquire Reorganized Kodak, and may discourage open market purchases of shares of New Common Stock or a non-negotiated tender or exchange offer for shares of New Common Stock. Accordingly, such restrictions or rights plan may limit a shareholder's ability to realize a premium over the market price of the shares of New Common Stock in connection with any stock transaction.

17. *Due to Fresh Start Accounting Rules, the Reorganized Kodak's Financial Statements Will Not Be Comparable to the Financial Projections Contained in Appendix G to this Disclosure Statement.*

Due to fresh start accounting rules, the Reorganized Kodak's Financial Projections will not be comparable to the financial statements contained in the Debtors' SEC filings. As a result of the consummation of the Plan and the transactions contemplated thereby, Reorganized Kodak will be subject to the fresh start accounting rules in accordance with Accounting Standards Codification 852, "Reorganizations." Accordingly, the financial condition and results of operations of Reorganized Kodak from and after the Effective Date of the Plan will not be comparable to the financial condition or results of operations reflected in the consolidated historical financial statements of the Debtors contained in Kodak's filings with the SEC.

In addition, the Financial Projections contained in Appendix G hereto do not currently reflect the impact of fresh start reporting, which may have a material impact on the Financial Projections.

C. Business Risks

1. *Kodak May not Be Able to Generate the Cash Necessary to Finance Investment, Capital Needs, and Service of its Debt, which Could Adversely Affect its Business, Operating Results and Financial Condition.*

Kodak's business may not generate cash flow in an amount sufficient to enable it to pay the principal of, or interest on its indebtedness, or to fund its other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements.

Kodak's ability to generate cash is subject to general economic, financial, competitive, litigation, regulatory and other factors that are beyond its control. It is not certain that:

- Kodak's businesses will generate sufficient cash flow from operations;
- Kodak will be able to generate sufficient cash proceeds through the disposition of the Personalized Imaging, Document Imaging and other businesses;
- Kodak will be able to repatriate or move cash to locations where and when it is needed;
- Kodak will realize cost savings, earnings growth and operating improvements resulting from the execution of its business plan; or
- future sources of funding will be available to Kodak in amounts sufficient to enable it to fund its liquidity needs.

If Kodak cannot fund its liquidity needs, Kodak 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 their debt; or seeking additional equity capital. These actions may be restricted as a result of the terms of the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement and the Emergence Credit Facilities. Such actions could increase Kodak's debt, negatively impact customer confidence in its ability to provide products and services, reduce Kodak's ability to raise additional capital, and delay sustained profitability. It is not certain that any of these remedies could, if necessary, be affected on commercially reasonable terms, or at all, or that they would permit Kodak to meet its scheduled debt service obligations. In addition, if Kodak incurs additional debt, the risks associated with Kodak's substantial leverage, including the risk that Kodak will be unable to service its debt or generate enough cash flow to fund its liquidity needs, could intensify.

2. *If Kodak is Unsuccessful with its Strategic Investment Decisions, Financial Performance Could be Adversely Affected.*

Kodak has focused its emergence business plan and investments on commercial businesses in large growth markets that are positioned for technology and business model transformation, specifically, commercial inkjet, packaging and functional printing solutions, and enterprise services. While Kodak believes each of these businesses has significant growth

potential, they may also require additional investment and the business plan may not be successful even if implemented. The introduction of successful innovative products and the achievement of scale are necessary for Kodak to grow these businesses, improve margins and achieve its financial objectives. The introduction of products requires great precision in forecasting demand and understanding commercial business requirements in a rapidly moving marketplace. If Kodak is unsuccessful in growing its investment businesses as planned, its financial performance could be adversely affected.

3. *Kodak's Failure to Implement Plans, or Delays in Implementing Plans to Reduce its Cost Structure Could Negatively Affect its Consolidated Results of Operations, Financial Position and Liquidity.*

Kodak recognizes and has communicated the need to rationalize its workforce and streamline operations to a leaner more focused organization aligned with its identified emerging businesses and operations. Kodak has started implementing cost rationalization plans including a restructuring of resources, manufacturing, supply chain, marketing, sales and administrative resources. There are no assurances that such implementation will be successful or that the results Kodak will achieve will be consistent with its expectations. Additionally, if restructuring plans are not effectively managed, Kodak may experience lost customer sales, product delays and other unanticipated effects, causing harm to their business and customer relationships. Kodak's reorganization business plan is subject to a number of assumptions, projections, and analysis. If these assumptions prove to be incorrect, Kodak may be unsuccessful in executing its business plan or achieving the projected results, which could adversely impact its financial results and liquidity. 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 that could adversely affect Kodak's businesses.

4. *Kodak's Inability to Effectively Complete and Manage Divestitures and Other Significant Transactions Could Adversely Impact its Business Performance, Including its Financial Results.*

As part of its strategy, Kodak is engaged in discussions with third parties regarding possible divestitures, asset sales, investments, acquisitions, strategic alliances, joint ventures, and outsourcing transactions and enter into agreements relating to such transactions in order to further Kodak's business objectives. In order to pursue this strategy successfully, Kodak must identify suitable buyers, sellers and partners and successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the elimination of any post sale cost overhang related to divested businesses. Risks of transactions can be more pronounced for larger and more complicated transactions, or if multiple transactions are pursued simultaneously. If Kodak fails to identify and successfully complete transactions that further its strategic objectives, Kodak may be required to expend resources to develop products and technology internally, Kodak may be at a competitive disadvantage or Kodak may be adversely affected by negative market perceptions, any of which may have an adverse effect on its revenue, gross margins and profitability. In addition, unpredictability surrounding the timing of such transactions could adversely affect Kodak's financial results.

5. *Kodak'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 Reorganized Kodak's Financial Position, Results of Operations, and Cash Flow.*

Kodak has significant defined benefit pension obligations. The funded status of Kodak's U.S. and non-U.S. defined benefit pension plans and other postretirement benefit plans, and the related cost reflected in Kodak'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, 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 Kodak's plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on Kodak's consolidated results of operations, financial position or liquidity.

6. *If Kodak Cannot Continue to License or Enforce the Intellectual Property Rights on Which Its Business Depends, or If Third Parties Assert That Kodak Violates Their Intellectual Property Rights, Reorganized Kodak's Revenue, Earnings, Expenses and Liquidity May Be Adversely Impacted.*

Kodak relies 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 their employees, customers, suppliers and other parties, to establish, maintain and enforce their intellectual property rights. Despite these measures, any of Kodak'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 Kodak 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, Kodak may be unable to protect its proprietary technology adequately against unauthorized third party copying, or infringement or use, which could adversely affect Kodak's competitive position. Also, because of the rapid pace of technological change in the information technology industry, much of Kodak's business and products rely on key technologies developed or licensed by third parties, and Kodak may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

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

In addition, third parties may claim that Kodak's customers, licensees or other parties indemnified by Kodak are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit Kodak'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 Kodak. Even if Kodak believes 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 Kodak to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting Kodak from marketing or selling certain of their products. Even if Kodak has an agreement to indemnify it against such costs, the indemnifying party may be unable to uphold its contractual obligations. If Kodak cannot or does not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source, Kodak's revenue and earnings could be adversely impacted.

Finally, Kodak uses open source software in connection with its 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, Kodak could be subject to suits by parties claiming ownership of what Kodak believes to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose Kodak's source code or pay damages for breach of contract could be harmful to Reorganized Kodak's business results of operations and financial condition.

7. *The Competitive Pressures Kodak Faces Could Harm its Revenue, Gross Margins and Market Share.*

The markets in which Kodak does business are highly competitive with large, entrenched, and well financed industry participants. In addition, Kodak encounters aggressive price competition for all Kodak's products and services from numerous companies globally. Kodak's results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures. If Kodak's products, services and pricing are not sufficiently competitive with current and future competitors, Kodak could also lose market share, adversely affecting its revenue and gross margins.

8. *If Kodak's Commercialization and Manufacturing Processes Fail to Prevent Product Reliability and Quality Issues, its Product Launch Plans May Be Delayed, Financial Results May Be Adversely Impacted, and Kodak's Reputation May Be Harmed.*

In developing, commercializing and manufacturing its products and services, Kodak must adequately address reliability and other quality issues, including defects in its engineering, design and manufacturing processes, as well as defects in third-party components

included in its products. Because Kodak's products are 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 Kodak has established internal procedures to minimize risks that may arise from product quality issues, there can be no assurance that Kodak will be able to eliminate or mitigate occurrences of these issues and associated liabilities. Product reliability and quality issues may impair Kodak's relationships with new or existing customers and adversely affect its brand image, and its reputation as a producer of high-quality products could suffer, which could adversely affect its business as well as financial results. Product quality issues can also result in recalls, warranty, or other service obligations and litigation.

9. *If Kodak Cannot Effectively Anticipate Technology Trends and Develop and Market New Products to Respond to Changing Customer Preferences, Reorganized Kodak's Revenue, Earnings and Cash Flow, Could Be Adversely Affected.*

Kodak must develop and introduce new products and services in a timely manner to keep pace with technological developments and achieve customer acceptance. If Kodak is unable to anticipate new technology trends and develop improvements to their current technology to address changing customer preferences, this could adversely affect its revenue, earnings and cash flow. Due to changes in technology and customer preferences, the market for traditional film is in decline. Kodak's success depends in part on its ability to manage the decline of the market for these traditional products by continuing to reduce Kodak's cost structure to maintain profitability.

10. *Continued Weakness or Worsening of Economic Conditions Could Continue to Adversely Affect Reorganized Kodak's Financial Performance and Liquidity.*

The global economic environment and declines in consumption in Kodak's end markets have adversely affected sales of Kodak's products and profitability. This environment and decline was a factor leading to these Chapter 11 Cases. Further, global financial markets have been experiencing volatility. Economic conditions could accelerate the continuing decline in demand for Kodak's products, which could also place pressure on its results of operations and liquidity. There is no guarantee that anticipated economic growth levels in markets that have experienced some economic recovery will continue in the future, or that Kodak will succeed in expanding sales in these markets. In addition, accounts receivable and past due accounts could increase due to a decline in Kodak's customers' ability to pay as a result of the economic downturn, and Kodak's liquidity, including its ability to use credit lines, could be negatively impacted by failures of financial instrument counterparties, including banks and other financial institutions. If the global economic weakness and tightness in the credit markets continue for a greater period of time than anticipated or worsen, Kodak's profitability and related cash generation capability could be adversely affected and, therefore, affect Kodak's ability to meet its anticipated cash needs, impair its liquidity or increase its costs of borrowing.

11. *If Kodak Cannot Attract, Retain and Motivate Key Employees, its Revenue and Earnings Could Be Harmed.*

To be successful, Kodak must continue to attract, retain and motivate executives and other key employees, including technical, managerial, marketing, sales, research and support positions. Hiring and retaining qualified executives, research and engineering professionals, and qualified sales representatives, particularly in Kodak's targeted growth markets, is critical to Kodak's future. If Kodak cannot attract qualified individuals, retain key executives and employees or motivate their employees, its business could be harmed.

12. *Due to the Nature of the Products Kodak Sells and Their Worldwide Distribution, Kodak Is Subject to Changes in Currency Exchange Rates, Interest Rates and Commodity Costs That May Adversely Impact its Results of Operations and Financial Position.*

As a result of Kodak's global operating and financing activities, Kodak is exposed to changes in currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Exchange rates and interest rates in markets in which Kodak does business tend to be volatile and at times its sales can be negatively impacted across all of Kodak's segments depending upon the value of the U.S. dollar, the Euro and other major currencies. In addition, Kodak'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 Kodak's revenue and earnings.

13. *If Kodak Is Unable to Provide Competitive Financing Arrangements to Its Customers or If It Extends Credit to Customers Whose Creditworthiness Deteriorates, This Could Adversely Impact Kodak's Revenues, Profitability and Financial Position.*

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

14. *Kodak Has Outsourced a Significant Portion of Its Overall Worldwide Manufacturing, Logistics and Back Office Operations and Faces the Risks Associated with Reliance on Third-Party Suppliers.*

Kodak has outsourced a significant portion of its overall worldwide manufacturing, logistics, customer support and administrative operations to third parties. To the extent that Kodak relies on third-party service providers, it faces the risk that those third parties may not be able to:

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

Further, even if Kodak honors its payment and other obligations to its 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, Kodak may be unable to meet its customer commitments, its costs could be higher than planned, and its cash flows and the reliability of its products could be negatively impacted. Kodak will vigorously enforce its contractual rights under such circumstances, but there is no guarantee it will be successful in preventing or mitigating the effects of unilateral actions by its suppliers. Other supplier problems that Kodak could face include electronic component shortages, excess supply, risks related to favorable terms, the duration of Kodak'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, Kodak could experience interruptions in supply or increases in costs that might result in Kodak's inability to meet customer demand for Kodak's products, damage to Kodak's relationships with Kodak's customers, and reduced market share, all of which could adversely affect Reorganized Kodak's results of operations and financial condition.

15. *Business Disruptions Could Seriously Harm Kodak's Future Revenue and Financial Condition and Increase its Costs and Expenses.*

Kodak's worldwide operations could be subject to earthquakes, power shortages, telecommunications failures, cyber-attacks, terrorism, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics, political or economic instability, and other natural or manmade disasters or business interruptions, for which they are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm Kodak's revenue and financial condition and increase its costs and expenses. In addition, some areas, including parts of the East and West coasts of the United States, have previously experienced, and may experience in the future, major power shortages and

blackouts. These blackouts could cause disruptions to Kodak's operations or the operations of its suppliers, distributors and resellers, or customers. The impact of these risks is greater in areas where products are manufactured at a sole location or limited number of locations, and where the sourcing of materials is limited to a sole or limited base of suppliers since any material interruption in operations in such locations or suppliers could impact Kodak's ability to provide a particular product or service for a period of time. These events could seriously harm Kodak's revenue and financial condition, and increase Kodak's costs and expenses.

16. *Kodak'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 Kodak's Results of Operations.*

Kodak has 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 Kodak's products, an internal systems failure, increases in materials costs, or failure of or performance problems with one of Kodak's key logistics, components supply, or manufacturing partners, could have a material adverse impact on Kodak's financial condition and operating results, particularly if such developments occur late in the third quarter or during the fourth fiscal quarter. 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. These external developments are often unpredictable and may have an adverse impact on Kodak's business and results of operations.

17. *If Kodak Fails to Manage Distribution of Its Products and Services Properly, Its Revenue, Gross Margins and Earnings Could Be Adversely Impacted.*

Kodak uses a variety of different distribution methods to sell and deliver its 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 Kodak's products and services is a complex process. Moreover, since each distribution method has distinct risks and costs, Kodak's failure to implement the most advantageous balance in the delivery model for Kodak's products and services could adversely affect Kodak's revenue, gross margins and earnings. This has concentrated Kodak's credit and operational risk and could result in an adverse impact on Reorganized Kodak's financial performance.

18. *Kodak May Be Required to Recognize Additional Impairments in the Value of its Goodwill and/or Other Long-Lived Assets, Which Would Increase Expenses and Reduce Profitability.*

Goodwill represents the excess of the amount paid to acquire businesses over the fair value of their net assets at the date of the acquisition. Kodak tests 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, Kodak'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 flows. Kodak will 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 Kodak's reporting units decline, silver prices increase significantly, or if reporting unit carrying values change materially compared with changes in respective fair values. On February 1, 2013, EKC closed the sale of its Digital Imaging Patent Portfolio. The cash flows related to the intellectual property goodwill reporting unit from patent licensing activity will significantly change and the fair value of the reporting unit may be materially impacted as a result of the sale.

19. *Kodak's Future Results Could Be Harmed If Kodak is Unsuccessful in Their Efforts to Expand Sales in Emerging Markets.*

Because Kodak is seeking to expand its sales and customer relationships outside the United States, and specifically in emerging markets in Asia, Latin America and Eastern Europe, Kodak'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 Kodak'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 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 Kodak will be able to market and sell Kodak's products in all targeted markets. If Kodak's efforts are unsuccessful, its business growth and results of operations could be harmed.

20. *Kodak Is and Will Be 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 Kodak's Business, Results of Operations and Financial Condition.*

Kodak is and will be subject to environmental laws and regulations in the jurisdictions in which it conducts 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 Kodak's products and the recycling and treatment and disposal of those products. If Kodak does not comply with applicable laws and regulations in connection with the use and management of hazardous substances, then Kodak could be subject to liability and/or could be prohibited from operating certain facilities, which could have a material adverse effect on Kodak's business, results of operations and financial condition.

21. *New Regulations Related to Conflict Minerals Will Require Kodak to Incur Additional Expenses and Could Limit the Supply and Increase the Cost of Certain Metals Used in Manufacturing their Products.*

In August 2012, the SEC adopted rules requiring disclosure related to sourcing of specified minerals, known as "conflict minerals," that are necessary to the functionality or production of products manufactured or contracted to be manufactured by public companies. The new rules, effective in 2013, require a report to be filed by May 31, 2014, and if applicable, require companies to undertake due diligence, and disclose whether or not such minerals originated from the Democratic Republic of the Congo or an adjoining country. As a result, additional expenses will be incurred in complying and performing due diligence in complying with the new rules. In addition, the implementation of the new rules could adversely affect Kodak's sourcing, supply and pricing of materials used in their products. There may only be a limited number of suppliers offering "conflict free" conflict minerals, and Kodak cannot be certain that they will be able to obtain necessary "conflict free" conflict minerals from such suppliers in sufficient quantities or at competitive prices. Because Kodak's supply chain is complex, Kodak may also not be able to sufficiently verify the origins of the relevant minerals used in Kodak's products through the due diligence procedures that its implement, which may harm its reputation.

10. U.S. SECURITIES LAW CONSIDERATIONS

A. Rights

The Rights to purchase shares of New Common Stock in the Rights Offerings will not be listed or quoted on any public or over-the-counter exchange or quotation system.

The 1145 Rights and 4(2) Rights, and any 1145 Rights Offering Shares or 4(2) Rights Offering Shares issuable upon the Effective Date pursuant to the exercise thereof, will be distributed and issued only to 1145 Eligible Participants and 4(2) Eligible Participants, respectively.

The 1145 Rights are not detachable from 1145 Eligible Claims. The 1145 Rights are not transferable after the 1145 Claim Determination Date. In addition, if any portion of an 1145 Eligible Claim is or has been (after the 1145 Claim Determination Date) transferred by an 1145 Eligible Participant, the corresponding 1145 Rights will be cancelled, and neither such 1145 Eligible Participant nor the transferee of such 1145 Eligible Claim will receive 1145 Rights Offering Shares in connection with such transferred 1145 Eligible Claim.

The 4(2) Rights are not transferable or detachable from 4(2) Eligible Claims. In addition, if any portion of a 4(2) Eligible Claim is or has been transferred after the 4(2) Certification Date, the corresponding 4(2) Rights will be cancelled, and neither the transferor nor the transferee of such 4(2) Eligible Claim will receive 4(2) Rights Offering Shares in connection with such transferred 4(2) Eligible Claim. 4(2) Rights are not exercisable other than by a 4(2) Eligible Participant.

B. 1145 Securities

1. Issuance

The Plan provides for the offer, issuance, sale or distribution of the Unsecured Creditor New Common Stock Pool, the 1145 Rights Offering Shares, the Warrants and the shares of New Common Stock underlying the Warrants (collectively, the “**1145 Securities**”). Except with respect to any person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, the 1145 Securities will be exempt from registration under section 5 of the Securities Act (or any State or local law requiring registration for offer or sale of a security) under section 1145 of the Bankruptcy Code.

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act, and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in

exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property.

For example, without regard to the value of the Rights, an 1145 Eligible Participant that owns an 1145 Eligible Claim in the amount of \$1 million will receive, in exchange for such 1145 Eligible Claim, (i) shares of New Common Stock from the Unsecured Creditor New Common Stock Pool with an estimated value of at least \$25,575;³¹ (ii) 125% Warrants with an estimated value of at least \$1,700; (iii) 135% Warrants with an estimated value of at least \$1,400; (iv) net proceeds from the Kodak GUC Trust with an estimated value of at least \$3,900, and (v) if such 1145 Eligible Participant is not a 4(2) Eligible Participant, an additional cash distribution as part of the Rights Offerings Consideration. An 1145 Eligible Claim of the same amount entitles an 1145 Eligible Participant to purchase up to 2,142 1145 Rights Offering Shares for a total cash purchase price of \$25,575. Because the total value of such an 1145 Eligible Claim, as implied by the value of such distributions under the Plan, is equal to at least \$32,000, and thus significantly exceeds the cash value payable on account of such Claim pursuant to the 1145 Rights Offering, the Debtors submit that all 1145 Securities issued pursuant to the Plan will be issued principally in exchange for the corresponding 1145 Eligible Claims, and only partly in exchange for the cash purchase price to be paid pursuant to the 1145 Rights Offering, and that the 1145 Securities therefore satisfy all the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws (except with respect to an underwriter as described above).³²

The Debtors believe that the value of the direct distributions being made to 1145 Eligible Participants pursuant to the Plan on account of their 1145 Eligible Claims (excluding the 1145 Rights and, if applicable, 4(2) Rights), and thus the value of the interests in any such 1145 Eligible Claim to be exchanged pursuant to the 1145 Rights Offering, exceeds the value of the capital being raised pursuant to the exercise of the 1145 Rights.

2. Subsequent Transfers

The 1145 Securities may be freely transferred by most recipients following the initial issuance under the Plan, and all resales and subsequent transfers of the 1145 Securities are exempt from registration under the Securities Act and state securities laws, unless the holder is an "underwriter" with respect to such securities. Section 1145(b) of the Bankruptcy Code defines four types of "underwriters":

- (i) persons who purchase a claim against, an interest in, or a claim for an administrative expense against the debtor with a view to distributing any security received in exchange for such claim or interest;

³¹ This calculation assumes that the total amount of Claims in Class 4 and Class 6 equals \$2.8 billion. Kodak currently expects that the total amount of Claims in Class 4 and Class 6 will be between \$2.2 billion and \$2.8 billion.

³² The amounts given in this paragraph are estimates based on certain assumptions. Actual values may vary based on several factors, including, but not limited to, the outcome of Avoidance Actions and the volatility of the price of the New Common Stock.

- (ii) persons who offer to sell securities offered under a plan for the holders of such securities;
- (iii) persons who offer to buy such securities from the holders of such securities, if the offer to buy is:
 - (A) with a view to distributing such securities; and
 - (B) under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or
- (iv) a person who is an “issuer” with respect to the securities as the term “issuer” is defined in section 2(a)(11) of the Securities Act.

Under section 2(a)(11) of the Securities Act, an “issuer” includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer.

To the extent that persons who receive 1145 Securities pursuant to the Plan are deemed to be underwriters, resales by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Persons deemed to be underwriters may, however, be permitted to resell such 1145 Securities without registration pursuant to the provisions of Rule 144 under the Securities Act. As described in further detail below, Rule 144 provides an exemption for the public resale of securities, such as 1145 Securities, if certain conditions are met. These conditions depend on whether the holder of the securities is considered to be an “affiliate” of the issuer. An affiliate is defined as “a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer.” An 1145 underwriter who is an affiliate of Reorganized Kodak may resell 1145 Securities after the six-month holding period only if, at the time of the sale, certain current public information regarding the issuer is available and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. An 1145 underwriter who is not, and has not been for at least three months, an affiliate of Reorganized Kodak or its predecessor, may resell 1145 Securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 12 months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain company information is made publicly available. The Debtors currently expect that Reorganized Kodak will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the Effective Date).

Whether or not any particular person would be deemed to be an underwriter with respect to the 1145 Securities or other security to be issued pursuant to the Plan would depend

upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any particular person receiving 1145 Securities or other securities under the Plan would be an underwriter with respect to such 1145 Securities or other securities.

C. 4(2) Securities

1. Issuance

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor from registration promulgated by the SEC under section 4(2) of the Securities Act.

The Debtors believe that the 4(2) Rights Offering Shares and the shares of New Common Stock to be reserved for issuance in connection with the Backstop Fees (together, the “4(2) Securities”) are issuable without registration under the Securities Act in reliance upon the exemption from registration provided under section 4(2) of the Securities Act and/or Regulation D promulgated thereunder. These shares will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration, under the Securities Act and other applicable law, as described below.

2. Subsequent Transfers

Because the 4(2) Securities will not be issued pursuant to section 1145(a)(1) of the Bankruptcy Code, they will be deemed “restricted securities” that may not be offered, sold, exchanged, assigned or otherwise transferred unless they are registered under the Securities Act, or an exemption from registration under the Securities Act is available.

The Debtors do not plan to register the 4(2) Securities held by persons other than the Backstop Parties. Thus, persons who receive 4(2) Securities (other than the Backstop Parties) will not be permitted to offer, sell or otherwise transfer their 4(2) Securities except pursuant to an available exemption from registration.

All persons (other than Backstop Parties) who purchase 4(2) Securities will be required to agree that they will not offer, sell or otherwise transfer any 4(2) Securities except in accordance with the exemption from registration provided by Rule 144 under the Securities Act, if and when available.

Rule 144 provides an exemption for the public resale of “restricted securities” if certain conditions are met. These conditions vary depending on whether the holder of the restricted securities is an affiliate of the issuer. An affiliate is defined as “a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer.”

A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the

securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the twelve months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain information about the issuer is made publicly available. The Debtors currently expect that Reorganized Kodak will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the emergence date).

An affiliate may resell restricted securities after the six-month holding period if at the time of the sale certain current public information regarding the issuer is available. As noted above, the Debtors currently expect that this information requirement will be satisfied. The affiliate must also comply with the volume, manner of sale and notice requirements of Rule 144. First, the rule limits the number of restricted securities (plus any unrestricted securities) sold for the account of an affiliate (and related persons) in any three-month period to the greater of 1% of the outstanding securities of the same class being sold, or, if the class is listed on a stock exchange, the greater of 1% of the average weekly reported volume of trading in such restricted securities during the four weeks preceding the filing of a notice of proposed sale on Form 144. Second, the manner of sale requirement provides that the restricted securities must be sold in a broker's transaction, which generally means they must be sold through a broker and handled as a routine trading transaction. The broker must receive no more than the usual commission and cannot solicit orders for the sale of the restricted securities except in certain situations. Third, if the sale exceeds 5,000 restricted securities or has an aggregate sale price greater than \$50,000, an affiliate must file with the SEC three copies of a notice of proposed sale on Form 144. The sale must occur within three months of filing the notice unless an amended notice is filed.

The Debtors believe that the Rule 144 exemption will not be available with respect to any 4(2) Securities (whether held by non-affiliates or affiliates) until at least six months after the Effective Date. Accordingly, holders of 4(2) Securities will be required to hold their 4(2) Securities for at least six months and, thereafter, to sell them only in accordance with the applicable requirements of Rule 144.

All 4(2) Securities will be issued in certificated form and will bear a restrictive legend. Except with respect to the Backstop Parties, each certificate representing, or issued in exchange for or upon the transfer, sale or assignment of, any 4(2) Security shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], AND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE ACT PROVIDED BY RULE 144 THEREUNDER, WHEN AVAILABLE.”

Reorganized Kodak will reserve the right to require certification or other evidence of compliance with Rule 144 as a condition to the removal of such legend or to any resale of the 4(2) Securities. Reorganized Kodak will also reserve the right to stop the transfer of any 4(2) Securities if such transfer is not in compliance with Rule 144. Any person who purchases 4(2) Securities pursuant to the 4(2) Rights Offering will be required to acknowledge and agree not to resell such securities except in accordance with Rule 144, when available, and that the securities will be subject to the other restrictions described above.

Any persons receiving “restricted securities” under the Plan should consult with their own counsel concerning the availability of an exemption from registration for resale of these securities under the Securities Act and other applicable law.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE AND THE HIGHLY FACT-SPECIFIC NATURE OF THE AVAILABILITY OF EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, INCLUDING THE EXEMPTIONS AVAILABLE UNDER SECTION 1145 OF THE BANKRUPTCY CODE AND RULE 144 UNDER THE SECURITIES ACT, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF THE SECURITIES TO BE ISSUED UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

11. MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

This section describes the material United States federal income tax consequences of the Plan to the Debtors, to Holders of Claims that are entitled to vote to accept or reject the Plan, and to the current Holders of Equity Interests. No rulings or determinations of the IRS or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. Events occurring after the date of this Disclosure Statement and prior to the Consummation of the Plan, including changes in law and changes in administrative positions, could affect the United States federal income tax consequences of the Plan. A substantial amount of time may elapse between the date of this Disclosure Statement and the Consummation of the Plan. This discussion does not take into account the particular circumstances of each Holder of Claims or Equity Interests and no assurance is given that the tax consequences discussed below will in fact apply to any such Holder.

This discussion is based on the Internal Revenue Code, its legislative history, existing and proposed regulations under the Internal Revenue Code, published IRS rulings and court decisions, all as currently in effect. These laws are subject to change, possibly with retroactive effect.

The following discussion does not address any United States state or local or non-United States tax consequences of the Plan.

The consequences of the Plan may be complex. Please consult your own tax advisor concerning the consequences of the transactions pursuant to the Plan in your particular circumstances under the Internal Revenue Code and the laws of any other tax jurisdiction.

A. United States Federal Income Tax Consequences of the Plan to the Debtors and the Reorganized Debtors

The discussion below assumes that Reorganized Kodak will be a continuation of EKC for United States federal income tax purposes.

1. Cancellation of Indebtedness Income

The satisfaction of the General Unsecured Claims pursuant to the Plan and the conversion of the convertible DIP Term Loans into the Emergence Rollover Term Loans, if it occurs, may result in the cancellation of a portion of the Debtors' outstanding indebtedness. In general, the discharge of a debt obligation in exchange for an amount of cash and other property having a fair market value less than the "adjusted issue price" of the debt that is discharged gives rise to cancellation of indebtedness income ("**COD Income**") to the debtor. However, COD Income is not taxable to the debtor if the debt discharge occurs in a title 11 bankruptcy case. Rather, such COD Income instead will reduce certain of the Debtors' tax attributes, generally in the following order: (a) net operating losses and carryforwards of net operating losses; (b) general business credit carryforwards; (c) minimum tax credit carryforwards; (d) capital loss carryforwards; (e) the tax basis of the Debtors' property (but not below the amount of its liabilities immediately after the discharge); (f) passive activity loss and credit carryforwards; and (g) foreign tax credit carryforwards. A debtor may elect to alter the preceding order of attribute reduction and, instead, first reduce the tax basis of its depreciable assets (which may also include the depreciable assets of its subsidiaries). The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined (*i.e.*, such attributes may be available to offset taxable income that accrues between the date of discharge and the end of the Reorganized Debtors' taxable year). If the total COD Income exceeds the amount of available tax attributes, that excess is not subject to United States federal income tax and has no other United States federal income tax impact (but may trigger a recognition of other unrelated deferred items of income).

Because some of the Debtors' outstanding indebtedness will be satisfied in exchange for shares of New Common Stock, the amount of COD Income the Debtors will have, and accordingly the amount of their tax attributes required to be reduced, will depend in part on the fair market value of the shares of New Common Stock. This value cannot be known with certainty until after the Effective Date.

2. Post-Ownership Change Limitation on Use of Pre-Ownership Change Tax Attributes

As of December 31, 2012, the Debtors had approximately \$2.6 billion of United States federal net operating loss carryforwards, approximately \$535 million in United States federal foreign tax credit carryforwards, and approximately \$19 million of federal research and

development credits. Based on current projections, which may change, the Debtors expect to incur approximately \$279 million of additional net operating losses during the first four years after the Effective Date. The amount of Tax Attributes that will be available to the Debtors at the Effective Date is based on a number of factors and is difficult to calculate with any precision at this time. Some of the factors that will affect the amount of available Tax Attributes include: the amount of additional tax losses, if any, incurred by the Debtors prior to the Effective Date and the amount of additional foreign tax credits to which the Debtors become entitled prior to the Effective Date, the value of the shares of New Common Stock issued pursuant to the Plan, and the amount of COD Income realized by the Debtors in connection with the Consummation of the Plan.

The Debtors anticipate that they will experience an “ownership change” (within the meaning of section 382 of the Internal Revenue Code) as a result of Distributions pursuant to the Plan. Sections 382 and 383 of the Internal Revenue Code generally apply if a corporation undergoes an ownership change and they limit the corporation’s use, after its ownership change, of its pre-ownership change Tax Attributes (the “**Section 382 Limitation**”). The Section 382 Limitation on a corporation’s use of pre-ownership change Tax Attributes in any post-ownership change year is generally equal to the product of the fair market value of the corporation’s outstanding stock immediately before the ownership change and the long-term tax-exempt rate posted by the IRS (2.80% for July 2013) in effect for the month in which the ownership change occurs. Generally, if the corporation experiencing an ownership change has a net unrealized built-in gain (generally, the excess, if any, of the aggregate fair market value of the corporation’s assets over the aggregate tax basis of such assets) at the time of the ownership change, the Section 382 Limitation which would otherwise apply in each of the first five post-change taxable years will be increased by the amount of such built-in gains that are recognized. Section 382 may also limit the Debtors’ ability to use “net unrealized built-in losses” to offset future taxable income. The Debtors currently anticipate that Kodak is in a net unrealized built-in loss position. Moreover, the Reorganized Debtors’ pre-ownership change Tax Attributes will be subject to further limitations if the Reorganized Debtors do not continue their business enterprise for at least two years following the ownership change or if they experience additional future ownership changes.

If the Plan is approved, the Debtors do not expect to qualify for the special rule under section 382(l)(5) of the Internal Revenue Code (section 382(l)(5) of the Internal Revenue Code materially alleviates the restrictions described above). However, section 382(l)(6) of the Internal Revenue Code may provide some relief from the Section 382 Limitation because it will allow the Reorganized Debtors to calculate their limitation, in general, by reference to their equity value immediately after the ownership change (rather than the equity value of the Debtors immediately before the ownership change, as is the case under the general rule for non-bankruptcy ownership changes and thus reflecting the increase in the value of the stock due to the cancellation of debt resulting from the Plan).

Future transactions in the shares of New Common Stock could give rise to additional ownership changes with respect to the Reorganized Debtors to which the regular rules of section 382 of the Internal Revenue Code would apply

B. United States Federal Income Tax Consequences of the Plan to Holders of Claims and Equity Interests

This section applies only to Holders that hold their Claims or Equity Interests in EKC as capital assets for United States federal income tax purposes and will hold the shares of New Common Stock, Rights and Warrants as capital assets for United States federal income tax purposes, as applicable. Except as specifically set forth below, this section does not apply to a member of a class of Holders subject to special rules, such as:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings;
- a bank;
- a life-insurance company;
- a tax-exempt organization;
- a person who holds Claims, Equity Interests, shares of New Common Stock, Rights or Warrants that are a hedge or that are hedged against interest rate risks;
- a person who owns Claims, Equity Interests, shares of New Common Stock, Rights or Warrants as part of a straddle or conversion transaction for United States federal income tax purposes;
- a person who disposes of Claims, Equity Interests, shares of New Common Stock, Rights or Warrants as part of a wash sale for United States federal income tax purposes; or
- a United States Holder whose functional currency is not the U.S. dollar for United States federal income tax purposes.

If a partnership holds Claims, Equity Interests, shares of New Common Stock, Rights or Warrants, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Claims, Equity Interests, shares of New Common Stock, Rights or Warrants should consult its tax advisor with regard to the United States federal, state, local, and foreign income tax treatment of the transactions described herein and in the Plan.

1. Tax Treatment of the Kodak GUC Trust and Transfers Thereto

As discussed above in Section 5.N.13, “Federal Income Tax Treatment of the Kodak GUC Trust,” each Holder that is a beneficiary of the Kodak GUC Trust agrees to treat the Kodak GUC Trust as a grantor trust for United States federal income tax purposes and to be treated as the owner of the assets of the Kodak GUC Trust in accordance with its beneficial

interest (such interest, a Holder's "**Kodak GUC Trust Asset Interest**"). The discussion below assumes that the Kodak GUC Trust and the owners of beneficial interests therein are properly characterized in this manner for United States federal income tax purposes. Consequently, transfers to the Kodak GUC Trust of assets are treated as transfers of such assets (other than to the extent allocable to Disputed Claims) to the Holders receiving Kodak GUC Trust Asset Interests (in accordance with such Holders' beneficial interests in the Kodak GUC Trust Disputed Claims Reserve), followed by the transfer by such assets to the Kodak GUC Trust in exchange for their Kodak GUC Trust Asset Interests.

According to the Plan, as soon as possible after the Effective Date, the Kodak GUC Trustee shall make a good-faith valuation of the Kodak GUC Trust's assets, and such valuation shall be made available from time to time, to the extent relevant, and shall be used consistently by all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the beneficiaries of the Kodak GUC Trust), for all federal income tax purposes.

The Kodak GUC Trust is intended to be treated as a liquidating trust, as defined in Treasury Regulations section 301.7701-4(d) and has been structured in a way to conform to the requirements set forth in Revenue Procedure 94-45, 1994-2 C.B. 684, in which the IRS set forth general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. At this time, it is not clear whether the Kodak GUC Trustee or the Debtors will file a request for such a ruling with the IRS. Therefore, there can be no assurance as to whether the IRS or the courts would agree with the characterization of the Kodak GUC Trust described herein. Holders are urged to consult their tax advisors regarding the proper characterization of the Kodak GUC Trust.

2. United States Holders

This subsection describes tax consequences to a United States Holder. A "**United States Holder**" is a beneficial owner of a Claim, Equity Interest in EKC, Rights, Warrants, or shares of New Common Stock if the Holder is:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust, if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This subsection does not apply to a Holder that is not a United States Holder; such Holders should refer to "— United States Alien Holders" below.

a. Consequences of the Plan to United States Holders of General Unsecured Claims, and Convenience Claims

The United States federal income tax consequences to United States Holders of General Unsecured Claims depend on whether such Claims constitute “securities” of EKC for United States federal income tax purposes. Whether an instrument constitutes a security for United States federal income tax purposes is determined based on all the facts and circumstances, but most authorities have held that the term of a debt instrument at the time of its issuance is an important factor in determining whether such instrument is a security for United States federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security. Holders of General Unsecured Claims are urged to consult their tax advisors to determine whether, given their particular circumstances, their Claim constitutes a security of EKC.

With respect to the General Unsecured Claims that are treated as securities of EKC, the Plan pursuant to which the Holders of such Claims are exchanged for shares of New Common Stock, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash, if any, should be treated as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. In such case, Holders of such Claims should not recognize any gain or loss upon the exchange, except that (i) to the extent that the consideration received in exchange for such Claims is treated as attributable to accrued but untaxed interest on such Claims, Holders of such Claims will be required to include such amount in ordinary income and (ii) Holders of such Claims should recognize any gain, but not loss, realized upon the exchange to the extent they receive Kodak GUC Trust Asset Interests and cash, if any, other than Kodak GUC Trust Asset Interests and cash described in (i). In that case, Holders should include an amount equal to the lesser of the gain realized and the sum of the fair market value of such Kodak GUC Trust Asset Interests and cash, if any, received in income as capital gain, except with respect to Claims that were acquired with market discount, where such gain should be treated as ordinary to the extent of the market discount that accrued while such Claims were considered held by such Holder and was not previously included in income by such Holder. Under the Plan, the Debtors and all Holders of Allowed Claims are required to treat Distributions in full or partial satisfaction of Allowed Claims as allocable first to the principal amount of Allowed Claims, with any excess allocable to unpaid interest that has accrued on such Claims. However, whether this method of allocating Distributions will be respected for United States federal income tax purposes is not clear, and the IRS could assert that a different method should be used. Holders of such Claims are advised to consult their own tax advisors as to the allocation rules and the potential tax consequences to them if the IRS were to make such an assertion. A Holder receiving a Kodak GUC Trust Asset Interest should obtain a tax basis in such share equal to its fair market value at the time of the receipt. A Holder of a General Unsecured Claim that is treated as a security of EKC should generally obtain an aggregate tax basis in the shares of New Common Stock, Warrants, and Rights received in exchange for such Claim equal to its tax basis in such Claim increased by any gain it recognized and reduced by the amount of cash, if any, received upon the exchange. Notwithstanding the previous sentence, such a Holder should receive a basis in any shares of New Common Stock, Warrants, and Rights which it receives as consideration that is attributable to accrued but untaxed interest on its Claim equal to the fair market value of such shares of New

Common Stock, Warrants, and Rights. Such a Holder should allocate its aggregate tax basis in the shares of New Common Stock, Warrants, and Rights received (other than to the extent such consideration is attributable to accrued but untaxed interest on such Claim) among the shares of New Common Stock, Warrants, and Rights so received in proportion to their respective fair market values at the time received. Such a Holder should have a holding period in the shares of New Common Stock, Warrants, and Rights received in exchange for its Claim equal to its holding period in such Claim, except to the extent such Holder receives such shares of New Common Stock, Warrants, and Rights as consideration that is attributable to accrued but untaxed interest on its Claim with respect to which such Holder should have a holding period that begins on the day following the receipt of such consideration.

The discussion above generally assumes that the exchange of General Unsecured Claims for shares of New Common Stock, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash, if any, is treated as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. However, it is possible that the IRS may assert that the exchange should be treated as part of a transaction governed by section 351 of the Internal Revenue Code and that section 368(a)(1)(E) of the Internal Revenue Code should not apply to the exchange. Holders of General Unsecured Claims are urged to consult their tax advisors regarding the proper characterization of the exchange and the resulting United States federal income tax consequences to them.

With respect to General Unsecured Claims that are not treated as securities of EKC (such as claims against any Debtor subsidiary of EKC), and with respect to Convenience Claims, a Holder of such Claims generally will be treated as exchanging its Claims for the consideration received for such Claims pursuant to the Plan in a taxable exchange. Accordingly, such a Holder generally should recognize capital gain or loss equal to the difference between (i) the fair market value of the shares of New Common Stock, Warrants, Rights, if any, Kodak GUC Trust Asset Interests, and the amount of cash, if any, received (excluding shares of New Common Stock, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash treated as attributable to accrued but untaxed interest on such Claims), and (ii) the Holder's adjusted basis in such Claims, except that any gain recognized with respect to Claims that were acquired with market discount that is attributable to the market discount that accrued while such Claims were considered held by such Holder and was not previously included in income by such Holder should be treated as ordinary income. To the extent that the shares of New Common Stock, Warrants, and Rights or cash is treated as attributable to accrued but untaxed interest on such Claims, Holders of such Claims will be required to include such amount as ordinary income.

Holders receiving Distributions of Excess Property from the Disputed Claims Reserve or the Kodak GUC Trust Disputed Claims Reserve are urged to consult their tax advisors regarding the particular United States federal income tax consequences of such receipt to them.

b. Consequences of the Plan to United States Holders of Equity Interests

Holders of Equity Interests, which are being cancelled under the Plan, will be entitled to claim a worthless stock deduction (assuming that the taxable year that includes the

Plan is the same taxable year in which such stock first became worthless and that such Holder did not previously claim a worthless stock deduction with respect to any Equity Interests) in an amount equal to the Holder's adjusted basis in the Equity Interests. A worthless stock deduction is a deduction allowed to a Holder of a corporation's stock for the taxable year in which such stock becomes worthless, for the amount of the loss resulting therefrom. The loss will be treated as a loss from the sale or exchange of such capital asset, the deductibility of which is limited.

c. Consequences of the Plan to United States Holders of Second Lien Notes Claims

A Holder of a Second Lien Notes Claim will generally recognize capital gain or loss upon the receipt of cash in exchange for its Claim equal to the difference between the amount of such cash (excluding amounts treated as attributable to accrued but untaxed interest on such Claim which such Holder will be required to include in ordinary income) and its adjusted tax basis in its Claim, except that any gain recognized with respect to such Claim that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued while such Claim was considered held by such Holder and was not previously included in income by such Holder. The deductibility of capital losses is subject to limitations. Under the Plan, the Debtors and all Holders of Allowed Claims are required to treat Distributions in full or partial satisfaction of Allowed Claims as allocable first to the principal amount of Allowed Claims, with any excess allocable to unpaid interest that has accrued on such Claims. However, whether this method of allocating Distributions will be respected for United States federal income tax purposes is not clear, and the IRS could assert that a different method should be used. Holders of such Claims are advised to consult their own tax advisors as to the allocation rules and the potential tax consequences to them if the IRS were to make such an assertion.

d. Consequences of the Plan to United States Holders of Rights

A Holder of Rights should generally not recognize gain or loss upon its exercise of such Rights. Such a Holder's tax basis in shares of New Common Stock received upon exercise of such Rights should equal the aggregate amount of such Holder's tax basis in such Rights, if any, and the amount paid for such shares of New Common Stock. Such a Holder should have a holding period in such stock that begins on the day following the acquisition thereof. Upon the lapse of such Rights, such a Holder should generally recognize a short-term capital loss equal to its tax basis in such Rights.

e. Consequences of the Plan to United States Holders of Warrants

(i) Exercise

The tax consequences of the cashless exercise of a Warrant are not clear. The exercise of the Warrants may be treated for United States federal income tax purposes either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. Under such treatment, in either case, a United States Holder generally will not recognize gain or loss upon exercise of a Warrant except that, if the Warrant Agreement

(when finalized) provides for the payment of cash in lieu of a fractional share of New Common Stock (and the discussion below so assumes), the receipt of such cash will generally be treated as if the United States Holder received the fractional share and then received such cash in redemption of such fractional share. Such redemption will generally result in capital gain or loss equal to the difference between the amount of cash received and the United States Holder's adjusted tax basis in the shares of New Common Stock that is allocable to the fractional share. A United States Holder will have a tax basis in the shares of New Common Stock received upon the exercise of a Warrant equal to its tax basis in the Warrant, less any amount attributable to any fractional share. If the Warrant is treated as an option to receive a variable number of shares of shares of New Common Stock, the holding period of shares of New Common Stock received upon the exercise of a Warrant will commence on the day the Warrant is exercised (or possibly on the day following the day the Warrant is exercised). If the exercise is treated as a recapitalization, the holding period of shares of New Common Stock received upon the exercise of a Warrant will include the holder's holding period of the Warrants, as discussed above under "— Consequences of the Plan to United States Holders of General Unsecured Claims and Convenience Claims".

However, the IRS could take the position that the exercise of the Warrants results in a taxable exchange resulting in gain or loss. The amount of gain or loss recognized on such deemed exchange and its character would depend on the position taken by the Internal Revenue Service regarding the nature of that exchange. If the United States Holder is treated as exchanging the Warrants for the shares of New Common Stock received on exercise, the amount of gain or loss will be the difference between the fair market value of the shares of New Common Stock and cash in lieu of fractional shares received on exercise and the United States Holder's basis in the Warrants. In that case, the United States Holder will have long-term capital gain or loss if its holding period in the Warrant exceeds one year.

Alternatively, the IRS could take the position that the United States Holder is treated as selling a portion of the Warrants or underlying shares of New Common Stock for cash that is used to pay the exercise price for the Warrant, in which case the amount of gain or loss will be the difference between that exercise price and the United States Holder's basis attributable to the Warrants or shares of New Common Stock deemed to have been sold. If the United States Holder is treated as selling Warrants, the holder will have long-term capital gain or loss if its holding period in the Warrants exceeds one year. If the United States Holder is treated as selling shares of New Common Stock, the holder will have short-term capital gain or loss. In either case, a United States Holder of a Warrant will also recognize gain or loss in respect of the cash received in lieu of a fractional share of New Common Stock in an amount equal to the difference between the amount of cash received and the portion of the United States Holder's tax basis attributable to such fractional share.

Holders of Warrants are urged to consult their tax advisors regarding these and other possible characterizations of the cashless exercise of their Warrants for United States federal, state, local and foreign tax purposes.

(ii) Sale, Exchange, Lapse, or Other Disposition

Upon the sale, exchange, lapse, or other disposition of a Warrant (other than its exercise), a Holder should generally recognize capital gain or loss equal to the difference between the amount realized and such Holder's adjusted tax basis in such Warrant. Such gain or loss should generally be long-term capital gain or loss if the Holder has held its Warrant for more than one year at the time of the sale, exchange, or other disposition, and short-term capital gain or loss otherwise. Depending on the particular circumstances in which the Claim for which the Warrant was exchanged had been acquired and the treatment of the United States Holder's exchange of its Claim for its Warrant, the sale, exchange or other disposition of the Warrant might result in the recognition of market discount. Holders of Warrants are urged to consult their tax advisors regarding the application of the market discount rules to any gain recognized upon the exercise, sale, exchange, or other disposition of a Warrant.

(iii) Adjustments

A Holder of Warrants might be treated as receiving a constructive dividend distribution from Reorganized Kodak if (i) the exercise price is adjusted and as a result of such adjustment such Holder's proportionate interest in Reorganized Kodak's assets or earnings and profits is increased and (ii) the adjustment is not made pursuant to a *bona fide*, reasonable anti-dilution formula, as determined under applicable Treasury Regulations. An adjustment in the exercise price would not be considered made pursuant to such a formula if the adjustment were made to compensate the Holder of a Warrant for certain taxable distributions with respect to the shares of New Common Stock. Thus, under certain circumstances, a reduction in the exercise price might give rise to a taxable dividend to a Holder of Warrants even though such Holder would not receive any cash related thereto.

f. Consequences to United States Holders of Holding Shares of New Common Stock

(i) Distributions

The gross amount of any distribution of cash or property made to a Holder with respect to shares of New Common Stock generally will be includible in gross income by a Holder as dividend income to the extent such distribution is paid out of the current or accumulated earnings and profits of the Reorganized Debtors as determined under United States federal income tax principles. Dividends received by non-corporate Holders may qualify for reduced rates of taxation. A distribution which is treated as a dividend for United States federal income tax purposes may qualify for the 70% dividends-received deduction if such amount is distributed to a Holder that is a corporation and certain holding period and certain other requirements are satisfied. Any dividend received by a Holder that is a corporation may be subject to the "extraordinary dividend" provisions of the Internal Revenue Code.

A distribution in excess of the Reorganized Debtors' current and accumulated earnings and profits will first be treated as a return of capital to the extent of the Holder's adjusted tax basis in its shares of New Common Stock and will be applied against and reduce such basis dollar-for-dollar (thereby increasing the amount of gain and decreasing the amount of loss recognized on a subsequent taxable disposition of the shares of New Common Stock). To the extent that such distribution exceeds the Holder's adjusted tax basis in its shares of New

Common Stock, the distribution will be treated as capital gain, which will be treated as long-term capital gain if such Holder's holding period in its shares of New Common Stock exceeds one year as of the date of the distribution.

(ii) Sale, Exchange, or Other Taxable Disposition.

Subject to the discussion of market discount below, for United States federal income tax purposes, a Holder generally will recognize capital gain or loss on the sale, exchange, or other taxable disposition of any of its shares of New Common Stock in an amount equal to the difference, if any, between the amount realized for the shares of New Common Stock and the Holder's adjusted tax basis in the shares of New Common Stock. Capital gains of non-corporate Holders derived with respect to a sale, exchange, or other disposition of shares of New Common Stock held for more than one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Holders are urged to consult their own tax advisors regarding such limitations.

Any gain recognized upon the sale, exchange or other disposition of shares of New Common Stock by a Holder that received such stock in exchange for a Claim (or as a result of the exercise of a Right or Warrant received in exchange for a Claim) with respect to which such Holder had accrued but untaxed market discount at the time of such exchange should be included in the Holder's ordinary income to the extent of such portion of such market discount that was allocable to such shares of New Common Stock at the time of the exchange (or at the time of the exercise of such Right or Warrant as a result of such market discount having been allocated to such Right or Warrant), except if previously so included. In addition, if such a Holder of a General Unsecured Claim was required under the market discount rules of the Internal Revenue Code to defer its deduction of all or a portion of the interest in indebtedness incurred or maintained to acquire or carry such Claim, continued deferral of the deduction for interest on such indebtedness may be required. Any such deferred interest expense attributable to the shares of New Common Stock received in exchange for the Claim or received upon exercise of a Right or Warrant received in exchange for such Claim may be treated as interest paid or accrued in the year in which the shares of New Common Stock is sold, exchanged or otherwise disposed of.

Any gain recognized upon the sale, exchange or other disposition of shares of New Common Stock by a Holder that received such stock in exchange for a Claim with respect to which such Holder had accrued but untaxed market discount at the time of the exchange and which was treated as received in a recapitalization of EKC should be included in the Holder's ordinary income to the extent of such accrued but untaxed market discount. In addition, if such a Holder of an Unsecured Claim was required under the market discount rules of the Internal Revenue Code to defer its deduction of all or a portion of the interest in indebtedness incurred or maintained to acquire or carry such Claim, continued deferral of the deduction for interest on such indebtedness may be required. Any such deferred interest expense would be attributed to the shares of New Common Stock received in exchange for the Claim, and may be treated as interest paid or accrued in the year in which the shares of New Common Stock is sold, exchanged or otherwise disposed of.

g. Consequences to United States Holders of Holding a Beneficial Interest in the Kodak GUC Trust

Each Holder receiving a Kodak GUC Trust Asset Interest as part of the Plan will be treated as owning a proportionate undivided interest in each of the assets of the Kodak GUC Trust to the extent of its interest therein (taking into account the Backstop Trust Waiver) (other than to the extent allocable to Disputed Claims). Accordingly, each such Holder will be required to report on its United States federal income tax return the share of any income, gain, loss, deduction, or credit recognized or incurred by the Kodak GUC Trust that is allocable to its Kodak GUC Trust Asset Interest and should treat such items as derived on its Kodak GUC Trust Asset Interest, not in satisfaction of the Claim for which it received such share. The character of any such items to a beneficiary of the Kodak GUC Trust and the ability of such beneficiary to benefit from any loss, deduction, or credit allocable to its Kodak GUC Trust Asset Interest will depend on the particular circumstances of such beneficiary and the nature of the assets held by the Kodak GUC Trust.

According to the Plan, and unless otherwise determined by any taxing authority, allocations of Kodak GUC Trust taxable income among the Kodak GUC Trust beneficiaries shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein and taking into account the Backstop Trust Waiver) if, immediately prior to such deemed distribution, the Kodak GUC Trust had distributed all its other assets (valued at their tax book value) to the Holders of the Kodak GUC Trust interests (treating all Disputed Claims as if they were Allowed Claims), in each case up to the tax book value of the assets treated as contributed by such Holders, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Kodak GUC Trust. Similarly, taxable loss of the Kodak GUC Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Kodak GUC Trust's assets. The tax book value of the Kodak GUC Trust's assets for this purpose shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, the applicable tax regulations, and other applicable administrative and judicial authorities and pronouncements.

Holders of Kodak GUC Trust Asset Interests may be required to pay tax on the income of the Kodak GUC Trust even if they have not yet received any distributions from the trust. Any distributions a Holder receives on account of its Kodak GUC Trust Asset Interest (other than Distributions allocable to Disputed Claims) should not give rise to gain or loss to such Holder for United States federal income tax consequences.

3. United States Alien Holders

This subsection describes tax consequences to a United States Alien Holder. A “**United States Alien Holder**” is a beneficial owner of a Claim, Equity Interest in EKC, Rights, Warrants, or shares of New Common Stock and if the Holder is:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a Claim, Equity Interest or share of New Common Stock.

This subsection does not apply to a Holder that is not a United States Alien Holder; such Holders should refer to “— United States Holders” above.

a. Consequences of the Plan to United States Alien Holders of
Second Lien Notes Claims, General Unsecured Claims and
Convenience Claims

(i) Capital Gain

Subject to the discussion of backup withholding below, whether or not the General Unsecured Claims constitute “securities” of EKC, a United States Alien Holder generally should not be subject to United States federal income tax on capital gain recognized as a result of the exchange, as described above under “— Consequences of the Plan to United States Holders of General Unsecured Claims and Convenience Claims,” unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or
- the gain is effectively connected with the Holder’s conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder’s capital gains allocable to United States sources exceed the Holder’s capital losses allocable to United States sources. If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence, but generally will be subject to United States federal income tax with respect of such gain in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(ii) Amounts Attributable to Accrued but Unpaid Interest

Subject to the discussion of backup withholding below, a United States Alien Holder’s receipt of any shares of New Common Stock, Rights, Warrants, Kodak GUC Trust Asset Interests, or cash that is treated as attributable to accrued but unpaid interest (including amounts required to be taken into income under the accrual rules applicable to debt instruments with original issue discount under the Internal Revenue Code) on the Claims surrendered

therefor should not be subject to United States federal income tax or withholding tax provided that:

- the Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of EKC's capital stock that are entitled to vote within the meaning of section 871(h)(3) of the Internal Revenue Code;
- the Holder is not a "controlled foreign corporation" that is, directly or indirectly, related to EKC through stock ownership;
- the interest is not effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, is not attributable to a permanent establishment in the United States); and
- the Holder (i) provides its name and address and certifies, under penalties of perjury, that it is not a United States person (which certification may be made on IRS Form W-8BEN (or other applicable form)); or (ii) holds its Claims through certain foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations. Special certification rules apply to Holders that are pass-through entities.

If the requirements described above are not satisfied, a tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) will generally apply to the gross amount of shares of New Common Stock, Rights, Warrants, Kodak GUC Trust Asset Interests, and cash treated as attributable to accrued but unpaid interest received by a United States Alien Holder, which may be satisfied by withholding. If the amount received that is so attributable to accrued but unpaid interest were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such income at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

b. Consequences of the Plan to United States Alien Holders of Equity Interests

There should be no United States federal income tax consequences of the Plan to a United States Alien Holder of Equity Interests, which are being cancelled under the Plan, unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the cancellation and certain other conditions are met; or

- the cancellation is effectively connected with the Holder's conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies to a United States Alien Holder of Equity Interests, the Holder generally will be entitled to reduce the amount of capital gains it has recognized during the taxable year that includes the Plan that are allocable to United States sources and that are subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) by the amount of the loss resulting from the cancellation of the Equity Interests (assuming that the taxable year that includes the Plan is the same taxable year in which such stock first became worthless and only if such Holder had not previously claimed a worthless stock deduction with respect to any Equity Interests). If the second exception applies to a United States Alien Holder of Equity Interests, such Holder will be entitled to claim a worthless stock deduction (assuming that the taxable year that includes the Plan is the same taxable year in which such stock first became worthless and that such Holder did not previously claim a worthless stock deduction with respect to any Equity Interests) as described above under “— Consequences of the Plan to United States Holders of Equity Interests” and will be entitled to allocate such deduction to United States sources.

c. Consequences of the Plan to United States Alien Holders of Rights or Warrants

There should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Rights. If the exercise of the Warrants is treated either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code, as described above in the first paragraph under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” there should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Warrants. However, any gain or loss recognized by such a United States Alien Holder on account of cash received in lieu of fractional shares upon the exercise of its Warrant should give rise to the same United States federal income tax consequences to such Holder as discussed below in this subsection. As noted above in the second and third paragraphs under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” alternative characterization of the cashless exercise of the Warrants for United States federal income tax purposes are possible. United States Alien Holders are urged to consult their tax advisors regarding the United States federal income tax consequences to them of exercising their Warrants if such exercise is not treated as an exercise of an option or a recapitalization. If the exercise of the Warrants is treated either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code, as described above in the first paragraph under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” there should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Warrants. However, any gain or loss recognized by such a United States Alien Holder on account of cash received in lieu of fractional shares upon the exercise of its Warrant should give rise to the same United States federal income tax consequences to such Holder as discussed below in this subsection. As noted above in the

second and third paragraphs under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” alternative characterization of the cashless exercise of the Warrants for United States federal income tax purposes are possible. United States Alien Holders are urged to consult their tax advisors regarding the United States federal income tax consequences to them of exercising their Warrants if such exercise is not treated as an exercise of an option or a recapitalization.

There should be no United States federal income tax consequences to a United States Alien Holder upon the lapse of its Rights or Warrants and, subject to the discussion of backup withholding below, a United States Alien Holder generally should not be subject to United States federal income tax on capital gain recognized as a result of the sale, exchange or other disposition of its Warrants, as described above under “— Consequences of the Plan to United States Holders of Warrants — Sale, Exchange, Lapse, or Other Disposition,” unless

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the lapse of its Rights or Warrants or the sale, exchange or other disposition of its Warrants and certain other conditions are met; or
- the loss from the lapse of its Rights or Warrants or any gain upon the sale, exchange or other disposition of its Warrants is effectively connected with the Holder’s conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder’s capital gains allocable to United States sources exceed the Holder’s capital losses allocable to United States sources and will be entitled to reduce the amount of capital gains it has recognized that are allocable to United States sources by the amount of the capital losses allocable to United States sources for that year (including as a result of the lapse of the Rights or Warrants). If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence but will be required to account for any gain or loss recognized upon the sale, exchange or other disposition of its Warrants and the lapse of its Rights or Warrants in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to gain recognized upon the sale, exchange or other disposition of Warrants at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Constructive Dividends. If a United States Alien Holder of Warrants is treated as constructively receiving a distribution, as described above under “— Consequences of the Plan to United States Holders of Warrants — Adjustments,” the United States federal income tax consequences will be the same as if such United States Alien Holder had received an actual distribution on shares of New Common Stock. The consequences of such a distribution are described below under “— Consequences of the Plan to United States Alien Holders of Holding Shares of New Common Stock”. Reorganized Kodak may withhold such tax from any

distribution or payment to such Holder or on such Warrants, including the delivery of shares of New Common Stock upon the exercise of its Warrants, or require such Holder to transfer to Reorganized Kodak sufficient cash to pay for such taxes as a condition to adjusting the exercise price.

d. Consequences to United States Alien Holders of Holding Shares of New Common Stock

(i) Distributions

Subject to the discussion of withholdable payments to foreign financial entities and other foreign entities and the discussion of backup withholding below, amounts treated as dividends under the Internal Revenue Code that are paid on the shares of New Common Stock to a United States Alien Holder are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if the Holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if the Holder is so eligible, the relevant payor will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to the Holder, unless it has been furnished with:

- a proper IRS Form W-8BEN or an acceptable substitute form upon which it certifies, under penalties of perjury, its status as a non-United States person and its entitlement to the lower treaty rate with respect to such payments; or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by the Holder at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing its entitlement to the lower treaty rate in accordance with United States Treasury regulations.

If the Holder is eligible for a reduced rate of United States withholding tax under a tax treaty, it may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid on the shares of New Common Stock to the United States Alien Holder were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such income at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(ii) Sale, Exchange, or Other Disposition

Subject to the discussion of withholdable payments to foreign financial entities and other foreign entities and the discussion of backup withholding below, a United States Alien Holder generally will not be subject to United States federal income tax on gain it recognizes on the sale, exchange, or other disposition of shares of New Common Stock, unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or
- the gain is effectively connected with the Holder's conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder's capital gains allocable to United States sources exceed the Holder's capital losses allocable to United States sources. If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence, but generally will be subject to United States federal income tax with respect of such gain in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(iii) Withholdable Payments to Foreign Financial Entities and Other Foreign Entities

A 30% withholding tax will be imposed on certain payments to a United States Alien Holder of shares of New Common Stock or certain foreign financial institutions, investment funds and other non-United States persons receiving payments on the Holder's behalf if the Holder or such institutions fail to comply with information reporting requirements. Such payments will include United States source dividends and the gross proceeds from the sale or other disposition of stock that can produce United States source dividends. A United States Alien Holder of shares of New Common Stock could be affected by this withholding if it is subject to the information reporting requirements and fails to comply with them or if it holds the shares of New Common Stock through another person (*e.g.*, a foreign bank or broker) that is subject to withholding because it fails to comply with these requirements (even if the Holder would not otherwise have been subject to withholding). Under applicable regulations, withholding will not apply to payments of dividends before January 1, 2014, and to payments of gross proceeds from a sale or other disposition of shares of New Common Stock before January 1, 2017.

e. Consequences United States Alien Holders of Holding a Beneficial Interest in the Kodak GUC Trust

Each Holder receiving a Kodak GUC Trust Asset Interest as part of the Plan will be treated as owning a proportionate undivided interest in each of the assets of the Kodak GUC Trust (other than to the extent allocable to Disputed Claims). Accordingly, each such Holder

will be treated as owning the share of any income or gain recognized or incurred by the Kodak GUC Trust that is allocable to its Kodak GUC Trust Asset Interest, and, depending on the circumstances of the particular Holder and the characterization of such item of income or gain for United States federal income tax purposes, the Kodak GUC Trustee may be required to withhold United States federal income tax on any such allocable share of income or gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty) and may require the Holder to furnish certification for it to determine the proper rate of withholding (or that no withholding applies). United States Alien Holders are urged to consult their tax advisors regarding the United States federal income tax consequences of holding their Kodak GUC Trust Asset Interests.

If any of the items allocable to a United States Alien Holder's GUC Trust Asset Interest were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to the income allocable to their Kodak GUC Trust Asset Interest at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

4. Information Reporting and Backup Withholding

In general, EKC, Reorganized Kodak, and other payors are required to report to the IRS all payments made (including the accrual of original issue discount, if any) to a non-corporate United States Holder on the Second Lien Notes Claims, the General Unsecured Claims and the shares of New Common Stock. In addition, EKC, Reorganized Kodak, and other payors are required to report to the IRS any payment of proceeds of the sale or exchange of the Second Lien Notes Claims and the General Unsecured Claims before maturity and of the shares of New Common Stock within the United States (as well as the proceeds of certain sales outside the United States). Furthermore, backup withholding will apply to any payments made to a non-corporate United States Holder on the Second Lien Notes Claims, the General Unsecured Claims and the shares of New Common Stock if the Holder fails to provide an accurate taxpayer identification number or is notified by the IRS that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

In general, EKC, Reorganized Kodak, and other payors are required to report annually to the IRS the amount of interest (including the accrual of original issue discount, if any) and dividends paid to a United States Alien Holder on the Second Lien Notes Claims, the General Unsecured Claims and the shares of New Common Stock and the tax withheld with respect to such payments, regardless of whether withholding was required. A United States Alien Holder will generally not be subject to backup withholding regarding payments made to it provided that the payor does not have actual knowledge or reason to know that the Holder is a United States Holder and the Holder complies with certain certification and identification requirements as to its foreign status.

C. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of the material United States federal income tax consequences of the Plan and is not a substitute for consultation with a tax professional. The above discussion is for informational purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Holder's particular circumstances. Accordingly, Holders are strongly urged to consult their own tax advisors about the United States federal, state, local, and applicable foreign income and other tax consequences of the plan, including with respect to tax reporting and record keeping requirements.

12. ALTERNATIVES TO CONFIRMATION OF THE PLAN

The Debtors believe that the Plan affords Holders of Claims the potential for the greatest recovery on those Claims and is therefore in the best interests of such holders. If the Plan is not confirmed, the alternative near-future outcomes for the Debtors include: (a) continuation of these Chapter 11 Cases; (b) an alternative plan or plans of reorganization; or (c) liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Continuation of these Chapter 11 Cases

If the Debtors remain in chapter 11, they will continue to operate their businesses and manage their properties as debtors-in-possession, but would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors can survive as a going concern in protracted Chapter 11 Cases. In particular, the Debtors may have difficulty sustaining the high costs and erosion of customer and market confidence that may result if the Debtors continue to operate as chapter 11 debtors-in-possession.

B. Alternative Plans of Reorganization

The terms of the Backstop Commitment Agreement prohibit the Debtors from initiating or soliciting proposals for alternative plans of reorganization or other Alternate Transactions (as defined in the Backstop Commitment Agreement), provided the Debtors may receive unsolicited proposals or offers for alternative plans of reorganization or other Alternate Transactions and may provide information and engage in negotiations in connection therewith if the Board has determined in good faith, after consultation with its outside counsel and independent financial advisors, that such alternative plan of reorganization or Alternate Transaction constitutes or could reasonably be expected to result in a Superior Transaction (as defined in the Backstop Commitment Agreement). If the Plan is not confirmed, the Debtors, or, after the expiration of the exclusive period in which only the Debtors may propose and solicit a reorganization plan, any other party-in-interest in these Chapter 11 Cases, will be able to propose a different plan or plans. Such plans might involve either a reorganization and continuation of the Debtors' businesses, the liquidation of their assets, or a combination of both. In addition, alternative plans may not be supported by the KPP, which could create concerns for the efficient recovery of value from EKC's subsidiaries outside the United States.

C. Liquidation

If no plan of reorganization is confirmed, these Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In a chapter 7 case, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict with precision how the proceeds of the liquidation would be distributed among Holders of Claims against or Interests in the Debtors.

The Debtors believe, however, that creditors would lose substantially higher going-concern value in the event that the Debtors are liquidated. In addition, the Debtors believe that, in a liquidation under chapter 7, the value of the Debtors' estates will be substantially eroded before creditors receive any distribution, as a result of additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants and other professionals to assist such trustees. The assets available for distribution to creditors will be reduced by such additional expenses and by claims, some of which will be entitled to priority, which would arise by reason of the liquidation and the failure to realize the greater going-concern value of the Debtors' assets.

The Debtors may also be liquidated pursuant to a chapter 11 plan. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. A chapter 11 liquidation might therefore result in greater recoveries for Holders of Claims than a chapter 7 liquidation, but the delay in distribution of these recoveries could result in lower present values received and higher administrative costs. Because no trustee is appointed in a chapter 11 case, professional fees paid by the Debtors' estates could be lower than in a chapter 7 case, in which a trustee must be appointed. However, any distribution to Holders of Claims under a chapter 11 liquidation plan probably would be delayed substantially.

The Liquidation Analysis, prepared by the Debtors with their restructuring and financial advisors, is premised upon a hypothetical liquidation in a chapter 7 case. In the Liquidation Analysis, the Debtors have taken into account the nature, status, and underlying value of their assets, the ultimate estimated realizable value of their assets, and the extent to which such assets are subject to liens and security interests. The likely form of any liquidation would be the wind-down and sale of individual assets in the U.S. and a forced sale of foreign assets.

Based on this analysis, it is likely that a chapter 7 liquidation of the Debtors' assets would produce less value for distribution to creditors than that recoverable under the Plan. Therefore, the Debtors submit that the projected recoveries available to Holders of Claims and Holders of Equity Interests in a chapter 7 liquidation are likely to be lower than those available under the Plan.

13. DEBTORS' AND CREDITORS' COMMITTEE'S RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to the alternatives described herein. **Therefore, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept it. In addition, the Creditors' Committee and its legal and financial**

advisors played an active role in the negotiation of the terms of the Plan, and the transactions contemplated therein and described herein. Accordingly, the Creditors' Committee recommends that Holders of Claims in Classes 4 – 8 vote to accept the Plan.

Dated: June 21, 2013
Rochester, New York

Respectfully submitted,

EASTMAN KODAK COMPANY
(for itself and on behalf of each of the Debtors)

By: _____
Name:
Title:

INDEX OF DEFINED TERMS

Capitalized terms not defined in this Disclosure Statement have the meaning assigned to them in the Plan.

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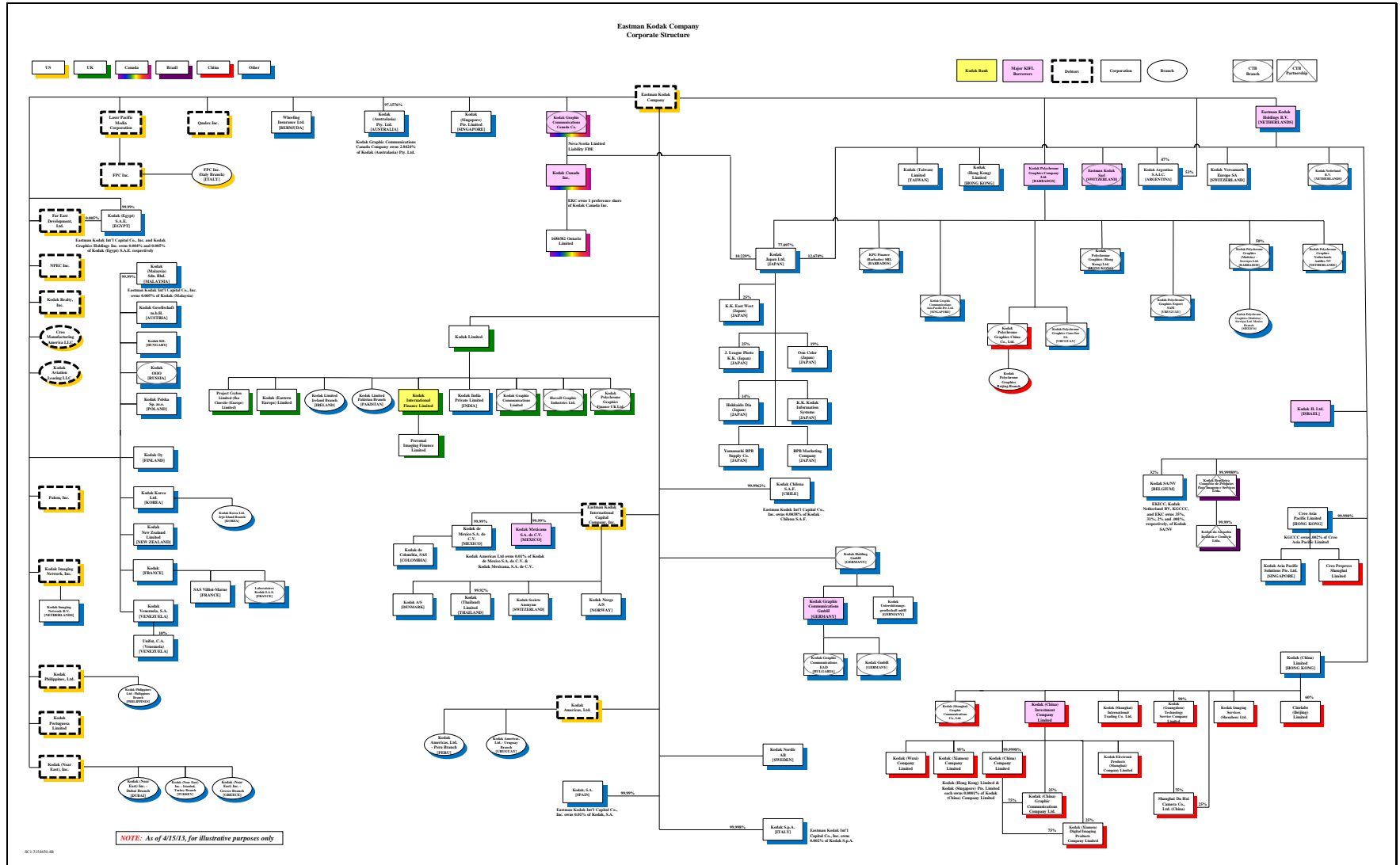
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Appendix A: Debtors' Plan of Reorganization

[Filed at Docket No. 4073.]

Appendix B: Solicitation Procedures Order

Appendix C: Debtors' Corporate Structure Chart



Appendix D: Backstop Commitment Agreement

[Attached as Exhibit B to the Debtors' *Motion for an Order Authorizing the Debtors to (A) Execute a Backstop Commitment Agreement and (B) Incur, Perform and Abide by the Initial Commitment Provisions* [Docket No. 4070].]

Appendix E: Reconciliation of Certain Non-GAAP Financial Measures

EASTMAN KODAK COMPANY

RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES

(in millions)

	For the Year Ended December 31,							Year over Year Comparison	
	2011	2012	2013	2014	2015	2016	2017	2011 vs. 2012	2013 vs. 2017
Graphics, Entertainment and Commercial Films ("GECF") segment earnings (loss)	\$ 54	\$ (132)	\$ 64	\$ 61	\$ 81	\$ 107	\$ 133	\$ (186)	\$ 69
GECF depreciation and amortization	146	120	118	104	92	71	68	(26)	(50)
GECF EBITDA after Corporate Costs	200	(12)	182	164	173	179	201	(212)	19
Digital Printing and Enterprise ("DP&E") segment earnings (loss)	(535)	(211)	(51)	8	74	142	248	324	299
DP&E depreciation and amortization	52	46	36	37	40	40	45	(6)	9
DP&E EBITDA after Corporate Costs	(483)	(165)	(15)	44	115	182	293	318	308
Commercial Imaging EBITDA after Corporate Costs, as presented	\$ (283)	\$ (177)	\$ 167	\$ 209	\$ 287	\$ 360	\$ 494	\$ 106	\$ 327
Commercial Imaging depreciation & amortization	198	166	154	140	132	111	113		
GECF, DP&E and IP/Brand Licensing segment (loss) income	(481)	(343)	13	68	155	249	381		
Personalized Imaging and Document Imaging segment (loss) income	34	43	(15)	(10)	(5)	-	-		
Total segment (loss) income	(447)	(300)	(2)	58	150	249	381		
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	(130)	(245)	(68)	(25)	(15)	(15)	(10)		
Corporate components of pension and OPEB expenses (1)	(28)	(122)	(3)	(3)	(3)	(3)	(3)		
Other operating income (expense), net	65	95	2,017	-	-	-	-		
Loss on early extinguishment of debt	-	(7)	-	-	-	-	-		
Reorganization items, net	-	(843)	(260)	(4)	-	-	-		
Interest expense	(155)	(158)	(139)	(104)	(106)	(109)	(109)		
Other income (charges), net	(4)	20	1,608	4	5	5	7		
(Loss) earnings from continuing operations before income taxes	(699)	(1,560)	3,153	(74)	30	127	265		
(Provision) benefit for income taxes	(8)	257	(33)	(26)	(27)	(29)	(32)		
(Loss) earnings from continuing operations	(707)	(1,304)	3,120	(100)	3	98	233		
Loss from discontinued operations, net of income taxes	(57)	(76)	-	-	-	-	-		
Net (Loss) Earnings (GAAP basis)	\$ (764)	\$ (1,379)	\$ 3,120	\$ (100)	\$ 3	\$ 98	\$ 233		

(1) Includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefits, curtailments and settlement components of pension and other post-retirement benefit expenses, except for settlements in connection with the chapter 11 bankruptcy proceedings that are recorded in Reorganization items, net in the Consolidated Statement of Operations.

Appendix F: Valuation Analysis

Valuation of Reorganized Kodak

THE VALUATION INFORMATION CONTAINED IN THIS SECTION IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN.

A. Lazard's Estimated Valuation

Lazard has estimated the consolidated value of Reorganized Kodak based on projections provided by the Debtors' management for 2013 – 2017 (the "**Projection Period**"), attached to this Disclosure Statement as Exhibit G. Lazard has undertaken this Valuation Analysis to estimate the value available for distribution to Holders of (i) DIP ABL Claims, (ii) DIP Term Loan Claims, (iii) Allowed Claims in Class 3 – Second Lien Notes Claims, (iv) Allowed Class – 4 General Unsecured Claims and (v) Allowed Class 6 – Retiree Settlement Unsecured Claim in accordance with the Plan and to analyze the relative recoveries to such Holders thereunder.³³ The Valuation Analysis assumes that the Effective Date occurs on September 30, 2013.

The estimated total value (the "**Distributable Value**") available for distribution to Holders of the Allowed Claims described above consists of the estimated value of Reorganized Kodak's operations on a going concern basis (the "**Enterprise Value**"), plus an estimate of excess available cash (*pro forma* for the Rights Offerings and payment of certain administrative, priority, and convenience claims¹), plus the value of certain assets of Reorganized Kodak that are not reflected in the Enterprise Value (as further described in the following paragraph), less any debt-like liabilities that are not repaid or subject to compromise under the Plan.

Based on the projections and solely for purposes of the Plan, Lazard estimates that the Enterprise Value of Reorganized Kodak falls within a range of \$800 to \$1,250 million. The Enterprise Value for purposes of the Valuation Analysis does not include (a) the estimated value of the Avoidance Actions that will be transferred to the Kodak GUC Trust, or (b) the estimated value of net operating loss carryforwards expected to be available to Reorganized Kodak beyond the Projection Period (the "**Residual NOLs**").

Lazard estimates that the Distributable Value of Reorganized Kodak falls within the range of \$1,487 to \$1,955 million. The Distributable Value includes (a) the Enterprise Value, (b) approximately \$609 million of estimated excess available cash, excluding the proceeds of the Rights Offerings, (c) \$406 million of cash proceeds from the Rights Offerings, (d) \$23 to \$30 million of estimated value from the Residual NOLs, and (e) \$11 to \$22 million of estimated value contributed to the Kodak GUC Trust Avoidance Actions.³⁴ Distributable Value

³³ For purposes of this Valuation Analysis, cash balances are net of estimated payments to certain Allowed Administrative Claims, Allowed Class 1 – Other Priority Claims, Allowed Class 2 – Other Secured Claims, and Allowed Class 8 – Subsidiary Convenience Claims. Distributable Value excludes de minimis payments in respect of Allowed Class 7 – Convenience Claims.

³⁴ As per the Debtors' estimate, with the assistance of AP Services LLC.

is reduced by (a) \$11 million of capital leases and foreign indebtedness and (b) \$351 million of after-tax U.S. GAAP liabilities associated with pension and other post-employment benefit (“**OPEB**”) plans projected to require cash funding during the Projection Period.

Lazard estimates that the total equity value of Reorganized Kodak falls within a range of \$208 to \$658 million, equating to \$4.98 to \$15.77 per share of the New Common Stock.³⁵ The equity value is equal to the Distributable Value less (a) \$200 million of cash used for the partial repayment of the DIP Term Loan, (b) approximately \$654 million of loans under the DIP Term Loan Credit Agreement assumed to be converted into exit financing on the Effective Date, (c) \$395 million of Cash Distributions to Holders of Allowed Second Lien Notes Claims,³⁶ (d) \$8 million of Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, (e) \$3 million of cash to fund the Kodak GUC Trust, (f) \$11 to \$22 million of estimated future proceeds from Avoidance Actions contributed to the Kodak GUC Trust, and (g) \$9 to \$16 million of estimated value associated with the Warrants that will be distributed to Holders of Allowed Class 4 - General Unsecured Claims and Allowed Class 6 - Retiree Settlement Unsecured Claim.

³⁵ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in Cash on the Effective Date, although it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

³⁶ Assuming Holders of Allowed Second Lien Notes Claims vote in favor of the Plan.

ESTIMATED VALUATION		
(\$ in millions, except Per Share Price)		
	Range	
	Low	High
Enterprise Value	\$800	\$1,250
Plus: Available Excess Cash Utilized for Valuation Purposes ³⁷	\$609	\$609
Plus: Cash Proceeds from Rights Offerings	406	406
Plus: Value of Residual NOLs	23	30
Plus: Estimated Value of Avoidance Actions Contributed to Kodak GUC Trust ³⁸	11	22
Less: Capital Leases and Foreign Debt	(11)	(11)
Less: Tax-Adjusted Pension and OPEB Plans Requiring Contributions	(351)	(351)
Distributable Value to Holders of Allowed Claims	\$1,487	\$1,955
Less: Partial Cash Repayment of DIP Term Loans at Emergence	(\$200)	(\$200)
Less: Remainder of DIP Term Loans Converted into Exit Financing	(654)	(654)
Less: Repayment of Allowed Second Lien Notes Claims ³⁹	(395)	(395)
Less: Payment of Rights Offerings Consideration	(8)	(8)
Less: Kodak GUC Trust Initial Amount	(3)	(3)
Less: Estimated Proceeds from Avoidance Actions Contributed to Kodak GUC Trust	(11)	(22)
Less: Estimated Value of Warrants ⁴⁰	(9)	(16)
Total Equity Value	\$208	\$658
Projected Number of Shares of New Common Stock Outstanding on the Effective Date (<i>in millions</i>) ⁴¹	41.700	41.700
Total Equity Value Per Share of New Common Stock	\$4.98	\$15.77

³⁷ Before \$200 million of partial DIP Term Loan repayment at emergence.

³⁸ Estimates as per the Debtors in assistance with AP Services LLC.

³⁹ Assuming holders of Allowed Second Lien Notes Claims vote in favor of the Plan.

⁴⁰ Estimated value of both tranches of Warrants based upon Black-Scholes model.

⁴¹ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in cash on the Effective Date, although alternatively it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

B. Equity Value Implied by the Rights Offerings

Lazard has also estimated the equity value implied by the Rights Offerings, in which participants will invest a total of \$406 million to acquire 34,000,000 shares of New Common Stock, representing approximately 81.53% of the number of shares of New Common Stock anticipated to be outstanding on the Effective Date.⁴² The Rights Offerings imply an equity value of \$498 million, equating to a \$11.94 Per Share Price.

EQUITY VALUE IMPLIED BY RIGHTS OFFERINGS

(\$ in millions, except Per Share Price)

Rights Offerings Proceeds	\$406
Rights Offerings Shares as a Percentage of Total Shares Issued ⁴³	81.53%
Total Equity Value Implied by Rights Offerings	\$498
Projected Number of Shares of New Common Stock Outstanding on the Effective Date <i>(in millions)</i> ⁴⁴	41.700
Total Equity Value Per Share of New Common Stock	\$11.94

THE FOREGOING VALUATION ANALYSIS REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION AVAILABLE TO LAZARD AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND IS PREMISED ON, AMONG OTHER THINGS, A PROJECTED EFFECTIVE DATE OF SEPTEMBER 30, 2013. ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S CONCLUSIONS, NEITHER LAZARD NOR THE DEBTORS HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THESE ESTIMATES.

Lazard assumed that the Financial Projections prepared by the management of the Debtors were reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate currently available estimates and judgments as to the future operating and financial performance of Reorganized Kodak. Lazard's Valuation Analysis assumes Reorganized Kodak will achieve its Financial Projections in all material respects, including revenue and EBITDA growth and improvements in EBITDA margins, earnings and cash flow as projected. If the business performs at levels below those set forth in the Financial Projections, such performance may have a materially negative impact on the value of Reorganized Kodak and their securities. Conversely, if the business performs at levels above those set forth in the Financial Projections,

⁴² Assuming payment of the Backstop Commitment Fees in shares of New Common Stock, subject to dilution from any shares of New Common Stock issued upon exercise of options or restricted shares that may be granted under the New Equity Plan.

⁴³ After dilution from 1,700,168 shares of New Common Stock issued to satisfy the Backstop Commitment Fees.

⁴⁴ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in cash on the Effective Date, although alternatively it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

such performance may have materially positive impact on the value of Reorganized Kodak and their securities.

In performing its Valuation Analysis for Reorganized Kodak, Lazard: (a) reviewed certain historical financial information of EKC and its subsidiaries for recent years; (b) reviewed certain internal financial and operating data of EKC and its subsidiaries, which data was prepared and provided to Lazard by the management of the Debtors and which relates to Reorganized Kodak's business and its prospects; (c) met with EKC's senior management team to discuss Reorganized Kodak's proposed operations and future prospects; (d) reviewed certain publicly available financial data for, and considered the market value of, public companies that Lazard deemed generally relevant in evaluating the operating business of Reorganized Kodak; (e) considered certain economic and industry information relevant to the operating business; and (f) conducted such other studies, analyses, inquiries and investigations as it deemed appropriate. Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by management of the Debtors as well as publicly available information.

Lazard did not independently verify the Financial Projections in connection with its Valuation Analysis, and no independent valuations or appraisals of Reorganized Kodak were sought or obtained in connection herewith. Such estimates were developed solely for purposes of the formulation and negotiation of the Plan and the analysis of implied relative recoveries to Holders of Allowed Claims thereunder.

Lazard's Valuation Analysis of Reorganized Kodak does not constitute a recommendation to any Holder of an Allowed Claim entitled to vote to accept or reject the Plan, nor is it a recommendation to whether any Holder of an Eligible Claim should participate in the Rights Offerings. Lazard has not been asked to, and does not express, any view as to what the trading value of Reorganized Kodak's securities may be when issued on the Effective Date or the prices at which they may trade in the future. Lazard's Valuation Analysis of Reorganized Kodak set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the Distribution to be received by such person under the Plan.

Lazard's Valuation Analysis reflects the application of standard valuation techniques and does not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. The value of an operating business is subject to numerous uncertainties and contingencies which are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. As a result, the estimated valuation ranges of Reorganized Kodak set forth herein are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Neither Reorganized Kodak, Lazard, nor any other person assumes responsibility for any differences between the estimated valuation ranges and such actual outcomes. Actual market prices of securities at issuance will depend upon, among other things, the operating performance of Reorganized Kodak, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received by prepetition creditors (some of whom may prefer to liquidate their investment rather than hold it

on a long-term basis), developments in Reorganized Kodak's industry and economic conditions generally, and other factors which generally influence the prices of securities.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE REORGANIZED DEBTORS MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

Appendix G: Financial Projections

I. DEVELOPMENT OF REORGANIZED KODAK'S FINANCIAL PROJECTIONS

A. Responsibility for and Purpose of the Financial Projections

As a condition to confirmation of a plan, the Bankruptcy Code requires, among other things, that the bankruptcy court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor, unless such liquidation is contemplated by the plan, i.e., that the plan meets the feasibility standard. In connection with the development of the Plan, and for purposes of demonstrating that the Plan satisfies this feasibility standard, the Debtors' management, with the assistance of its financial advisors, has analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their business. The Debtors believe that the Plan meets the Bankruptcy Code's feasibility standard.

In order to conduct the analysis described above, Kodak's management developed and prepared post-effective date financial projections for the fiscal years ending December 31, 2013 through December 31, 2017, which assume that the effective date of Kodak's emergence from bankruptcy is September 30, 2013. The Financial Projections have been presented on a consolidated basis and include the operations of the operating Debtors along with those of EKC's non-Debtor subsidiaries. Kodak does not, as a matter of course, publish its strategies, financial projections, or anticipated financial position. Accordingly, Kodak does not anticipate that it will, and disclaims any obligation to, furnish updated financial projections to Holders of Claims or Equity Interests after the Confirmation Date, or to include such information in documents required to be filed with the SEC (if any), or otherwise make such information public.

The Financial Projections are presented solely for purposes of the formulation and negotiation of the Plan in order to present the anticipated impact of the Plan. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. General information about Kodak's activities and projections are based on information available as of the date of this document. This information is given in summary form and does not purport to be a complete presentation of all underlying information. All references to dollars are to United States currency unless otherwise stated. Capitalized terms not defined herein have the meanings ascribed to them in the Disclosure Statement to which the Financial Projections are attached.

Kodak has prepared the Financial Projections based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

The Financial Projections do not fully reflect certain aspects of the KPP Global Settlement, which was signed on April 26, 2013. As described in Section 3.D.3.b of the Disclosure Statement, the KPP Global Settlement fully and completely releases Kodak from the KPP Claims, KL Claim and all related claims and liabilities. As part of the KPP Global

Settlement, EKC agreed to spin off the Personalized Imaging and Document Imaging businesses to the KPP. All assets and liabilities on Kodak's books and records related to these two businesses are assumed to be transferred to the KPP, for purposes of the Financial Projections. Any balance sheet account exclusions and adjustments noted in the KPP Purchase Agreement may not be fully reflected in the Financial Projections, though such exclusions and adjustments are not expected to have a material impact on the projections. In addition, the transaction also contemplates certain contingent post-closing payments based upon cumulative minimum performance targets for the Personalized Imaging and Document Imaging businesses, measured at the end of each fiscal year beginning 2015 through 2018 with any payments made after customary calculation and review periods.. Among other provisions, these payments are subject to a yearly cap, with a cumulative cap of \$35 million. Based on the projected results for the Personalized Imaging and Document Imaging businesses, Kodak does not expect to be required to make these contingent payments, and therefore, the Financial Projections do not include the accrual or payment of these contingent obligations.

The Financial Projections are subject to the following cautionary statement:

The financial information reflected in this document does not purport to present Kodak's financial condition in accordance with U.S. GAAP. Kodak's independent accountants have not audited or performed any review procedures on the financial information reflected in this document. Such financial information includes certain measures that are not measures recognized under U.S. GAAP, such as EBITDA. These measures do not purport to be alternatives to measures presented in accordance with U.S. GAAP.

The Financial Projections do not reflect an adoption of "fresh start" reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Under fresh start reporting, the reorganization value is assigned to assets and liabilities based upon their fair values. If the fair value of all identifiable assets exceeds reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess. Neither case, however, will have an impact on cash.

This document includes "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning Kodak's plans, objectives, goals, strategies, future events, future revenue or performance, liquidity, cash flows, capital expenditures, financing needs, plans or business trends, and other information that is not historical information. When used in this document, 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 management's examination of historical operating trends and data are based upon Kodak's expectations and various assumptions. Future events or results may differ from those anticipated or expressed in 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 EKC's most recent Annual Report on Form 10-K, filed on March 11, 2013, and those described in filings made by the Debtors with the U.S. Bankruptcy

Court for the Southern District of New York and in other filings EKC makes with the SEC from time to time, as well as the following:

- the Debtors' ability to successfully emerge from chapter 11 as a profitable sustainable company;
- the Debtors' ability to develop, secure approval of and consummate one or more plans of reorganization with respect to these Chapter 11 Cases;
- Kodak's ability to improve its operating structure, financial results and profitability;
- Kodak's ability to achieve cash forecasts, financial projections, and projected growth;
- Kodak's ability to raise sufficient proceeds from the sale of businesses and non-core assets;
- Kodak's ability to discontinue certain businesses or operations;
- Kodak's ability to continue as a going concern;
- Kodak's ability to comply with the EBITDA covenants in its debtor-in-possession credit agreements;
- Kodak's ability to obtain additional financing;
- the potential adverse effects of the chapter 11 proceedings on Kodak's liquidity, results of operations, brand or business prospects;
- The outcome of Kodak's intellectual property patent litigation matters;
- Kodak's ability to generate or raise cash and maintain a cash balance sufficient to comply with the minimum liquidity covenants in its debtor-in-possession credit agreements and to fund continued investments, capital needs, restructuring payments and to service its debt;
- Kodak's ability to fairly resolve legacy liabilities; the resolution of claims against the Debtors;
- Kodak's ability to retain key executives, managers and employees;
- Kodak's ability to maintain product reliability and quality and growth in relevant markets;
- the seasonality of Kodak's businesses;
- Kodak's ability to effectively anticipate technology trends and develop and market new products, solutions and technologies;
- the impact of the global economic environment on Kodak.

There may be other factors that may cause Kodak's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to the Debtors or persons acting on their behalf apply only as of the date of this disclosure statement, and are expressly qualified in their entirety by the cautionary statements included in this document. The Debtors undertake no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events.

B. Kodak's Forecasting Process

The Financial Projections are based on the forecast developed through Kodak's 2013 forecasting process. Each year, Kodak undergoes an extensive and rigorous annual forecasting process initiated in the first half of the year and finalized at year end. This rigorous process ensures organizational and resource alignment, unified focus, and a clear direction for Kodak. The ultimate objective of the annual forecasting process is to develop a detailed operating plan for the subsequent calendar-year period, in order to ensure that Kodak's strategic plan is on target to be achieved.

Kodak's emerging Commercial Imaging business consists of two operating segments: Graphics, Entertainment and Commercial Film (GECF) and Digital Printing and Enterprise (DP&E). During the first phase of the forecasting process, the management team of each segment defines the strategy, objectives, and milestones for the subsequent year. The second phase of the forecasting process focuses on the implementation of this strategy, which relies on the establishment of achievable implementation plans from collaboration with the regional sales leadership teams.

To define its overall strategy and objectives, each segment's management team assesses its business characteristics, such as market segments, customer base, cost structure, and technological advancement, in order to prepare a roadmap for Kodak and its partners. The teams also assess the competitive landscape as well as Kodak's capabilities (from a design, development, and commercialization perspective) in order to develop the objectives and milestones for Kodak. Strategic partners within and outside of the organization are also reviewed for any interdependencies that could affect, either positively or negatively, the achievement of organizational objectives and milestones.

During the implementation portion of the annual forecasting process, the operating segment and regional sales teams work together to build consensus on an achievable bottom-up twelve-month forecast. The teams establish assumptions on product prices and volumes and define the production and administrative cost structure necessary to support the forecast. Company-wide assumptions on foreign exchange rates and commodity prices are also incorporated. Contingency plans are developed to resolve any gaps, issues or risks identified through the forecasting process.

Traditionally, Kodak's annual budgeting process focused on building the achievable bottom-up 12-month forecast. As part of its restructuring efforts, Kodak has produced a five-year financial projection, using its 2013 annual budget as a baseline. For years beyond 2013, the projected multi-year impact of strategic actions was incorporated into the assumptions of growth rates, consumables usage rates, and service attachment rates, in addition to the company-wide assumptions on foreign currency exchange rates and commodity prices. The financial projections also factored in planned changes in Kodak's operating footprint, reduction in unit manufacturing costs, improvement in operational efficiencies, and future impact of scheduled research and development projects. For illustrative purposes, the Financial Projections assume a September 30, 2013, emergence date.

C. Published Forecasts

Kodak has periodically released five-year financial projections during the pendency of the case.

1. The August 2012 Financial Projections

On August 13, 2012, Kodak issued financial projections that reflected the view of management of the projected five-year results of Kodak's then-current operating units in order to inform creditors regarding the potential performance of the business. These multi-year financial projections were produced by Kodak's management in the spring of 2012 by strategic business units, relying on assumptions for product prices and volumes, production and administrative costs on a business-unit basis, as well as company-wide assumptions on foreign currency exchange rates and commodity prices. These financial projections were prepared prior to the end of Kodak's 2013 forecasting process, which ran from April through December 2012, reflecting information known at that time regarding the reorganization strategy for Kodak. To facilitate negotiations with the various creditor groups, these five-year financial projections were disclosed on a current report on Form 8-K filed with the SEC on August 13, 2012.

2. The October 2012 "Pro Forma" Projections

Following the release of the August 2012 financial projections, Kodak made several announcements regarding the strategic actions that Kodak intended to pursue in support of its emergence from bankruptcy. On August 23, 2012, Kodak announced the initiation of sale processes for its Personalized Imaging and Document Imaging businesses. Furthermore, on September 28, 2012, Kodak announced its intent to focus its Consumer Inkjet business on serving its installed base of customers with consumables, while ceasing production and placement of new units by the end of 2012. Concurrently, Kodak announced significant restructuring actions that resulted in personnel reductions, primarily in its administrative areas. As a result of these actions, Kodak publicly disclosed new financial information to reflect the *pro forma* impact of such changes on the original August 2012 projections for Kodak's emerging Commercial Imaging businesses.

Therefore, the October *pro forma* projections contained certain updates to Kodak's August 2012 projections, as follows:

- (a) *Pro forma* adjustments to reflect the disposition of the Personalized Imaging and Document Imaging businesses, as if the sale transactions were consummated at year-end 2012, including the removal of allocated costs, resulting in no stranded costs being absorbed by the remaining businesses;
- (b) Wind-down of sales of consumer inkjet printers, as described in Kodak's press release dated September 28, 2012, including the removal of allocated costs, resulting in no stranded costs being absorbed by the remaining businesses;
- (c) The incorporation of updated forecasts of foreign exchange rates and commodity prices compared to the August 2012 projections, using high-level sensitivity assumptions;

- (d) Adjustments related to the estimated cost savings identified in Kodak's press release on September 28, 2012, including the impact of certain overhead reduction benchmarks, included on a *pro forma* basis as if in place for the entire forecast period.

These projections reflected Kodak's estimated impact of these changes at that time. Furthermore, Kodak highlighted that, as part of its annual forecasting process for 2013, Kodak would develop a detailed budget, incorporating the anticipated savings from the reduction in workforce and the potential costs or benefits associated with the separation of the Personalized Imaging and Document Imaging businesses and wind-down of Consumer Inkjet printer sales.

3. The January 2013 Projections

In December 2012, Kodak completed its annual forecast process for 2013, which considered timing and amount of separation costs associated with its previously announced plans to sell its Personalized Imaging and Document Imaging businesses, the wind-down of the sales of Consumer Inkjet printers, as well as its updated estimates for the planned reduction of administrative costs related to those businesses.

Additionally, Kodak refined its 2013 assumptions on a bottom-up basis for product prices and volumes, production and administrative costs on a business-unit level, timing for implementation of performance improvement actions, as well as company-wide assumptions on foreign currency exchange rates and commodity prices. Kodak also evaluated its unit installed base assumptions to reflect 2012 data for performance, market trends, competitive industry dynamics, customer relationships, vendor relationships, and strategic partner relationships.

In January 2013, Kodak revised its multi-year projections based on its adjusted starting 2013 baseline year and updated its 2014-2017 assumptions, taking into consideration the various strategic initiatives identified previously. These projections were created to facilitate negotiations of the terms of the DIP Term Loan Credit Agreement and serve as the foundation of the Financial Projections presented herein.

D. Risk Factors

The risk factors related to Kodak's Financial Projections include the following. These and other risk factors are more fully described in Section 9 of the Disclosure Statement to which these Financial Projections are attached:

- (a) If Kodak is unable to retain, hire and incentivize sales, technology and other employees, its business could be adversely impacted.
- (b) Kodak may face competitive pressures that could harm its revenue, gross margins and market share.
- (c) If Kodak cannot effectively launch new products and/or anticipate technology trends by developing and marketing new products to respond to changing customer preferences, Kodak's revenue, earnings and cash flow, could be adversely affected.

- (d) If the expected decline in demand for “late stage” life-cycle products of Kodak’s mature businesses accelerates, Kodak could experience lower product sale volumes and weaker production overhead absorption.
- (e) Lower than planned growth of the hardware installed base could have a detrimental impact on future revenue derived from consumables.
- (f) Delays in establishing partnerships or OEM relationships could have a negative impact on future revenues.
- (g) An increase in certain commodity prices, especially aluminum and silver, could adversely impact Kodak’s profitability if it is unable to hedge its commodities exposure or pass these price increases on to its consumers.
- (h) If the commercialization and manufacturing processes of Kodak fail to prevent product reliability and quality issues, Kodak’s financial results may be adversely impacted, and its reputation may be harmed.
- (i) Kodak may be subject to changes in foreign currency exchange rates and interest rates that may adversely impact operating results and financial position.
- (j) Kodak may continue to outsource a significant portion of its overall worldwide manufacturing, logistics and back-office operations and face the risks associated with reliance on third-party suppliers.
- (k) If Kodak’s estimates of costs “stranded” and remaining with Kodak as a result of the sale or transfer of the Document Imaging and Personalized Imaging businesses are not accurate, Kodak’s profitability may be adversely affected.
- (l) If Kodak’s efforts to implement customer and product profitability initiatives, as well as its cost reduction initiatives, are delayed, Kodak’s profitability may be adversely affected.

II. THE REORGANIZED KODAK

A. Background on Reorganized Kodak’s Projections

The Financial Projections are based on the business strategy and product lines described in more detail in Section 4 of the Disclosure Statement to which these Financial Projections are attached.

For illustrative purposes, all assets and liabilities in its books and records for the Personalized Imaging and Document Imaging businesses are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. Although the KPP Global Settlement has been reached, any balance sheet account exclusions and adjustments noted in the KPP Purchase Agreement may not be fully reflected in the Financial Projections, though such exclusions and adjustments are not expected to have a material impact on Kodak’s financial projections. Additional agreed upon terms of the KPP Global Settlement may not be fully

reflected in the Financial Projections and could impact the projections, including the balance sheet, supply agreements, contingency payments and working capital adjustments.

The Financial Projections do not reflect an adoption of “fresh start” reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Under fresh start reporting, the reorganization value is assigned to assets and liabilities based upon their fair values. If the fair value of all identifiable assets exceeds reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess. Neither case, however, will have an impact on cash.

B. Income Statement Assumptions

- (a) Total Net Sales. Kodak prepared the total net sales projections for 2013 based on a review of market conditions and independent bottom-up forecasts from the DP&E and GECF operating segments. Price, volume and product-mix assumptions were built on a bottom-up basis by business unit with input from both segment and regional sales management teams. The 2013 forecast was used as a baseline and the expected multi-year impact of strategic actions was incorporated into the assumptions of growth rates, consumables usage rates, and service attachment rates, in addition to the company-wide assumptions on foreign currency exchange rates and commodity prices to develop the five year sales forecast. On a consolidated basis, Commercial Imaging net sales are projected to reflect a compounded annual growth rate (“CAGR”) of approximately 4% over the next five years. Major drivers of the net sales increases include the growth in equipment placements and consumables volume in Digital Printing Solutions and Packaging, volume growth in the Functional Printing business, unit volume growth in Unified Workflow, and the expanding project portfolio in Enterprise Services. Within GECF, unit price increases partially offset projected volume declines in commercial film while digital plate volume growth and mix change in PrePress partially offsets annual projected price erosion.
- (b) Total Cost of Sales. Total cost of sales includes costs associated with the production of products, including raw materials, direct labor and production overhead and third-party products. Kodak actively manages both third-party and internal manufacturing to streamline operations, resulting in a leaner, more focused organization aligned with the size of its identified emerging businesses and operations. Gross profit margin is expected to grow from 20% to 28% over the next five years. Major drivers of this growth include product design improvements resulting in lower unit manufacturing costs; optimizing internal and third-party manufacturing; and continued incremental improvements in manufacturing efficiency in businesses such as Enterprise Services and PrePress.
- (c) Selling, General & Administrative Expenses (SG&A). SG&A is comprised of expenses related to the marketing and sales of Kodak’s products and services as well as all general management and administrative functions, including finance & accounting, information technology, legal, human resources and occupancy. Information technology and facilities expenses are generally allocated across all functional expense lines and into cost of goods sold based on specifically identified and activity-based costs. As a result of the recent and

pending restructuring actions described in the Disclosure Statement, SG&A is projected to decrease 26% for fiscal year 2013 compared to fiscal year 2012 and 35% for fiscal year 2014 compared to fiscal year 2013. The Financial Projections assume that for fiscal year 2015 and beyond, SG&A expenses will increase from the fiscal year 2014 run-rate for modest annual increases in employee compensation and an increase in worldwide sales. As described in the Disclosure Statement, Kodak is focused on implementing cost rationalization plans such as restructuring of marketing, sales and administrative resources.

- (d) Research and Development Costs (R&D). R&D is comprised of the costs to continue to develop proprietary technology and new and next-generation product development. Over the forecast period, Kodak has internally identified key projects and priorities and optimized the focus of R&D spending around these initiatives.
- (e) Restructuring Costs and Other. Restructuring costs and other includes expenses related to the cost savings actions, which are primarily comprised of employee severance.
- (f) Non-Operational Pension (Income) Cost. Non-operational pension cost reflects the portion of pension expense related to the interest cost, expected rate of return and amortization of actuarial gains and losses. This cost is a non-cash expense and does not reflect any impact from “fresh start” reporting.
- (g) Other Operating (Income) Expenses, Net. Other operating (income) expenses projected for 2013 reflects the gain/loss on the Personalized Imaging and Document Imaging businesses sale transactions.
- (h) Interest Expense. On March 22, 2013, EKC entered into the DIP Term Loan Credit Agreement in order, among other things, to repay the DIP ABL Term Loan in full. The DIP Term Loan Credit Agreement is anticipated to be converted into an exit facility upon emergence. In the post-emergence projection period, interest expense is with respect to the exit facility.
- (i) Reorganization Items, Net. Reorganization items primarily include professional fees and expenses related to these chapter 11 proceedings.
- (j) (Benefit) Provision for Income Taxes. The Financial Projections assume that Reorganized Kodak will be able to utilize its net operating loss carryforwards for U.S. federal tax purposes during the projection period, and that Kodak will pay approximately \$25-35 million (annually) of annual foreign and local income taxes.

C. Balance Sheet Assumptions

- (a) Cash and Cash Equivalents. At emergence, there is forecasted cash and cash equivalents of approximately \$793 million. The Financial Projections reflect estimated cash flow from operations, proceeds from the DIP Term Loan Credit Agreement, sale proceeds after giving effect to the KPP Global Settlement, and amounts paid as a result of implementing the Plan, including payment of certain administrative, priority,

miscellaneous secured claims, cure costs and accrued professional fees related to the restructuring.

- (b) Receivables, Net. Projected receivables consist primarily of trade receivables owed to Kodak by its customers for goods and services provided in the ordinary course of business. For the projection periods, the assumption for day sales outstanding varies by business unit and is 50 days on average. Trade receivables balances are forecasted by business unit and are based on historical activity. All receivables balances related to the Personalized Imaging and Document Imaging businesses are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (c) Inventory, Net. Inventory is forecasted by business unit based on the current and future needs of the business according to its sales projections. During the bankruptcy period, the assumption for inventory on hand is an average of 60 days, and for all post-emergence periods, the assumption is that inventory on hand will decrease to between 45 and 55 days. Inventory balances are forecasted by business unit and reflect historical activity, as well as any projected improvements in inventory management. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (d) Other Current Assets. Other Current Assets is primarily comprised of Current Net Deferred Income Tax Charges and Prepaid Items. A large portion of the prepaid items relate to Kodak's various insurance policies. The major policies were reviewed to determine potential changes to annual premium amounts following Emergence from bankruptcy. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. No changes to the deferred income tax charges have been forecasted at this time.
- (e) Property, Plant, and Equipment, Net. Projected property, plant and equipment is presented net of accumulated depreciation on the balance sheet. Changes that occur throughout the projection period represent capital expenditures reduced by depreciation (capital expenditures and depreciation expense are forecasted by business unit). Projected capital expenditures include maintenance and replacement of equipment and new projects and equipment to support growth, new product development, as well as the reduction of manufacturing cost. Kodak has focused its investments on commercial businesses in large growth markets that are positioned for technology and business model transformation, specifically, commercial inkjet, packaging and functional printing solutions, and enterprise services.
- (f) Other Long-Term Assets. Other Long-Term Assets is primarily comprised of unamortized goodwill, non-current net deferred income taxes, and other investments and deposits, non-current receivables and leases. No change has been forecasted for deferred income taxes. Changes to other investments and deposits, non-current receivables and leases include the transfer of balances related to the Personalized Imaging and Document Imaging businesses as part of the KPP Global Settlement closing at emergence, as well as non-cash amortization of certain assets.

- (g) Accounts Payable, Trade (“AP”). Projected AP is based on re-establishing credit terms provided by Kodak’s vendors, and are forecasted to increase from 30 days as assumed during the bankruptcy period to 40 days in the post-emergence periods. AP balances are forecasted by business unit and are based on historical activity. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (h) Short-Term Borrowings and Current Portion of Long Term Debt. Short term borrowings and the current portion of long term debt includes principal due within one year. In the period prior to emergence, the DIP ABL Credit Agreement, Brazilian bank debt and the German Sun Note are included within this account. Both the Brazilian bank debt and the German Sun Note are forecasted to be repaid in full in the third quarter of 2013. The DIP Term Loan Credit Agreement is expected to roll over into an exit facility at emergence with a five-year term. Therefore, the ending 2017 forecasted balance sheet reflects the reclassification of the exit facility to current liabilities.
- (i) Other Current Liabilities. Other Current Liabilities includes U.S. sales tax payable, accrued interest payable, accrued salaries and wages, deferred tax liabilities, miscellaneous payables and accruals, customer accrued rebates payable, and certain capitalized lease obligations. No changes to U.S. sales tax payable, deferred income taxes and customer accrued rebates payable are currently forecasted. Accrued interest payable includes payment-in-kind (“PIK”) interest on the Second Lien Notes and cash interest payable (for the historical period) as well as cash interest expense for the forecasted period. The cash interest expense is forecasted based on the terms of the DIP Term Loan Credit Agreement. Changes to the accrued incentive compensation plans are based on target incentive payouts for the wage dividend, EXCEL, performance cash and global variable pay incentive programs. Balances related to the Personalized Imaging and Document Imaging business unit are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. As of December 31, 2012, EKC had approximately \$2 million of capitalized leases on its balance sheet. Changes in the accrued salaries and wages account are based on forecasts of accrued but unpaid salaries and wages remaining at the end of each period. Depending on their location, Kodak employees may be paid on different pay schedules (*e.g.*, bi-weekly, weekly, semi-monthly), which impacts this accrual. Tax liabilities remaining at 2012 are assumed to be paid in full through the course of 2013. All forecasted tax expenses are projected to be expensed and paid in cash in the same period. Miscellaneous payables and accruals include various payables and accruals accounts, each totaling less than 5% of Kodak’s total liabilities.
- (j) Long Term Debt, Net of Current Portion. Under the DIP Term Loan Credit Agreement, EKC has obtained an \$848.2 million credit facility, consisting of \$455 million of New Money Loans, \$18.2 million of PIK fees, and up to \$375 million of Junior Loans. The Financial Projections assume that Reorganized Kodak will roll over \$654 million of the DIP Term Loan Credit Agreement facility into an exit facility as of the Effective Date. The exit facility will have a term of five years with mandatory prepayments required based on an excess cash flow test.

- (k) Pension and Other Postretirement Liabilities. Pension and Other Postretirement Liabilities reflects the total U.S. GAAP liability of all of Kodak's worldwide pension plans. Changes reflect the reclassification of the KRIP from liabilities subject to compromise to pension and other postretirement liabilities, as well as the portion of global pension expense related to service cost, interest cost and expected return on assets, partially offset by the global projected cash contributions. In addition, all KPP liability is assumed to be resolved in full as part of the KPP Global Settlement closing at emergence.
- (l) Other Long Term Liabilities. Other long term liabilities include deferred compensation, non-current federal, state and foreign taxes, deferred income taxes and other long term liabilities including certain capitalized lease obligations. As of December 31, 2012, Kodak had approximately \$9 million of capitalized leases on its balance sheet. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (m) Liabilities Subject to Compromise ("LSTC"). LSTC consists of pre-petition obligations of EKC, including trade accounts payable, pension and other postretirement obligations, agreements reached with various creditors, including the Retiree Settlement with the Retiree Committee, and other liabilities, including customer programs, deferred compensation, environmental liabilities, taxes and contract/lease rejections. These liabilities are forecasted to be reorganized consistent with the Plan on the Effective Date.
- (n) Equity. At emergence, the equity value implied by the Rights Offerings is \$498 million. The forecasted changes throughout the projection period represent the net income or loss, as well as the portion of pension expense related to amortization of actuarial gains/losses and prior service cost. This portion of pension expense does not reflect any impact from "fresh start" reporting.

D. Reorganized Kodak's Projections

EASTMAN KODAK COMPANY PROJECTED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	2016	2017
Total net sales	\$ 681	\$ 2,573	\$ 2,713	\$ 2,923	\$ 3,203
Total cost of sales	552	2,033	2,085	2,186	2,305
Gross profit	<u>\$ 129</u>	<u>\$ 539</u>	<u>\$ 628</u>	<u>\$ 737</u>	<u>\$ 898</u>
Selling, general and administrative expenses (BU-specific)	67	244	249	257	270
Selling, general and administrative expenses (general corporate)	39	134	121	121	132
Research and development costs (BU-specific)	16	75	79	78	83
Research and development costs (general corporate)	7	28	29	31	33
Operational EBIT ¹	1	58	150	249	381
Restructuring costs and other	9	25	15	15	10
Non-operational pension (income) cost	1	3	3	3	3
Other operating (income) expenses, net	2	-	-	-	-
Income (loss) from continuing operations before interest expense, other income (charges), net, reorganization items, net and income taxes	(11)	30	131	230	367
Interest expense	26	104	106	109	109
Reorganization items, net	14	4	-	-	-
Other (income) charges	(1)	(4)	(5)	(5)	(7)
Income (loss) from continuing operations before income taxes	(50)	(74)	30	127	265
(Benefit) provision for income taxes	7	26	27	29	32
NET INCOME (LOSS) ATTRIBUTABLE TO EKC	<u>\$ (56)</u>	<u>\$ (100)</u>	<u>\$ 3</u>	<u>\$ 98</u>	<u>\$ 233</u>
Reconciliation of above to the 8K filed on 1/22/2013:					
Operational EBIT ¹	\$ 1	\$ 58	\$ 150	\$ 249	\$ 381
Depreciation & Amortization	39	140	132	111	113
Operational EBITDA	<u>\$ 40</u>	<u>\$ 199</u>	<u>\$ 282</u>	<u>\$ 360</u>	<u>\$ 494</u>
Less loss from segment not included in the 8K:					
Document Imaging and Personalized Imaging segment (loss) ¹	\$ (13)	\$ (10)	\$ (5)	\$ -	\$ -
OPERATIONAL EBITDA Per 8K Filed on 1/22/2013 ²	<u>\$ 53</u>	<u>\$ 209</u>	<u>\$ 287</u>	<u>\$ 360</u>	<u>\$ 494</u>

¹ The 2013-2017 forecast includes DI/PI "stranded" costs.

² The 8K filed on 1/22/2013 did not include quarterly projections for 2013.

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED BALANCE SHEET

(in millions)

	As of 9/30/2013	2013	2014	As of December 31, 2015	2016	2017
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 793	\$ 809	\$ 833	\$ 904	\$ 1,040	\$ 1,300
Receivables, net	563	579	577	606	635	661
Inventories, net	404	335	312	308	309	295
Other current assets	197	106	106	106	106	106
Total current assets	1,957	1,829	1,828	1,924	2,090	2,362
Property, plant, and equipment, net	457	441	385	335	307	280
Other long-term assets	816	823	803	783	765	749
TOTAL ASSETS	\$ 3,230	\$ 3,093	\$ 3,017	\$ 3,042	\$ 3,161	\$ 3,391
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 220	\$ 209	\$ 217	\$ 227	\$ 241	\$ 254
Short term borrowings and current portion of long term debt	(0)	(0)	(0)	(0)	(0)	624
Other current liabilities	708	637	624	617	625	637
Total current liabilities	928	846	840	844	866	1,516
Long term debt, net of current portion	654	659	679	687	672	-
Pension and other postretirement liabilities	851	788	561	334	112	(106)
Other long term liabilities	299	299	299	299	299	299
Liabilities subject to compromise	-	-	-	-	-	-
Total liabilities	2,732	2,592	2,379	2,165	1,950	1,709
EQUITY	498	501	638	877	1,212	1,682
TOTAL LIABILITIES AND EQUITY	\$ 3,230	\$ 3,093	\$ 3,017	\$ 3,042	\$ 3,161	\$ 3,391

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	2016	2017
Cash flows from operating activities:					
Net income (loss)	\$ (56)	\$ (100)	\$ 3	\$ 98	\$ 233
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation and amortization	39	140	132	111	113
Non-cash restructuring costs, asset impairments and other charges	(6)	-	-	-	-
Non-cash reorganization items, net	7	(7)	-	-	-
Decrease (increase) in receivables	(16)	1	(28)	(30)	(25)
Decrease (increase) in inventories	70	23	4	(1)	14
Decrease (increase) in liabilities excluding borrowings	9	6	11	20	25
Non-cash interest expense	5	20	20	21	20
Other items, net	(15)	9	8	22	22
Total adjustments	92	193	148	144	170
Net cash provided by operating activities	36	93	151	241	403
Cash flows from investing activities:					
Additions to properties	(19)	(70)	(68)	(70)	(75)
Net cash used in investing activities	(19)	(70)	(68)	(70)	(75)
Cash flows from financing activities:					
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	-	(12)	(36)	(68)
Net cash provided by financing activities	-	-	(12)	(36)	(68)
Effect of exchange rate changes on cash	-	-	-	-	-
Net increase in cash and cash equivalents	17	23	72	136	260
Cash and cash equivalents, beginning of period	793	809	833	904	1,040
Cash and cash equivalents, end of period	\$ 809	\$ 833	\$ 904	\$ 1,040	\$ 1,300

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

Appendix H: Emergence Balance Sheet

I. REORGANIZED KODAK'S EMERGENCE BALANCE SHEET

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED EMERGENCE BALANCE SHEET

(in millions)

	Pre- Restructuring As of 9/30/2013	Settlement Transaction	Plan Transaction	Exit Financing/ Debt Discharge	Fresh-Start Adjustments	Post- Restructuring As of 9/30/2013
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 927	\$ 325 (a)	\$ (204) (b),(c),(d)	\$ (255) (e),(f),(g),(h)	\$ -	\$ 793
Receivables, net	712	(149) (a)	-	-	-	563
Inventories, net	567	(163) (a)	-	-	-	404
Other current assets	111	(4) (a)	90 (c)	-	-	197
Total current assets	2,318	9	(114)	(255)	-	1,957
Property, plant, and equipment, net	621	(164) (a)	-	-	-	457
Reorganization value in excess of total assets	-	-	-	-	100 (l)	100
Other long-term assets	938	(114) (a)	(23) (b)	45 (f)	(129) (m)	716
TOTAL ASSETS	\$ 3,877	\$ (270)	\$ (137)	\$ (210)	\$ (29)	\$ 3,230
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 315	\$ (95) (a)	\$ -	\$ -	\$ -	\$ 220
Short term borrowings and current portion of long term debt	(0)	-	-	-	-	(0)
Other current liabilities	864	(145) (a)	-	(10) (e)	-	708
Total current liabilities	1,178	(240)	-	(10)	-	928
Long term debt, net of current portion	1,223	-	-	(570) (g),(h),(i)	-	654
Pension and other postretirement liabilities	1,830	(1,497) (a)	-	518 (j)	-	851
Other long term liabilities	370	(21) (a)	(49) (b),(c)	-	-	299
Liabilities subject to compromise	2,715	(3) (a)	(86) (d)	(2,627) (a),(j),(k)	-	(0)
Total liabilities	7,317	(1,761)	(135)	(2,689)	-	2,732
EQUITY (DEFICIT)	(3,440)	1,492 (a)	(3) (b),(c)	2,478 (h),(i),(k)	(29) (n)	498
TOTAL LIABILITIES AND EQUITY	\$ 3,877	\$ (270)	\$ (137)	\$ (210)	\$ (29)	\$ 3,230

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

II. NOTES ON REORGANIZED KODAK'S EMERGENCE BALANCE SHEET

The consolidated *pro forma* projected balance sheet includes certain of the basic principles of “fresh start” reporting, which will be required for financial reporting following confirmation of the Plan. Under “fresh start” reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification, the reorganization value is assigned to assets and liabilities based upon their fair values. The term “*pro forma*” as used herein is not intended to comply with the guidance outlined by the SEC in Article 11 of Regulation S-X. For purposes of the *pro forma* projected balance sheet, the equity value implied by the Rights Offerings is \$498 million. Because determination of specific asset and liability fair values has not been completed, the existing book values are utilized for illustrative purposes in the *pro forma* projected balance sheet. When the determination of specific asset and liability fair values is completed post-emergence, each asset and liability will be stated at their respective fair values. If the fair value of all identifiable assets exceeds the reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess.

The adjustments in the condensed consolidated *pro forma* projected balance sheet are based on estimates. Actual adjustments will be based on the determined fair value and may be materially different than those presented herein.

Emergence transactions:

- (a) The Financial Projections assume the Debtors will have access to approximately \$464 million at or prior to emergence from chapter 11 from cash repatriation activity and the KPP Global Settlement, which includes the transfer of certain assets and liabilities related to the Personalized Imaging and Document Imaging businesses. The results of these transactions may vary significantly from the projected results. The Financial Projections also assume the consummation of the Rights Offerings with cash proceeds of \$406 million, that will be used to pay the \$375 million Outstanding Principal Amount of Second Lien Notes, the \$20 million Second Lien Settlement Amount, the \$8 million of Cash Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, and the \$3 million Kodak GUC Trust Initial Amount.
- (b) Reflects the \$49 million payment to fund the EBP Trust to be established pursuant to the EBP Settlement among Kodak, Empire State Development and the NYDEC.
- (c) Reflects the estimated accrued professional fees at emergence.
- (d) The Plan assumes approximately \$92 million of cash payments to creditors related to cure amounts, 503(b)(9) Claims, and the Retiree Settlement.
- (e) Reflects the payment of interest expense on Junior Loans and Second Lien Notes in accordance with EKC's existing emergence financing agreement with the lenders under the DIP Term Loan Credit Agreement.
- (f) Reflects the collateralization of \$45 million of cash for letters of credit.

- (g) Assumes \$200 million repayment of New Money Loans prior to emergence.
- (h) Reflects the proceeds of \$406 million from the Rights Offerings and the use of the proceeds to pay the \$375 million Outstanding Principal Amount of Second Lien Notes, the \$20 million Second Lien Settlement Amount, the \$8 million of Cash Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, and the \$3 million Kodak GUC Trust Initial Amount.
- (i) Assumes approximately \$5 million of PIK fee.
- (j) Reflects the reclassification of Qualified Plans from liabilities subject to compromise to pension and postretirement liabilities.
- (k) Reflects the elimination of the remainder of liabilities subject to compromise.
- (l) Based on the implied equity value of \$498 million and the book value of the assets and liabilities of the Reorganized Kodak, there is approximately \$100 million of reorganization value in excess of identifiable assets which will be reflected in the Reorganized Kodak's initial recording of its assets and liabilities at fair value. At this time, the adjustments to the individual asset and liability accounts to reflect their fair values are not available. Therefore, the adjustment to reflect the reorganization value in excess of identifiable assets has been included as one long term asset balance sheet account.
- (m) As required by "fresh start" reporting, goodwill of the predecessor entity is written off.
- (n) Reflects the elimination of historical equity accounts and an adjustment to shareholder's equity resulting from the net impact of fair value adjustments in accordance with Topic 852 of the FASB Accounting Standards Codification.

Appendix I: Liquidation Analysis

EASTMAN KODAK COMPANY, *et al* Hypothetical Liquidation Analysis

Projected as of June 30, 2013

NOTHING CONTAINED IN THE FOLLOWING LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH HEREIN SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN.

THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THESE CHAPTER 11 CASES COULD DIFFER MATERIALLY FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

1. INTRODUCTION

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code (the “**Best Interests Test**”), the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not accept the plan with property of a value (as of the effective date of the plan) that is not less than the amount that such holder would have received if the debtor were liquidated under chapter 7 of the Bankruptcy Code. The Debtors believe that the Plan satisfies the Best Interests Test. Classes 3–10 are Impaired under the Plan. The Debtors believe that the Holders of Allowed Claims and Equity Interests in each Impaired Class will receive at least as much under the Plan as they would have received if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the Plan satisfies the Best Interests Test, the Debtors present the following hypothetical liquidation analysis (the “**Liquidation Analysis**”), based on the assumptions discussed herein. The Liquidation Analysis was prepared by AP Services LLC (“**APS**”), one of the Debtors’ Professionals, with the assistance of and based on information provided by the Debtors’ management and other professionals retained by the Debtors, including information presented in a liquidation analysis of certain tangible and intangible assets report prepared for EKC by Ernst & Young LLP. Capitalized terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement to which this analysis is attached as Appendix I or in the Plan, as the context so requires.

The Liquidation Analysis is based on a number of estimates and assumptions that inherently are subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtors. The Debtors believe that the Liquidation Analysis and the conclusions set forth herein are fair and accurate, and represent the best

judgment of APS and the Debtors' management with regard to the results of a hypothetical chapter 7 liquidation of the Debtors.

The Liquidation Analysis was prepared solely for the purpose of providing a reasonable good-faith estimate of the proceeds that could be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code, and it is not intended nor should be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THAT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH HEREIN.

2. ASSUMPTIONS

As of the date hereof, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules and Proofs of Claim filed as of June 17, 2013. In addition, the Liquidation Analysis includes estimates for Claims currently not asserted in these Chapter 11 Cases, but which could be asserted and allowed in a chapter 7 liquidation.

The Liquidation Analysis sets forth the estimated values that would be obtained upon disposition of assets pursuant to a hypothetical chapter 7 liquidation, as an alternative to continued operation of the business as proposed under the Plan. Accordingly, values discussed herein are different than amounts referred to in the Plan, which illustrates the value of the Debtors' business as a going concern.

In addition to any assumptions set forth in Section 4 below, the Liquidation Analysis assumes that:

- there are proceeds from the recovery of any potential preferences, fraudulent transfer, or other causes of action;⁴⁵
- a hypothetical conversion of the Debtors' Chapter 11 Cases to a chapter 7 liquidation on June 30, 2013 (the "**Liquidation Date**");⁴⁶

⁴⁵ Proceeds of between \$11 million and \$22 million are assumed to be generated from certain preferences, fraudulent transfer or other causes of action recovery activities.

⁴⁶ Subject to certain *pro forma* adjustments as set forth herein, the balance sheets of each of the Debtors and their direct and indirect non-Debtor subsidiaries as of December 31, 2012, are used as reasonable proxies for their respective hypothetical balance sheets as of the Liquidation Date.

- the liquidation of substantially all of the Debtors' operations over a three- to 12-month period, though the wind-down of EKC's non-Debtor subsidiaries may take substantially longer than 12 months; and
- no Debtor assets would be sold as going concerns.⁴⁷

3. GENERAL APPROACH AND SUMMARY RESULTS

As more particularly set forth below, in order to determine the estimated liquidation recovery for each Class of Claims and Equity Interests under the Plan, the Debtors estimated the aggregate proceeds that could be achieved from the hypothetical liquidation of all assets of the consolidated Debtors, and then deducted the estimated values of the allowed claims against the Debtors. The estimated liquidation recovery was compared to the estimated recoveries under the Plan.

As illustrated below, for each Class of Claims or Equity Interests, liquidation under chapter 7 of the Bankruptcy Code would yield recoveries that are no better—and, in many cases, worse— than the estimated recoveries under the Plan.

Class	Description	Estimated Recovery	
		Plan	Liquidation
N/A	Carve Out Claims	100%	100%
N/A	DIP ABL Claims	100%	100%
N/A	New Money DIP Claims	100%	100%
N/A	Junior DIP Claims	100%	29%
N/A	Administrative Claims ⁴⁸ and Priority Tax Claims	100%	0%
1	Other Priority Claims	100%	0%
3	Second Lien Notes Claims	100%	0%
4	General Unsecured Claims	4% -5%	0%
6	Retiree Settlement Unsecured Claim	4% -5%	0%
7	Convenience Claims	4.5%	0%
8	Subsidiary Convenience Claims	100%	0%
9	Equity Interests	0%	0%
10	Section 510(b) Claims	0%	0%

Subject to the terms of the DIP Order, the “**Carve Out**” from the liens granted pursuant to the DIP Order includes (i) all fees and interest required to be paid to the clerk of the Bankruptcy Court and the office of the U.S. Trustee, (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 and (iii) all allowed and unpaid Claims of the Fee Examiner, the Debtors' Professionals and Professionals of the Fee Examiner, the Retiree Committee or the Creditors' Committee, incurred (a) prior to the occurrence of an event of default under the DIP ABL Credit

⁴⁷ This assumption is based on the fact that the Debtors' businesses are managed and run by product families across legal entities and geographic borders. In addition, some marketing functions are shared across business units, thereby increasing the complexity of selling the businesses as going concerns or financing such a process.

⁴⁸ Excluding Carve Out Claims.

Agreement or the DIP Term Loan Credit Agreement Facility or (b) after the occurrence and during the continuance of an event of default in an aggregate amount not exceeding \$15,000,000.

Liquidation proceeds are distributed to creditors pursuant to the DIP Order and in accordance with the absolute priority rule. Pursuant to the DIP Order, liquidation proceeds would go to satisfy first the Carve Out, DIP ABL Claims and New Money DIP Claims, with any excess being distributed to the Junior DIP Claims.

As shown in the table above, the Claims held by the DIP Term Loan lenders arising out of the New Money Loans (the “**New Money DIP Claims**”) are estimated to receive 100% recoveries under both the Plan and a hypothetical liquidation scenario. While the claims held by the Supplemental DIP Lenders arising out of the Roll Up Loans (the “**Junior DIP Claims**”) are expected to receive partial recovery under a chapter 7 liquidation, they are expected to receive more under the Plan than in a liquidation. The chart above demonstrates that, subject to the Carve Out, there is no anticipated recovery for Claims other than the DIP ABL Claims, the New Money DIP Claims and the Junior DIP Claims in a chapter 7 liquidation of the Debtors.

4. NOTES TO THE LIQUIDATION ANALYSIS

A summary of the results of the Liquidation Analysis is attached hereto as Exhibit 1. The Liquidation Analysis reflects the estimated proceeds generated from the liquidation of the assets in addition to cash estimated to be held by the Debtors on the Liquidation Date (such proceeds, the “**Liquidation Proceeds**”) that would be available to a chapter 7 trustee for distribution. The trustee would use the Liquidation Proceeds to satisfy first Secured Claims, the costs and expenses of the liquidation, including wind-down costs and trustee fees (such costs, the “**Liquidation Costs**”), and such additional Administrative Claims, Priority Tax Claims and Other Priority Claims that are estimated to be incurred in a chapter 7 liquidation. Any remaining net Liquidation Proceeds would then be allocated to Holders of Unsecured Claims and Equity Interests in accordance with the priorities set forth in section 726 of the Bankruptcy Code.

The Liquidation Analysis provides for high and low recovery percentages for Claims and Interests upon the trustee’s application of the Liquidation Proceeds. The high and low recovery ranges reflect a high and low range of estimated Liquidation Proceeds from the trustee’s sale of the Debtors’ assets.

The Liquidation Analysis assumes that the KPP Global Settlement is not consummated. Substantial consummation of the Debtors’ Plan is a condition to the closing of the KPP Global Settlement. This condition would not be satisfied in the event of a chapter 7 liquidation, precluding the KPP Global Settlement from closing. In addition, the Debtors and their advisors have concluded that, even if a sale of certain businesses were close to being consummated, the Debtors would lack the capabilities and resources to complete the transactions. Moreover, the nature of the Debtors’ businesses is such that transitional services would be required by any buyer for an extended period of time. In the event of a chapter 7 liquidation, the Debtors would not be able to provide these transitional services for the required period of time. Furthermore, a cessation of the Debtors’ operations would result in prohibitive costs. Such costs would preclude the Debtors from implementing major actions required to

maximize creditor returns in a chapter 7 liquidation. As a result, all assets and liabilities associated with the business units are included in the Liquidation Analysis. In addition, the Liquidation Analysis estimates the Debtors' recoveries from intercompany receivables and intercompany investments by liquidating all non-Debtor entities and allowing proceeds to flow between Debtor and non-Debtor entities in accordance with priority of claims and ownership. The liquidation recovery rate assumptions provided below are the same for the assets of the Debtors and the non-Debtor entities, except as otherwise noted.⁴⁹

1. Book Values

- Unless otherwise stated, the book values used in the Liquidation Analysis are the unaudited net book values of the Debtors as of December 31, 2012.⁵⁰ These book values are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date.
- The book values have not been subject to any review, compilation or audit by an independent accounting firm.

2. Total Cash and Marketable Securities

- The Liquidation Analysis assumes that the Debtors' operations during the Liquidation Period would not generate additional cash available for distribution except for net proceeds from the disposition of non-cash assets.
- The liquidation value for the Debtors' is based on the forecasted balance as of June 30, 2013, which takes into account the Patent Disposition that closed on February 1, 2013, the restructuring of the Debtors' debtor-in-possession financing that closed on March 22, 2013, operating cash flow and foreign cash repatriation.
- The December 31, 2012 cash balances of non-Debtor entities have been adjusted to reflect forecasted cash repatriation to the Debtors.
- The liquidation value for all other entities is estimated to be 97% to 100% of their net book value as of December 31, 2012.

⁴⁹ The Liquidation Analysis also assumes that the U.K. Pensions Regulator is not permitted under applicable law or the facts of this case to assert an expense claim with super-priority in the insolvency proceedings of Kodak Limited or Kodak International Finance Limited.

⁵⁰ The individual balances presented herein under the caption "Unaudited 12/31/12" are not audited on a stand-alone basis; however, such individual amounts agree to the company's general ledger and accounting records underlying the audited financial statements.

3. Net Trade Receivable

- The analysis of accounts receivable assumes that a chapter 7 trustee would retain certain existing staff to handle an aggressive collection effort for outstanding trade accounts receivable for the entities undergoing an orderly liquidation.
- Collectible accounts receivable are assumed to include all third-party trade accounts receivable.
- A range of discount factors were used and these discount factors were estimated based on the asset-backed facilities, effective advance rates and estimated liquidation values. The discount factor also takes into consideration the risk that collections during a liquidation of the Debtors may be further compromised by claims for damages for breaches of (or the likely rejection of) customer contracts, as customers may attempt to set off outstanding amounts owed to the Debtors against such claims.
- For purposes of the Liquidation Analysis, the liquidation values of trade accounts receivable were estimated at 60% to 75% of the net book values as of December 31, 2012.

4. Inventory

- The Debtors' inventories are comprised of raw materials, work-in-progress and finished goods, as well as supplies and materials.
- Types of inventory products include paper, printers, film, plates, printer components and chemicals.
- A range of discount factors were used and these discount factors were estimated based on the asset-backed facilities, effective advance rates and estimated liquidation values. The recovery ranges vary by type of inventory, as presented in the following table:

	Low	High
Raw Materials	20%	35%
Work-In-Progress	5%	10%
Finished Goods	55%	75%

5. Other Receivables

- Other Receivables includes miscellaneous receivables, vendor down payments, miscellaneous deposits and intercompany imbalances.
- Other Receivables were estimated to have 5% to 10% recovery for purposes of this Liquidation Analysis.

6. Intercompany Receivables

- There are two types of intercompany receivable assets of the Debtors, listed below:
 - Receivables from Debtor entities: As explained above, under the Liquidation Analysis, liquidation of the Debtors would provide no recovery to unsecured creditors, including Holders of Intercompany Claims.
 - Receivables from non-Debtor entities: The Liquidation Analysis assumes that the Debtors receive an unsecured claim that ranks equally with other unsecured claims, unless the receivable is required to be subordinated under local law. The liquidation asset values of non-Debtor entities are available to pay off claims based on priority. If assets are available for unsecured claims, intercompany receivables are paid on a weighted-average basis with all other unsecured claims.

7. Prepaids and Other Current Assets

- Prepaid expenses and other current assets include prepaid taxes, prepaid insurance, prepaid rents and leases, reserve for intercompany profits, unamortized production variance, net deferred income tax charge and other current assets.
- Prepaid expenses and other current assets are estimated to have no value in a liquidation scenario.

8. Property, Plant, and Equipment

- “PP&E” includes all owned land, land improvements and buildings, machinery, equipment, construction in progress and rental products.
- The liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP includes values of material PP&E assets of \$92 million to \$119 million for all EKC entities. The value of PP&E associated with Debtor entities is \$39 million to \$51 million.
- The PP&E assets that are not covered by the liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP are assumed to have a recovery range of 10% to 15% of book value. The recovery ranges are consistent with the recoveries (as a percentage of book value).

9. Investments and Other Non-Current Assets

- Goodwill is estimated to have no value in a liquidation scenario.
- Other Investments and Deposits includes acquired intangibles, licensing and other intangibles, debt issuance cost and other miscellaneous deposits and investments. The recovery value for these assets is estimated at 5% to 10% of the net book value as of December 31, 2012.

- Non-Current Receivables are estimated to have no value in a liquidation scenario.
- Inventory: Non-Product Items are estimated to have no value in a liquidation scenario.
- Joint Venture Investments are estimated to a scenario recovery value of at 0% to 10% of the net book value as of December 31, 2012.

10. Intercompany Investments

- Values for the Debtors' investments associated with all non-Debtor entities have been included in the Liquidation Analysis at estimated liquidation values.
- For all non-Debtor entities, except those located in China, the estimated values for non-Debtor entities are based on the liquidation value of assets remaining after all liabilities have been fully paid. Remaining assets are distributed based on ownership.
 - For Chinese non-Debtor entities, it is assumed that a material portion of assets available for distribution will not be capable of repatriation for an extended period of time (due to applicable local laws or regulations) or will be consumed in the administration of the case. The assumption is based on experience and discussions with local experts. The 50% assumption takes into account potential new claims, the time value of money of distributing assets over a five year period and risk of administrative process in China.
- There are 37 non-Debtor entities in which Debtor entities have ownership. These non-Debtor entities have an estimated consolidated aggregate value in the range of \$51 million to \$72 million after all estimated claims against each entity are paid. The intercompany investment values of the non-Debtors are listed below. All other non-Debtor entities in which Debtor entities have ownership are valued at \$0.

**Debtor's Non-Debtor
Intercompany Investments Summary**
(\$ thousands)

Subsidiary	Low	High	Median
Kodak Polychrome Graphics Company Ltd.	17,280	19,697	18,489
Kodak Korea Ltd.	9,370	12,425	10,897
Kodak Mexicana S.A. de C.V.	6,362	14,640	10,501
Kodak Venezuela, S.A.	7,336	8,300	7,818
Kodak (Thailand) Limited	5,650	6,925	6,287
Kodak Norge A/S	1,582	1,944	1,763
Kodak New Zealand Limited	1,458	1,813	1,636
Kodak S.p.A.	-	2,837	1,419
Kodak Argentina S.A.I.C.	320	1,900	1,110
Kodak Kft.	795	841	818
Kodak Chilena S.A.F.	583	604	593
Kodak (Malaysia) Sdn. Bhd.	284	375	329
Total	\$ 51,020	\$ 72,303	\$ 61,661

Equity amounts presented in the table above are inclusive of ownership percentages.

11. Intangible Assets

- Intangible assets are comprised primarily of the Kodak brand and patents.
- The liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP includes values for intangible assets of \$174 million to \$243 million.

12. Liquidation Costs

- Payroll/Overhead: Wind-down costs include the costs to retain certain key employees and maintain critical corporate operations during wind-down, and are estimated at 2% of the gross asset proceeds.
- Liquidation Costs of PP&E are based on historical experience in other chapter 7 cases and are calculated at 10% of the gross PP&E proceeds.
- Liquidation Cost of Intangible Assets are based on estimated cost of running a market sales process and are calculated at 3% of the gross Intangible Assets sales proceeds.
- Chapter 7 trustee fees are estimated based on historical experience in other chapter 7 cases and are calculated at 3% of the gross asset proceeds. The same percentage assumption is used for insolvency practitioner fees of non-Debtor insolvencies.

- Chapter 7 professional fees includes the cost of attorneys, financial advisors, accountants, brokers and other professionals retained by a chapter 7 trustee. It is assumed that professional fees would be 1.5% of the gross asset proceeds.
- For the non-Debtor entities, provision for priority employee claims equal to one month's payroll and unsecured employee claims equal to three month's payroll have been made for all entities except as detailed below:
 - For all Chinese entities, the priority claim is increased to six months' payroll. No provision is made for non-priority claims other than liabilities already recorded on the balance sheet.
 - For those entities located in Continental Europe, the non-priority claim is increased from three to 24 months to reflect the higher employee entitlements in those jurisdictions.
 - For Kodak Limited:
 - The priority claim amount has been reduced to \$0.
 - The non-priority claim has been calculated based on Kodak's policy of using the statutory age-years of service table increased by a factor of two, providing for a payment of 15 weeks per staff member. The payment is assumed to be £450 per week regardless of the individual employee's salary.

13. Claims

- Carve Out Claims: Carve Out Claims consist of Claims arising under the Carve Out described in the summary above.
- DIP ABL Claims: During the course of these Chapter 11 Cases, the Debtors have issued approximately \$147 million in letters of credit and other security under the DIP ABL Credit Agreement to certain counterparties. For purposes of this Liquidation Analysis, the Debtors have assumed that these letters of credit would be drawn by such counterparties, who would otherwise hold Administrative Claims.
- New Money DIP Claims: There is approximately \$473 million outstanding under the New Money Loans.
- Junior DIP Claims: There is \$375 million outstanding under the Junior Loans.
- Second Lien Notes Claims: Second Lien Notes Claims consist of \$375 million in Second Lien Notes secured by liens on certain of the Debtors' assets.
- Administrative and Priority Claims: Administrative and Priority Claims include Administrative Claims, Priority Tax Claims and Other Priority Claims, consisting of:
 - (a) Claims arising under sections 503(b), 507(b) or, to the extent applicable, 1114(e)(2) of

the Bankruptcy Code, including: (i) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (ii) Professional Claims; and (iii) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. 1911 and 1930; (b) Claims of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code; and (c) any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim, DIP Facility Claim or Priority Tax Claim. Administrative and Priority Claims exclude the Carve Out Claims defined above as well as post-petition intercompany claims between Debtor entities. It should also be noted that the Administrative and Priority Claims include an estimated claim of \$1.4 billion for the PBGC.

- **Unsecured Claims:** The Liquidation Analysis assumes that a chapter 7 trustee would distribute the Liquidation Proceeds on account of unsecured claims arising out of the rejection of executory contracts and unexpired leases (the “**Rejection Damages Claims**”) and General Unsecured Claims (including unsecured trade claims, third-party accounts payable and unsecured deficiency claims) on a *pari passu* basis. The Liquidation Analysis estimate for each of the foregoing Classes is based upon the Debtors’ estimate of remaining Claims in each Class after completion of the Claim Review and Objection Process described in Section 3.C.3 of the Disclosure Statement, subject to certain adjustments. The Liquidation Analysis excludes certain additional Claims (primarily Rejection Damages Claims) that may result from conversion of the Chapter 11 Cases to chapter 7 cases. For purposes of the Liquidation Analysis, these estimates do not include interest accrued after the Petition Date because the Liquidation Analysis concludes that unsecured creditors would not be paid in full and, therefore, would not be entitled to post-petition interest. It should also be noted that the Unsecured Claims include an estimated claim of \$2.8 billion for the KPP Trustees Limited.
- **Equity Interests:** Equity Interests include any equity security (as defined in section 101(16) of the Bankruptcy Code), including any issued or unissued share of common stock, preferred stock, or other instrument evidencing an ownership interest in EKC, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in EKC that existed immediately prior to the Effective Date and any phantom stock or similar stock unit provided pursuant to the Debtors’ prepetition employee compensation program; provided, however, that Equity Interests do not include any Intercompany Interest.

Exhibit 1

**Eastman Kodak Company - Consolidated Debtors
Hypothetical Liquidation Analysis
(Unaudited)**

(\$ in 000's)		Estimated Recovery Rate				Estimated Recovery Value		
Assets	Notes	Book Value	Low	High	Mid	Low	High	Mid
Total Cash and Marketable Securities	2	275,261	97.0%	100.0%	98.5%	267,003	275,261	271,132
Net Trade Receivables	3	122,385	60.0%	75.0%	67.5%	73,431	91,789	82,610
Inventory	4	269,457	32.1%	46.5%	39.3%	86,432	125,212	105,822
Other Receivable	5	33,651	5.0%	15.0%	10.0%	1,683	5,048	3,365
Intercompany Receivables	6	1,918,396	3.0%	3.5%	3.2%	57,867	66,789	62,328
Prepays and Other Current Assets	7	67,993	0.0%	0.0%	0.0%	-	-	-
Property, Plant and Equipment	8	459,172	8.6%	11.2%	9.9%	39,319	51,536	45,428
Investments and Other Non-Current Assets	9	162,402	5.1%	7.8%	6.4%	8,250	12,696	10,473
Intercompany Investments	10	2,931,488	1.7%	2.5%	2.1%	51,020	72,303	61,661
Intangible Assets	11	-	0.0%	0.0%	0.0%	174,000	242,500	208,250
Preferences, Fraudulent Transfer, Other Causes	N/A	-	0.0%	0.0%	0.0%	11,000	22,000	16,500
Liquidation Proceeds		6,240,205	12.3%	15.5%	13.9%	770,005	965,134	867,570
Payroll/Overhead	12					(15,400)	(19,303)	(17,351)
Liquidation Cost of PP&E	12					(3,932)	(5,154)	(4,543)
Liquidation Cost of Intangible Assets	12					(5,220)	(7,275)	(6,248)
Chapter 7 Trustee Fees	12					(23,100)	(28,954)	(26,027)
Chapter 7 Professional Fees	12					(11,550)	(14,477)	(13,014)
Liquidation Cost						(59,202)	(75,162)	(67,182)
Net Liquidation Proceeds Available to Creditors						710,803	889,971	800,387
Estimated Recovery to Creditors by Class		Estimated Claim Allowed						
Carve Out Claims	13	70,939	100.0%	100.0%	100.0%	70,939	70,939	70,939
Proceeds available to DIP ABL Claims		-				639,864	819,032	729,448
DIP ABL Claims	13	146,541	100.0%	100.0%	100.0%	146,541	146,541	146,541
Proceeds available to New Money DIP Claims		-				493,323	672,491	582,907
New Money DIP Claims	13	473,200	100.0%	100.0%	100.0%	473,200	473,200	473,200
Proceeds available to Junior DIP Claims						20,123	199,291	109,707
Junior DIP Claims	13	375,000	5.4%	53.1%	29.3%	20,123	199,291	109,707
Proceeds available to Second Lien Notes Claims						-	-	-
Second Lien Notes Claims	13	375,000	0.0%	0.0%	0.0%	-	-	-
Proceeds available to Administrative and Priority Claims						-	-	-
503(b)(9), Lien, Employee, Tax and Other Claims	13	1,534,430	0.0%	0.0%	0.0%	-	-	-
Other Post Petition Administrative Claims	13	857,665	0.0%	0.0%	0.0%	-	-	-
Proceeds available to Unsecured Claims						-	-	-
General Unsecured Claims	13	5,303,206	0.0%	0.0%	0.0%	-	-	-
Proceeds Available for Equity						-	-	-

Appendix J: Rights Offerings Procedures

[Attached as Exhibits B and C to the *Debtors' Motion for an Order (A) Approving Procedures for Rights Offerings and (B) Authorizing the Debtors to Conduct the Rights Offerings in Connection with the First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and Its Debtor Affiliates* [Docket No. 4082].]

Appendix K: Sources and Uses of Cash

EASTMAN KODAK COMPANY PROJECTED CASH SOURCES & USES AT EMERGENCE

(in millions)

DEBTOR CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Debtor Cash Balance - Pre-Emergence ¹	\$ 171	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Rights Offering Proceeds	406	Accrued Interest - Junior Loans	<u>3</u>
Net Transaction Proceeds ²	464	Total DIP Facility Claims	851
TOTAL CASH SOURCES	<u>\$ 1,689</u>		
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Eastman Business Park Settlement ⁵	18
		OPEB Priority Claim	15
		Secured/Admin/Priority Claims ⁴	<u>17</u>
		Total Other Claims	113
		<u>Emergence Cash Outlays</u>	
		Cash Collateralization of LCs and Transaction Expenses	\$ 54
		Escrow for Accrued Professional Fees	90
		Rights Offering ⁶	
		Outstanding Principal Amount of Second Lien Notes	375
		Second Lien Settlement Amount	20
		Cash Rights Offerings Consideration	8
		Kodak GUC Trust Initial Amount	<u>3</u>
		Total Emergence Cash Outlays	550
		Debtor Cash Balance - Post-Emergence	<u>175</u>
		TOTAL CASH USES	<u>\$ 1,689</u>

GLOBAL CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Global Cash Balance - Pre-Emergence ¹	\$ 927	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Rights Offering Proceeds	406	Accrued Interest - Junior Loans	<u>3</u>
Net Transaction Proceeds ²	525	Total DIP Facility Claims	851
TOTAL CASH SOURCES	<u>\$ 2,507</u>		
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Eastman Business Park Settlement ⁵	18
		OPEB Priority Claim	15
		Secured/Admin/Priority Claims ⁴	<u>17</u>
		Total Other Claims	113
		<u>Emergence Cash Outlays</u>	
		Cash Collateralization of LCs and Transaction Expenses	\$ 54
		Escrow for Accrued Professional Fees	90
		Rights Offering ⁶	
		Outstanding Principal Amount of Second Lien Notes	375
		Second Lien Settlement Amount	20
		Cash Rights Offerings Consideration	8
		Kodak GUC Trust Initial Amount	3
		Contribution to the KPP from KL	<u>200</u>
		Total Emergence Cash Outlays	750
		Global Cash Balance - Post-Emergence	<u>793</u>
		TOTAL CASH USES	<u>\$ 2,507</u>

Notes:

¹ Estimated cash balance immediately prior to emergence includes all flows from operations and asset sales through September.

² Assumes disposition of Personalized Imaging and Document Imaging businesses, KPP settlement and the receipt by Kodak of

\$525 million of cash proceeds in excess of any amounts paid to KPP. Assumes \$464 million proceeds to the US, directly and through repatriation.

³ Includes required \$200 million repayment of DIP Term Loans for roll-over of remaining DIP Term Loans to Exit Facility - First Lien - New Money Loans.

The DIP Term Loan balance is as of May 31, 2013.

⁴ Claim payments based on current estimate for allowed amounts for the given categories.

⁵ Projected net incremental cash contributions from other cash sources to satisfy Kodak's \$49 million funding obligation pursuant to the EBP Settlement Agreement

⁶ Includes payment of \$375 million Outstanding Principal Amount of Second Lien Notes, \$20 million Second Lien Settlement Amount, \$8 million Cash Rights Offerings Consideration, and \$3 million, the Kodak GUC Trust Initial Amount.

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections. The Financial Projections assume the Debtors will have access to approximately \$464 million at or prior to emergence from chapter 11 from cash repatriation activity and the KPP Global Settlement, which include the transfer of certain assets and liabilities related to the Personalized Imaging and Document Imaging businesses. The results of these transactions may vary significantly from the projected results.

EXHIBIT B

Blackline of Amended Disclosure Statement

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.
A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN DESCRIBED HEREIN WILL
COMMENCE ONLY IF THIS OR ~~ANA~~ FURTHER AMENDED DISCLOSURE STATEMENT AND SOLICITATION
PROCEDURES IN CONNECTION THEREWITH ARE APPROVED BY THE BANKRUPTCY COURT.
THE DEBTORS ~~MAY~~ RESERVE TO FURTHER AMEND, MODIFY OR ~~RESTATE~~ SUPPLEMENT THIS PROPOSED
DISCLOSURE STATEMENT
AT OR PRIOR TO THE HEARING TO APPROVE IT.



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202 (ALG)
Debtors.)	(Jointly Administered)

FIRST AMENDED DISCLOSURE STATEMENT FOR DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE

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New York, New York 10020
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Counsel to the Debtors and
Debtors in Possession

Dated: ~~April 30~~ June 21, 2013

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors' corporate headquarters is 343 State Street, Rochester, NY 14650.

THE BOARD OF DIRECTORS (OR THE EQUIVALENT AUTHORIZED BODY) OF EACH OF THE DEBTORS HAS APPROVED THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN AND THE TRANSACTIONS CONTEMPLATED AND DESCRIBED HEREIN. IN ADDITION, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND ITS LEGAL AND FINANCIAL ADVISORS PLAYED AN ACTIVE ROLE IN THE NEGOTIATION OF THE TERMS OF THE PLAN, AND THE TRANSACTIONS CONTEMPLATED THEREIN AND DESCRIBED HEREIN. ACCORDINGLY, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS RECOMMENDS THAT HOLDERS OF CLAIMS IN CLASSES 4, 5, 6, 7, AND 8 VOTE TO ACCEPT THE PLAN.

THIS PROPOSED DISCLOSURE STATEMENT HAS BEEN PREPARED FOR THE ~~LIMITED~~ PURPOSE OF SOLICITING VOTES TO ACCEPT OR REJECT THE CHAPTER 11 PLAN IT DESCRIBES HEREIN AND IN CONNECTION WITH THE IMPLEMENTATION OF THE RIGHTS OFFERINGS. NO PERSON SHOULD USE OR RELY ON THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

IMPORTANT FEDERAL, STATE AND LOCAL LAWS FOR THE PROTECTION OF INVESTORS DO NOT APPLY TO THIS DISCLOSURE STATEMENT. ~~IF THE CHAPTER 11 PLAN IS APPROVED BY THE BANKRUPTCY COURT AND BECOMES EFFECTIVE,~~ THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED IN RELIANCE ON THE EXEMPTION FROM TO CREDITORS WITHOUT REGISTRATION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE OFFERING OF THE SECURITIES WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), OR ANY SIMILAR ~~OTHER~~ FEDERAL, STATE OR LOCAL LAW. IN ADDITION, PURSUANT TO RELIANCE UPON (A) THE EXEMPTIONS SET FORTH IN SECTION 1125(E) 1145 OF THE BANKRUPTCY CODE, NO PERSON PARTICIPATING IN GOOD FAITH TO THE MAXIMUM EXTENT PERMITTED AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE IN THE OFFER, ISSUANCE, SALE AND (B) TO THE EXTENT THAT SECTION 1145 IS EITHER NOT PERMITTED OR PURCHASE OF A SECURITY OFFERED OR SOLD UNDER THE CHAPTER 11 PLAN WILL BE LIABLE ON ACCOUNT OF SUCH PARTICIPATION FOR VIOLATION OF ANY NOT APPLICABLE LAW, RULE, THE EXEMPTION SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT OR REGULATION GOVERNING THE OFFER, ISSUANCE, SALE OR PURCHASE OF SECURITIES PROMULGATED THEREUNDER. IN ACCORDANCE WITH SECTION 1125(E) OF THE BANKRUPTCY CODE, A DEBTOR OR ANY OF ITS AGENTS THAT PARTICIPATES, IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, IN THE OFFER, ISSUANCE, SALE, OR PURCHASE OF A SECURITY, OFFERED OR SOLD UNDER THE PLAN, OF THE DEBTOR, OF AN AFFILIATE PARTICIPATING IN A JOINT PLAN WITH THE DEBTOR, OR OF A NEWLY ORGANIZED SUCCESSOR TO THE DEBTOR UNDER THE PLAN, IS NOT LIABLE, ON ACCOUNT OF SUCH PARTICIPATION, FOR VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE OFFER, ISSUANCE, SALE, OR PURCHASE OF SECURITIES.

THIS DISCLOSURE STATEMENT IS BEING DISTRIBUTED TO PARTIES IN INTEREST AS A SETTLEMENT PROPOSAL AND IS THEREFORE SUBJECT TO FEDERAL RULE OF EVIDENCE 408 AND OTHER APPLICABLE RULES, AND DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER IN CONNECTION WITH ANY PENDING, THREATENED AND POTENTIAL LITIGATION, ARBITRATIONS OR DISPUTES.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, THE TERMS OF THE RIGHTS OFFERINGS, THE BACKSTOP COMMITMENT AGREEMENT AND DOCUMENTS RELATED THERETO; STATUTORY PROVISIONS RELEVANT TO CONFIRMATION OF THE PLAN; EVENTS IN THESE CHAPTER 11 CASES; AND FINANCIAL INFORMATION. ALTHOUGH THE DEBTORS BELIEVE SUCH SUMMARIES ARE FAIR AND ACCURATE, THEY ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRETY OF SUCH DOCUMENTS OR STATUTORY PROVISIONS.

FACTUAL INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT ~~OF THE DEBTORS~~ EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED.

~~THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.~~

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED.

NO PERSON SHOULD RELY ON ANY OTHER INFORMATION THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED BY REFERENCE HEREIN. THE DEBTORS HAVE NOT AUTHORIZED ANYONE TO PROVIDE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT.

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Appendices

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1. **EXECUTIVE SUMMARY**

On January 19, 2012 (the “**Petition Date**”), Eastman Kodak Company (“**EKC**”) and the other Debtors in these Chapter 11 Cases (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”). EKC and its subsidiaries (“**Kodak**”) have continued to operate in the ordinary course of business since the Petition Date and EKC’s non-U.S. subsidiaries are not subject to these Chapter 11 Cases.

On April 30, 2013, the Debtors filed the *Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates* [Docket No. 3650] (the “**Initial Plan**”) and the *Disclosure Statement for Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 3651] (the “**Initial Disclosure Statement**”). Prior to and following the filing of the Initial Plan and Initial Disclosure Statement, the Debtors engaged in discussions regarding potential transactions that would result in the payment of Second Lien Notes Claims in Cash, enhance creditor recoveries and facilitate the confirmation process. As described in Section 3.E. below, the result of these extensive efforts is the Backstop Commitment and Rights Offerings, which are the cornerstones of the *Debtors’ First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates*, attached hereto as Appendix A [Docket No. 4073] (as may be further amended, supplemented or modified from time to time, including the Plan Supplement and all other exhibits and schedules thereto, in each case, as they may be further amended, modified or supplemented from time to time, the “**Plan**”).² The Plan represents a comprehensive compromise that provides higher creditor recovery and a more expeditious emergence from chapter 11 than the Initial Plan. The Creditors’ Committee has informed the Debtors that it endorses fully the Debtors’ entry into the Backstop Commitment Agreement, the implementation of the Rights Offerings and the terms and conditions of the Plan.

A. **Overview of ~~the~~ Reorganized Kodak**

Kodak is a trusted leader in conventional and digital technologies that serve the \$720 billion commercial, packaging and functional printing market. Kodak is focused on meeting customer needs and leading the Commercial Imaging industry, in which Kodak has a compelling and unique combination of advantages. These include:

- *Strong technology*: Kodak’s innovative technologies enable the company to provide its customers with qualitatively different advanced solutions and to shape the development of commercial printing markets in the future.
- *Strong market mix*: Kodak operates in a highly advantageous mix of large, established and steady markets, which continue their digital transition, as well as early-stage markets with excellent prospects for dynamic growth.

² Capitalized terms not defined herein shall have the meanings given to them in the Plan.

- *Strong position:* Kodak is a recognized leader in these markets, with cash-generative businesses in the large markets and excellent positioning to achieve volume and profitability gains in the growth markets.

Section 4 below, ~~entitled “~~The Reorganized Debtors,”~~”~~ provides a description of the reorganized company and outlines the strategy and product offerings of the Commercial Imaging business.

Kodak has announced the disposition of its Personalized Imaging and Document Imaging businesses to the KPP as part of the KPP Global Settlement described in Section 3.D.3.b. below. The consummation of the KPP Global Settlement is a condition to the effectiveness of the Debtors’ proposed Plan. Accordingly, the Personalized Imaging and Document Imaging businesses are not described in this Disclosure Statement except as they relate to the terms and conditions of the KPP Global Settlement and Kodak’s previous exploration of strategic alternatives.

B. Purpose of this Disclosure Statement

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Chapter 11 helps a company to restructure its operations and finances to maximize recovery to all stakeholders. The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against, and interests in, the debtor. Confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor or interest holder of the debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes the obligations specified under the confirmed plan.

In general, a plan of reorganization (i) divides claims and interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains provisions necessary to implement the plan. Under the Bankruptcy Code, “claims” and “interests,” rather than “creditors” and “shareholders,” are classified because creditors and shareholders may hold claims and interests in more than one class.

The Debtors submit this [First Amended Disclosure Statement for Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code \(this “Disclosure Statement”\)](#) pursuant to section 1125 of the Bankruptcy Code for the purposes of soliciting votes on the proposed ~~Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company Plan and its Debtor Affiliates, attached hereto as Appendix A (as amended, supplemented or modified from time~~providing information to time, including the Plan Supplement and all other exhibits and schedules thereto, persons eligible to participate in the “Plan”).³ ~~Rights Offerings.~~ The purpose of this Disclosure Statement is to provide (a) the Holders of Claims who are entitled or solicited to vote on the Plan with adequate information to make an informed judgment about the

³ ~~Capitalized terms not defined herein shall have the meanings provided to them in the Plan.~~

Plan, and (b) the persons eligible to participate in the rights offerings ("**Eligible Rights Offerings Participants**") with sufficient information to make an informed decision as to their participation in the rights offerings. According to section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited only after a Bankruptcy Court-approved written disclosure statement has been provided to each creditor or interest holder who is entitled to vote on the plan.

C. New Equity Commitment and Rights Offerings

The Plan provides for two rights offerings to raise \$406 million of equity capital (the "**Rights Offering Amount**") through the issuance of 34 million shares of New Common Stock. The Rights Offerings consist of (a) a rights offering for up to six million shares of the New Common Stock (the "**1145 Rights Offering**") and (b) an additional rights offering (the "**4(2) Rights Offering**") and, together with the 1145 Rights Offering, the "**Rights Offerings**") for a number of shares of New Common Stock (the "**4(2) Rights Offering Shares**") equal to the sum of (x) 28 million and (y) the number of shares of New Common Stock offered but unsubscribed in the 1145 Rights Offering (the "**1145 Rights Offering Unsubscribed Shares**").

In connection with the Rights Offerings, on June 18, 2013, subject to Bankruptcy Court approval thereof, the Debtors entered into an agreement (the "**Backstop Commitment Agreement**") pursuant to which parties including GSO Capital Partners LP, on behalf of various managed funds, BlueMountain Capital Management, LLC, on behalf of various managed funds, George Karfunkel, United Equities Commodities Company, Momar Corporation and Contrarian Capital Management, LLC, on behalf of Contrarian Funds, LLC (collectively, the "**Backstop Parties**") each agreed to purchase, on a several and not joint basis, the amount of 4(2) Rights Offering Shares (after giving effect to the purchase of any Backstop Party Overallotment Shares and 4(2) Overallotment Shares) that have not been duly purchased by the Rights Offerings Participants (the "**Unsubscribed Shares**") equal to their Backstop Commitment Percentage as listed on Schedule 1 to the Backstop Commitment Agreement of such Unsubscribed Shares.

All Eligible Rights Offerings Participants will receive separate materials regarding the Rights Offerings, including a copy of the applicable Rights Offerings Procedures and Rights Exercise Form. A Holder of a General Unsecured Claim and/or the Retiree Settlement Unsecured Claim (other than the Backstop Parties) that does not duly complete, execute and timely deliver a 4(2) Certification Form to the Subscription Agent on or before July 19, 2013 at 5:00 p.m. (Eastern Time) cannot participate in the 4(2) Rights Offering. To participate in each Rights Offering, an Eligible Rights Offerings Participant must submit a duly completed Rights Exercise Form and the appropriate payment on or before August 9, 2013 at 5:00 p.m. (Eastern Time). For further information regarding the Rights Offerings and Rights Offerings Procedures, please refer to Section 8 below and Article 5.8 of the Plan.

C.D. Recovery Analysis and Treatment of Claims and Equity Interests

The Plan organizes the Debtors' creditor and equity constituencies into groups called Classes. For each Class, the Plan describes (a) the underlying Claim or Equity Interest, (b) the recovery available to the Holders of Claims or Equity Interests in that Class under the

Plan, (c) whether the Class is Impaired under the Plan, meaning that each Holder will receive less than full value on account of its Claim or Equity Interest or that the rights of Holders under law will be altered in some way (such as receiving stock instead of holding a Claim) and (d) the form of consideration (*e.g.*, Cash, stock or a combination thereof), if any, that such Holders will receive on account of their respective Claims or Equity Interests.

In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify General Administrative Claims, Priority Tax Claims, DIP Facility Claims or Professional Claims, which will generally be paid in Cash when approved by the Bankruptcy Court or in the ordinary course on or after the Effective Date.

The classification of Claims and Equity Interests pursuant to the Plan is as follows:

Class	Claims and Equity Interests		Status	Voting Rights	
1	1.	Other Priority Claims	2.	Unimpaired	3. Deemed to Accept
2	4.	Other Secured Claims	5.	Unimpaired	6. Deemed to Accept
3	7.	Second Lien Notes Claims	8.	Impaired ⁴	9. Entitled to Vote
4	10.	General Unsecured Claims	11.	Impaired	12. Entitled to Vote
5	13.	KPP Claims	14.	Impaired	15. Entitled to Vote
6	16.	Retiree Settlement Unsecured Claim	17.	Impaired	18. Entitled to Vote
7	19.	Convenience Claims	20.	Impaired	21. Entitled to Vote
8	22.	Subsidiary Convenience Claims	23.	Impaired	24. Entitled to Vote
9	25.	Equity Interests	26.	Impaired	27. Deemed to Reject
10	28.	Section 510(b) Claims	29.	Impaired	30. Deemed to Reject

The table below provides a summary of the classification, treatment and estimated recoveries of Claims and Equity Interests under the Plan. This information is provided in summary form for illustrative purposes only, is subject to material change based on contingencies related to the claims reconciliation process, and is qualified in its entirety by reference to the provisions of the Plan. For a more detailed description of the treatment of

⁴ [As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.](#)

Claims and Equity Interests under the Plan, see Section 5 below, ~~entitled "Summary of the Plan."~~

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND ARE THEREFORE SUBJECT TO CHANGE.

SUMMARY OF TREATMENT OF CLAIMS AND EQUITY INTERESTS AND ESTIMATED RECOVERIES⁵

Class	Treatment	Estimated Aggregate Claims ⁶	Estimated Allowed Claims ⁷		Estimated Value/Percent Recovery	
			31. Low	32. High	33. Plan	34. Liquidation
35. <u>Class 1</u> 36. Other Priority Claims	37. Each Holder of an Allowed Other Priority Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (ii) the Effective Date, (ii) the date on which such Other Priority Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court.	38. \$14.5 million	39. 0.0 million	40. 1.0 million	41. 100%	100%
<u>Class 2</u> Other Secured Claims	42. Each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the sole discretion of the applicable Debtor: (i) payment in full in Cash including the payment of any interest payable under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing such Allowed Other Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other manner that renders the Claim Unimpaired.	43. \$34.7 million	44. 0.0 million	45. 3.0 million	46. 100%	47. 100%

⁵ Figures are as of ~~April 25~~ June 17, 2013, and are subject to material change.

⁶ Estimated aggregate amount of claims currently asserted against or scheduled by the Debtors, incorporating provisions of the Plan and excluding duplicative claims.

⁷ Estimated aggregate amount of claims that are projected to be Allowed under the Plan.

Class	Treatment	Estimated Aggregate Claims ⁶	Estimated Allowed Claims ⁷		Estimated Value/Percent Recovery	
			31. Low	32. High	33. Plan	34. Liquidation
48. Class 3 49. Second Lien Notes Claims	50. Each Holder of an Allowed Second Lien Notes Claim shall receive its Pro Rata share of the following consideration: (i) with respect to the portion of such Allowed Second Lien Notes Claim representing accrued and unpaid interest, Cash in an amount equal to accrued and unpaid interest as of the Effective Date at the non default contract rate applicable as of the Petition Date; and (ii) with respect to the portion of such Allowed Second Lien Notes Claim representing the Outstanding Principal Amount, a number of shares of New Common Stock equal to the Outstanding Principal Amount multiplied by 0.09066667. <u>Each Holder of an Allowed Second Lien Notes Claim shall receive: (i) if the Second Lien Acceptance is obtained, payment in Cash of its Pro Rata share of the Allowed amount; and (ii) otherwise, at the Debtors' election, (A) payment in full in Cash, including the payment of any amounts due under section 506(b) of</u>	51. \$379.5 million	52. \$379.5 million	53. \$379.5 million ⁸	54. 100%	55. 0%

⁸ ~~Subject to the outcome of the Committee's Lien Challenge, the Second Lien Notes Claims shall be Allowed in the aggregate amount of 100% of the Outstanding Principal Amount, plus accrued and unpaid interest as of the Effective Date at the non default contract rate applicable as of the Petition Date. The Plan allocates 85% of the New Common Stock to Class 3 (subject to dilution for the New Equity Plan and potential dilution if the Retiree Committee Conversion Right is exercised), assuming 100% of the Outstanding Principal Amount of the Second Lien Notes Claims is Allowed. Currently, the Debtors take no position on the Committee's Lien Challenge. The Plan currently reserves the Creditors' Committee's right to request the Court, if the Committee's Lien Challenge is resolved in favor of the Creditors' Committee, to grant appropriate relief, including potentially recharacterizing any post-petition interest paid to the Holders of Allowed Second Lien Notes Claims and any fees and expenses paid to their advisors as payments of principal on the Second Lien Notes. In that event, the Creditors' Committee may seek to have additional shares of New Common Stock issued to the Holders (as of the Distributions Record Date) of Allowed Claims in Class 4 and Class 6. For the avoidance of doubt, the Debtors retain the right to settle the Committee's Lien Challenge under the Plan or otherwise. These estimates exclude accrued and unpaid interest on the Outstanding Principal Amount as of the Effective Date. As described in Section 5.B.2.c below and Article 4.2.3 of the Plan, if a sufficient quantum of Holders of Second Lien Notes Claims necessary to satisfy the requirements of section 1126(c) of the Bankruptcy Code have voted to accept the Plan (the "Second Lien Acceptance"), the Second Lien Notes Claims will be Allowed in an aggregate amount equal to the sum of (a) the Second Lien Agreed Amount, which is equal to the sum of (i) \$375 million, which is the outstanding principal amount of the Second Lien Notes as of the Effective Date, and (ii) accrued and unpaid interest thereon as of the Effective Date; and (b) the Second Lien Settlement Amount, in an amount equal to \$20 million. If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed: (i) with respect to each Stipulating Second Lien Noteholder, its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and with respect to any other Second Lien Noteholder, in the amount determined by the Court.~~

Class	Treatment	Estimated Aggregate Claims ⁶	Estimated Allowed Claims ⁷	Estimated Value/Percent Recovery	Estimated Value/Percent Recovery
			31. Low	32. High	33. Plan 34. Liquidation
	<u>the Bankruptcy Code or (B) such other treatment that renders the Second Lien Notes Claims Unimpaired; provided that, in either instance, and notwithstanding any judicial determination or subsequent settlement regarding the allowance of the Second Lien Make-Whole, each Stipulating Second Lien Noteholder shall receive payment in Cash of its Pro Rata share of the Second Lien Agreed Amount plus the Second Lien Settlement Amount in full and final satisfaction, settlement, release and discharge of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder.</u>				
Class 4 General Unsecured Claims	56. Each Holder of an Allowed General Unsecured Claim shall receive New Common Stock in an amount equal to such Holder's <u>(i) Pro Rata share of the Unsecured Creditor New Common Stock Pool; (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants; (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver; and (iv) applicable Rights Offerings Consideration.</u>	57. \$2.76 billion	58. 1.6 billion	59. 2.2 billion	60. Better than Liquidation 61. 0% 4%-5% ⁹
Class 5 KPP Claims	62. The Holder of the KPP Claims shall receive such consideration as is provided in the KPP Global Settlement.	63. \$2.85 billion	64. -	65. -	66. Per KPP Global Settlement 67. 68. 0%
69. Class 6 Retiree Settlement Unsecured Claim	72. Each Holder of the Retiree Settlement Unsecured Claim shall receive New Common Stock in an amount equal to such Holder's <u>(i) Pro Rata share of the Unsecured Creditor New Common Stock Pool; (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants; (iii) Pro Rata distributions from the Kodak GUC Trust,</u>	73. \$635.0 million	74. 635.0 million	75. 635.0 million	76. Better than Liquidation 77. 0% 4%-5%
⁹ <u>This estimated percentage range is based on the estimated midpoint Distributable Value to Holders of Claims in Classes 4 and 6 and reflects the aggregate low and high Estimated Allowed Claims for Classes 4 and 6. It is rounded to the nearest whole percentage.</u>					

Class	Treatment	Estimated Aggregate Claims ⁶	Estimated Allowed Claims ⁷		Estimated Value/Percent Recovery	
			31. ow	32. igh	33. lan P	34. Liq uidation
	subject to the Backstop Trust Waiver; and (iv) applicable Rights Offerings Consideration.					
78. Class 7 79. Convenience Claims	80. On the later of the Effective Date or as soon as practicable after a Convenience Claim becomes Allowed, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Convenience Claims, each Holder of an Allowed Convenience Claim shall receive payment in Cash in an amount equal to 4.5 4.5 percent of the amount of such Allowed Convenience Claim; provided that the aggregate amount of Cash received by Holders of Convenience Claims on account of their Convenience Claims shall not exceed \$4.5 \$600,000 .	81. \$7.8 million	82. 7.5 million	83. 8.0 million	84. Better than liquidation 4.5%	85. 0%
86. Class 8 87. Subsidiary Convenience Claims	88. Each Holder of such Subsidiary Convenience Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Subsidiary Convenience Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court; provided that the aggregate amount of Cash received by Holders of Subsidiary Convenience Claims on account of their Subsidiary Convenience Claims shall not exceed \$300,000.	89. \$0.3 million	90. 0.1 million	91. 0.3 million	92. 100%	93. 0%
94. Class 9 95. Equity Interests	96. No Holder of an Equity Interest in EKC shall receive any Distributions on account of its Equity Interest.	97. N/A	98. N/A	99. N/A	100. 0%	101. 0%
102. Class 10 103. Section 510(b) Claims	104. No Holder of a Section 510(b) Claim shall receive any Distributions on account of its Section 510(b) Claim.	105. N/A \$51 million	106. N/A	107. N/A	108. 0%	109. 0%

E. Deemed Substantive Consolidation of the Debtors

The Plan contemplates the deemed substantive consolidation of the estates of each of the Debtors for certain limited, administrative purposes related to the Plan, including Voting, Confirmation and Distribution.

As explained in Section 2.A. below, the Debtors consist of EKC and its 15 wholly-owned U.S. subsidiaries. In addition to its 15 subsidiaries domiciled in the United States, EKC has 85 majority-owned or wholly-owned direct and indirect subsidiaries domiciled in foreign countries. Kodak is an integrated global enterprise, managed across geographic boundaries and legal entities. Given the number of separate legal entities that comprise the Debtors and the high level of integration of Kodak's management structure, the Debtors believe that it would be inefficient to propose, vote on and make distributions in respect of entity-specific claims. Accordingly, Holders of Allowed Claims against or Equity Interests in each of the Debtors will receive the same recovery provided to other Holders of Allowed Claims or Equity Interests in the applicable Class and will be entitled to their share of consideration available for distribution to such Class, provided that Subsidiary Convenience Claims in Class 8 will be paid in full in Cash, as described in Article 4.2.8 of the Plan. The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order deeming the substantive consolidation of the Debtors' Estates into a single Estate for certain limited purposes related to the Plan, including Voting, Confirmation and Distribution. The Debtors believe that no creditor will receive a recovery inferior to that which it would receive if each Debtor proposed a plan of reorganization that was completely separate from that proposed by each other entity and, therefore, the Debtors do not believe that any creditor will be materially adversely affected by not voting and receiving distributions on an entity-by-entity basis.

D.F. Voting on the Plan

1. Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan of reorganization unless: (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan of reorganization is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan of reorganization is deemed to have accepted the plan, and the plan proponent need not solicit such holder's vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed

description of the treatment of Claims and Equity Interests under the Plan, refer to Section 5 below, ~~entitled “~~Summary of the Plan.”

Classes 1 and 2 are Unimpaired under ~~the Plan~~, and deemed under section 1126(f) of the Bankruptcy Code to have accepted the Plan.

Classes 3 – 8 are Impaired under, and ~~are~~ entitled to vote to accept or reject, the Plan.¹⁰

Holders of Equity Interests in Class 9 and Holders of Section 510(b) Claims in Class 10 are not entitled to receive any distribution under the Plan on account of their Claims and Equity Interests and are deemed under section 1126(g) of the Bankruptcy Code to have rejected the Plan.

Except as described in Section 6 below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan of reorganization by an impaired class as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class; only those holders that actually vote to accept or reject the plan are counted for purposes of determining whether these dollar and number thresholds are met. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number that actually vote cast their ballots in favor of acceptance. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted a plan of reorganization if holders of such equity interests holding at least two-thirds in amount have actually voted to accept the plan. Holders of claims and equity interests who fail to vote are deemed neither to accept nor to reject the plan. For a more detailed description of the requirements for confirmation of the Plan, refer to Section 6 below, ~~entitled “~~Statutory Requirements for Confirmation of the Plan.”

Even if the Plan has not been accepted by all Impaired Classes entitled to vote on such plan, section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan will be confirmed in a procedure commonly known as cram-down, so long as the Plan does not “discriminate unfairly” and is “fair and equitable,” for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Equity Interests that is Impaired under, and has not accepted, the Plan. For a more detailed description of the requirements for confirmation of a nonconsensual plan, refer to Section 6 below, ~~entitled “~~Statutory Requirements for Confirmation of the Plan.”

2. Submitting a Ballot

~~The following~~ Classes 3 – 8 are entitled to or are being solicited to vote to accept or reject the Plan: ~~3 – 8.~~¹¹ If you are entitled or are being solicited to vote, you should carefully

¹⁰ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired. If Claims in Class 3 are Unimpaired, Holders of Claims in Class 3 will be deemed to accept the Plan.

review this Disclosure Statement, including the attached appendices and the instructions accompanying your Ballot or Ballots. Then, indicate your acceptance or rejection of the Plan by voting for or against the Plan on the enclosed Ballot or Ballots and return the Ballot or Ballots to Kurtzman Carson Consultants LLC (the “~~Notice and Claims Agent~~”), or in the case of Beneficial Ballots, to your Voting Nominee, at the address provided. For further information, refer to Section 7 below, ~~entitled “Voting Procedures,”~~ and the Solicitation Procedures Order attached hereto as Appendix B.

Ballots cast by Holders (or ~~m~~Master Ballots cast on behalf of beneficial Holders) in Classes entitled to vote must be received by the Notice and Claims Agent by 4:00 p.m. (~~Pacific~~Eastern Time) on ~~July~~August 9, 2013. Beneficial Ballots must be completed, executed and returned to your Voting Nominee in sufficient time so that the Beneficial Ballot be actually counted and submitted with the Master Ballot. For further information, refer to Section 7 below, ~~entitled “Voting Procedures,”~~

Ballots received after the Voting Deadline will not be counted ~~by the Debtors in connection with the Debtors’ request for confirmation of the Plan.~~

The method of delivery of Ballots to be sent to the Notice and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Plan, such delivery will be deemed made only when the original executed Ballot is actually received by the Notice and Claims Agent.

In all cases, sufficient time should be allowed to ensure timely delivery. Original executed Ballots are required.

Delivery of a Ballot to the Notice and Claims Agent by facsimile, e-mail or any other electronic means will not be accepted. No Ballot should be sent to the Debtors, their agents (other than the Notice and Claims Agent), any indenture trustee (unless specifically instructed to do so) or the Debtors’ financial or legal advisors, and if so sent, will not be counted.

To be entitled to receive Rights Offerings Consideration in the form of Cash (in addition to 1145 Rights, if eligible), a Holder of a Claim in Class 4 or 6 must certify on its Ballot that it (a) is neither a “qualified institutional buyer” or an “accredited investor” within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, or (b) did not, as of April 30, 2013 and the 4(2) Certification Date, beneficially own General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a “qualified institutional buyer,” \$100,000 or (y) in the case of an “accredited investor,” \$500,000. A Holder of a Claim in Class 4 or 6 that does not provide such certification will receive no Cash Rights Offerings Consideration.

¹¹ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired. If Claims in Class 3 are Unimpaired, Holders of Claims in Class 3 will be deemed to accept the Plan.

3. Recommendation

~~THE DEBTORS BELIEVE THE PLAN IS PREFERABLE TO THE ALTERNATIVES DESCRIBED IN THIS DISCLOSURE STATEMENT AND IT PROVIDES FOR A LARGER DISTRIBUTION TO THE HOLDERS OF CLAIMS THAN WOULD OTHERWISE RESULT FROM A LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN SUPPORT CONFIRMATION OF THE PLAN AND VOTE TO ACCEPT THE PLAN.~~

The Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept it. In addition, the Creditors' Committee and its legal and financial advisors played an active role in the negotiation of the terms of the Plan, and the transactions contemplated therein and described herein. Accordingly, the Creditors' Committee recommends that Holders of Claims in Classes 4 – 8 vote to accept the Plan.

F.G. Confirmation of the Plan

1. Plan Objection Deadline

Objections to eConfirmation of the Plan must be filed and served on or before [●] (Eastern Time) on [●], 2013,¹² in accordance with the notice of the Confirmation Hearing.

2. Confirmation Hearing

Unless objections to eConfirmation are timely served and filed in compliance with the Solicitation Procedures Order, the notice of the Confirmation Hearing and the voting procedures, they will not be considered by the Bankruptcy Court. For further information, refer to Section 6 below, "Statutory Requirements for Confirmation of the Plan"~~for further information.~~

F.H. Internal Revenue Service Circular 230 Notice

To ensure compliance with Internal Revenue Service Circular 230, Holders of Claims and Equity Interests are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Disclosure Statement or any document referred to herein is not intended or written to be used, and cannot be used by such Holders for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended from time to time, and the U.S. Department of Treasury regulations promulgated thereunder (the "Internal Revenue Code"); (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) Holders of Claims and Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.

¹² To be updated following the Disclosure Statement Approval Hearing.

2. BACKGROUND TO THESE CHAPTER 11 CASES

A. The Debtors

Kodak is a 133-year-old integrated global enterprise comprising more than a hundred domestic and foreign entities; a diverse range of mature, established and growth product lines; valuable intellectual property assets, and approximately 12,200 employees. Kodak's worldwide operations are managed by product segment across geographic boundaries and legal entities.

EKC has 100 majority-owned or wholly-owned direct and indirect subsidiaries, 15 of which are domiciled in the United States and 85 of which are domiciled in foreign countries. A chart setting forth Kodak's corporate structure ~~as of the date of this Disclosure Statement~~ is attached hereto as Appendix C.

~~The Debtors are part of an integrated global organization with assets and operations located in numerous jurisdictions, and tens of thousands of creditors, potential creditors and other stakeholders, including lenders, secured bondholders, unsecured bondholders, retirees, employees, vendors, trade creditors, and pension funds in multiple jurisdictions.~~

The Debtors consist of EKC and the ~~fifteen~~¹⁵ wholly-owned U.S. subsidiaries; the foreign subsidiaries are not part of these Chapter 11 Cases. None of the Debtors' foreign subsidiaries are in local bankruptcy or insolvency proceedings.

The events leading up to these Chapter 11 Cases are discussed in Section 2 of this Disclosure Statement. The restructuring initiatives undertaken since the Petition Date are discussed in Section 3. A description of the Reorganized Debtors is set forth in Section 4.

B. Prepetition Capital Structure

1. Equity Ownership

As of December 31, 2011, EKC had 950,000,000 authorized shares of common stock, \$2.50 par value, of which 271,379,883 shares were outstanding.

Until the Petition Date, EKC's common stock was listed on the New York Stock Exchange (the "NYSE"). On the Petition Date, following EKC's announcement of the filing of these Chapter 11 Cases, the NYSE announced the suspension of trading of EKC's stock trading under the symbol "EK."

EKC's common stock currently is traded on the Over The Counter Bulletin Board ("OTCBB") under the symbol "EKDKQ." It is no longer subject to regulations and controls imposed by the NYSE. The OTCBB is a centralized quotation service that collects and publishes market-maker quotes for over-the-counter securities in real time. EKC's listing status on the OTCBB is dependent on market makers' willingness to provide the service of accepting trades to buyers and sellers of EKC stock. Unlike securities traded on a stock exchange such as the NYSE, issuers of securities traded on the OTCBB need not meet specific quantitative or qualitative listing or maintenance standards. EKC has remained an issuer reporting with the

Securities and Exchange Commission (the “SEC”) and believes it is in compliance [in all material respects](#) with all applicable reporting obligations.

2. Secured Debt

As of the Petition Date, the Debtors had outstanding funded secured debt in an aggregate amount of approximately \$850 million. This debt was issued by EKC and guaranteed by all other Debtors. It consisted of (a) approximately \$100 million outstanding under the Debtors’ first lien revolving credit facility and (b) \$750 million in principal amount of second lien secured notes. EKC had an additional approximate \$96 million face amount of outstanding letters of credit.

a. Prepetition First Lien Credit Facility

On April 26, 2011, EKC and certain of its subsidiaries (including Kodak Canada Inc.) entered into the Second Amended and Restated Credit Agreement (the “**Prepetition First Lien Credit Facility**”) with a syndicate of lenders for whom Bank of America, N.A., served as administrative agent and Bank of America, N.A., and Citicorp USA served as co-collateral agents. The Prepetition First Lien Credit Facility provided for a five-year, \$400 million revolving credit facility—including a \$225 million commitment under a letter-of-credit subfacility. All obligations under the Prepetition First Lien Credit Facility (the “**Prepetition First Lien Obligations**”) were guaranteed by EKC and all of its direct and indirect domestic subsidiaries (all of which are Debtors in these Chapter 11 Cases) and, with respect to the Canadian facility, all of EKC’s direct and indirect Canadian subsidiaries (collectively, the “**Prepetition First Lien Guarantors**”). The Prepetition First Lien Obligations and the guarantees thereof were secured by substantially all the assets of EKC and the Prepetition First Lien Guarantors and the proceeds therefrom, subject to certain exceptions.

As of the Petition Date, the Debtors had approximately \$100 million in secured loans outstanding under the Prepetition First Lien Credit Facility, along with \$96 million in face amount of outstanding letters of credit. Upon the Debtors’ entry into the DIP ABL Credit Agreement, all then-outstanding loans under the Prepetition First Lien Credit Facility were paid and all liens arising out of the Prepetition First Lien Credit Facility were released. As of the date of this Disclosure Statement, all other Prepetition First Lien Obligations, consisting of existing letters of credit and other obligations constituting existing secured agreements, have been satisfied.

b. Prepetition Second Lien Notes

Prior to the Petition Date, EKC issued (i) \$500 million in 9.75% Senior Secured Notes due March 1, 2018 (the “**2018 Notes**”), pursuant to that certain indenture dated March 5, 2010, as amended, supplemented or otherwise modified from time to time (the “**2018 Indenture**”), by and among EKC, as issuer, the guarantors as defined in the 2018 Indenture, and Wilmington Trust, N.A., as successor indenture trustee to The Bank of New York Mellon (the “**Second Lien Trustee**”), and (ii) \$250 million in 10.625% Senior Secured Notes due March 15, 2019 (the “**2019 Notes**” and, together with the 2018 Notes, the “**Second Lien Notes**”), pursuant to that certain indenture dated March 15, 2011, as amended, supplemented or

otherwise modified from time to time (the “**2019 Indenture**” and, together with the 2018 Indenture, the “**Second Lien Notes Indentures**”), by and among EKC, as issuer, the guarantors as defined in the 2019 Indenture, and Wilmington Trust, National Association, as successor indenture trustee to The Bank of New York Mellon. All obligations under the Second Lien Notes Indentures (the “**Prepetition Second Lien Obligations**”) are guaranteed by the Debtors in these Chapter 11 Cases. The Prepetition Second Lien Obligations, and the guarantees thereof, are secured by substantially the same collateral securing the Prepetition First Lien Obligations, including substantially all of the assets of EKC and the other Debtors and proceeds therefrom, subject to certain exceptions.

As further discussed below, certain holders of Second Lien Notes formed the Second Lien Committee between October 2011 and the Petition Date.

As of the Petition Date, the Debtors owed accrued and unpaid interest on the Second Lien Notes in the aggregate amount of \$28 million. As described more fully in [Section 3.D.2.b](#) below, the DIP Term Loan Credit Agreement provided for the issuance of up to \$375,000,000 of Junior Loans in exchange for amounts outstanding under the 2018 Notes and 2019 Notes. The Debtors believe that there has been substantial trading activity with respect to the Second Lien Notes since the Debtors entered into the DIP Term Loan Credit Agreement and the Junior Loans were issued in exchange for \$375,000,000 of the 2018 Notes and 2019 Notes.

On November 16, 2012, the Creditors’ Committee commenced an adversary proceeding on behalf of the Debtors’ estates against Wilmington Trust, N.A., in its capacities as successor indenture trustee and collateral agent, captioned *Official Committee of Unsecured Creditors of Eastman Kodak Company, et al. v. Wilmington Trust, N.A., in its capacities as Successor Indenture Trustee and Collateral Agent* (Adv. Proc. No. No. 12-01947) (the “Committee’s Lien Challenge”). ~~As described in more detail in Section 5.B.2.c below, on November 16, 2012, the Creditors’ Committee commenced an adversary proceeding on behalf of the Debtors’ estates against the Second Lien Trustee~~ The Committee’s Lien Challenge sought, among other things, to avoid the liens asserted by the Second Lien Trustee against the Debtors’ foreign patents and patent infringement claims (or a declaratory judgment that such liens were never granted) and to declare that its claim is not secured by such collateral. As described in Section 3.E. below, the Committee’s Lien Challenge will be settled and dismissed with prejudice upon the occurrence of the Effective Date.

3. Unsecured Debt

As of the Petition Date, the Debtors had outstanding unsecured funded debt in the aggregate principal amount of approximately \$683 million, including \$400 million in principal amount of convertible notes and \$283 million in principal amount of other senior unsecured debt, in addition to \$12 million in accrued and unpaid interest thereon.

C. **Legacy Liabilities**

The Debtors commenced these Chapter 11 Cases with significant legacy liabilities that arose during the time when Kodak was a much larger organization. As of December 31, 2011, Kodak faced liability for other post-employment benefits in excess of \$1.3 billion, \$0.5

billion in U.S. pension liabilities, approximately \$96 million in environmental liabilities and \$1.2 billion in non-U.S. pension liabilities. These figures are not and do not necessarily represent claim amounts.

Kodak had substantial pension and other post-employment benefits obligations, as set forth in the table below:

As of December 31, 2011 (based on information available as of March 11, 2013) <i>(in millions \$)</i>		2011 <u>U.S.</u> <u>(Debtor)</u>	<u>Non-U.S.</u> <u>(Non-Debtor)</u>
<i>(in millions \$)</i>		<u>U.S.</u> <u>(Debtor)</u>	<u>Non-U.S.</u> <u>(Non-Debtor)</u>
Pension			
Projected benefit obligation	110.	5,259	3,652
Fair value of plan assets	111.	4,763	2,436
(Underfunded)	112.	(496)	(1,216)
Cash payments for 2011	113.	25	78
Other post-employment benefits			
Accumulated benefit obligation (unfunded)	114.	(1,223)	(85)
Cash payments for 2011	115.	117	2

1. U.S. Liabilities

a. Retiree Welfare Benefits

As of the Petition Date, the Debtors had over 56,000 retired employees, long-term disabled former employees, spouses, dependents, survivors and other individuals (the “**Retirees**”) receiving retiree medical, dental, life insurance and survivor income benefits under a plan or program maintained or established by the Debtors (the “**Retiree Welfare Benefits**”) in the United States ~~and~~ or South Africa. As of December 31, 2011, the Debtors faced total liability for these Retiree Welfare Benefits in excess of \$1.2 billion and the projected aggregate cash costs for 2012 exceeded \$117 million. The resolution of the Debtors’ Retiree Welfare Benefits is discussed in more detail in Section 3.D.3.a below.

b. U.S. Pension Plans

As of the Petition Date, the Debtors sponsored, maintained or contributed to the following Qualified Plans and Non-Qualified Plans:

(i) Qualified Plans

The assets of Qualified Plans maintained by the Debtors are held in trust and are not part of the Estates. The treatment of Qualified Plans under the Plan is discussed in more detail in Section 4.C.5.a. below.

(a) Qualified Defined Contribution Plans

~~1.~~ (1) Eastman Kodak Employees’ Savings and Investment Plan

The Debtors maintain the Eastman Kodak Employees' Savings and Investment Plan (the "**SIP**"), a qualified defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of eligible employees. The SIP allows for pre-tax salary deductions of eligible compensation up to applicable Internal Revenue Code limits, and certain matching contributions may be provided for eligible employees who also participate in the cash balance component of the KRIP ~~(as defined below)~~. All participants are fully vested in their account balances at all times. The Bank of New York Mellon is the SIP trustee and the Savings and Investment Plan Committee is the SIP administrator. As of April 23, 2013, there were approximately 5,600 employees and 15,000 inactive participants with current account balances in the SIP.

~~2.~~(2) Kodak Subsidiaries' Savings Plan

The Debtors maintain the Kodak Subsidiaries' Savings Plan (the "**KSSP**"), a qualified defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of eligible employees at certain Kodak subsidiaries. In addition to allowing for pre-tax salary deductions of eligible compensation up to applicable Internal Revenue Code limits, certain subsidiaries choose to provide matching contributions in which eligible employees become fully vested after seven years of service. T. Rowe Price Trust Company is the KSSP trustee and the Subsidiaries Committee on Employee Benefits is the administrator. As of April 23, 2013, there were approximately 200 active employees and 2,000 inactive employees in the KSSP.

~~3.~~(3) Kodak Imaging Network, Inc. 401(k) Salary Savings Plan

Kodak Imaging Network, Inc. maintains the Kodak Imaging Network, Inc. 401(k) Salary Savings Plan (the "**KIN**"), a qualified profit-sharing plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for its eligible employees. The Debtors do not owe any amounts on account of the KIN, although there are approximately 90 former employees who continue to hold accounts under the KIN.

~~4.~~(4) Qualex Inc. 401(k) Plan

Qualex Inc. maintains the Qualex Inc. 401(k) Plan (the "**Qualex Plan**"), a defined contribution plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of its eligible employees. Eligible employees may make pre-tax deductions of eligible compensation up to applicable Internal Revenue Code limits and may receive matching employer contributions. T. Rowe Price Trust Company is the Qualex Plan trustee and recordkeeper, and Qualex, Inc. is the administrator. As of the Petition Date, there were approximately 2,800 employees with current account balances in the Qualex Plan.

~~5.~~(5) Laser-Pacific Media Corporation Employees' 401(k) Retirement Plan

Laser-Pacific Media Corporation maintains the Laser Pacific Media Corporation employees' 401(k) Retirement Plan, a qualified prototype profit-sharing plan intended to meet the requirements of sections 401(a) and 401(k) of the Internal Revenue Code, for the benefit of its eligible employees. Any remaining participants have taken a distribution of their plan

benefits and the plan was terminated on August 6, 2012 at the time the last participant's distribution was made.

(b) Qualified Defined Benefit Plans

EKC and Qualex Inc. sponsor two defined benefit plans covered by title IV of the Employee Retirement Security Act of 1974, as amended ("ERISA"). These two pension plans are the Kodak Retirement Income Plan ("KRIP (as defined below)") and the Qualex Inc. Base Pension Plan ("~~PBGC Covered Pension Plans~~"); Qualex Base Plan". Kodak will maintain and continue ~~these PBGC Covered Pension Plans~~ the KRIP and the Qualex Base Plan in accordance with their terms and the relevant provisions of ERISA and the Internal Revenue Code. EKC and all the members of its controlled group are obligated to pay contributions to the KRIP and the Qualex Base Plan necessary to satisfy the minimum funding standards under section 412 of the Internal Revenue Code and section 302 of ERISA.

PBGC is the wholly-owned United States government corporation and agency of the United States created under Title IV of ERISA to administer the federal pension insurance program and enforce compliance with the provisions of Title IV. PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV.

~~EKC and all the members of its controlled group are obligated to pay contributions necessary to satisfying the minimum funding standards under section 412 of the Internal Revenue Code and section 302 of ERISA.~~

PBGC has filed estimated contingent claims against each Debtor for the unfunded benefit liabilities ("~~UBL~~") ~~owed to the PBGC Covered Pension Plans. For the Kodak Retirement Income of the KRIP and the Qualex Base Plan, PBGC has filed a contingent UBL claim in the amounts~~ of \$1,344,100,000. ~~For the Qualex Inc. Base Pension Plan, PBGC has filed a contingent UBL claim of~~ and \$100,000,000, respectively. PBGC also has filed unliquidated claims for statutory premiums owed to PBGC, and for minimum funding contributions owed to each of the ~~PBGC Covered Pension Plans~~ KRIP and the Qualex Base Plan. Kodak's continued sponsorship and ~~eventual maintenance of the KRIP and the Qualex Base Plans through these Chapter 11 Cases and after emergence with the PBGC Covered Pension Plans intact~~ will render all these claims moot.

No provision contained herein, the Plan or the Confirmation Order shall be construed as discharging, releasing or relieving EKC or any member of its controlled group in any capacity, from any liability with respect to the ~~PBGC Covered Pension Plans~~ KRIP and the Qualex Base Plan under any law, government policy or regulatory provision. PBGC, ~~the KRIP and the PBGC Covered Pension Plans~~ Qualex Base Plan shall not be enjoined or precluded from enforcing such liability against any party as a result of the Plan's provisions for satisfaction, release and discharge of claims.

~~1.~~ (1) Kodak Retirement Income Plan

The Debtors provide retirement benefits under the ~~Kodak Retirement Income Plan (the "KRIP"), a PBGC Covered Pension Plan that,~~ which is a qualified defined benefit pension plan intended to meet the requirements of section 401(a) of the Internal Revenue Code ~~and~~

~~comprised of.~~ The KRIP provides benefits based on a traditional ~~defined-benefit-pension component~~formula and a cash balance ~~component~~formula (which covers all new employees hired after March 31, 1999). ~~Participants in the defined benefit component receive benefits~~Benefits under the traditional formula are paid upon retirement based on accrued service and average participating compensation. Participants vest in their accrued benefit after three years of service and may be eligible for normal retirement (age 65), early retirement (age 55 and at least 10 years of service), vested benefits or disability retirement benefits depending on the participant's age, disability status and total service when his or her employment ends. Under the cash balance ~~component~~formula, participants receive accrued monthly pay credits and monthly interest credits. Participants vest in their hypothetical account balance after three years of service, and benefits are payable on normal retirement (age 65), vested termination or death. The Bank of New York Mellon is the trustee for KRIP, and the ~~plan administrator is the~~ Kodak Retirement Income Plan Committee (the "~~KRIPCO~~".) is the plan administrator. The KRIP also provided ~~for the payment of~~ benefits under special termination ~~benefits~~programs in ~~the ordinary course~~effect for certain years. The last special termination program applied to ~~employees who were terminated~~terminations of employment in connection with a layoff, special separation program or divestiture ~~before~~prior to January 1, 2013. ~~These termination benefits equaled 1.5 weeks of salary (and, as applicable, targeted cash incentive pay) per year of service, with a minimum of at least three weeks and a maximum of 52 weeks. These payments are provided in lieu of termination allowance benefits under the Termination Allowance Plan ("TAP"), although employees may still be eligible to receive outplacement services benefits under TAP, for participants who met specified conditions.~~ As of January 9, 2012, KRIP covered approximately 8,500 active Kodak employees and 44,000 former employees ~~participated in the pension components of the KRIP, which is not part of the Debtors' estates.~~

2.(2) ~~Qualex Inc.~~ Base Pension Plan

Qualex Inc. maintains for its eligible employees the Qualex ~~Inc.~~ Base Pension Plan, ~~a PBGC-Covered Pension Plan that is~~ Plan, a qualified defined benefit pension plan intended to meet the requirements of section 401(a) of the Internal Revenue Code ~~for its eligible employees.~~ The Qualex ~~Inc.~~ Base Pension Plan has been closed to new ~~members~~participants since August 28, 2009, and benefit accruals were frozen on the same date. Participants receive benefits at retirement based on accrued service and average participating compensation, and are fully vested in their benefits after five years of service. The Bank of New York Mellon is the trustee and the KRIPCO is the plan administrator ~~is the KRIPCO.~~ As of the Petition Date, there were approximately 9,000 participants under the plan Qualex Base Plan.

3.(3) Local 966 Pension Plan

Qualex Inc. was a participating employer in the Local 966 Pension Plan, which is a qualified, multiemployer defined benefit pension plan. ~~In general, upon~~ administered by a joint board of union and employer representatives. Upon normal retirement, participants generally receive monthly benefits based on accrued service and the employer's monthly contribution rate. Qualex Inc. withdrew from the Local 966 Pension Plan in 1997 and currently incurs a quarterly withdrawal liability of approximately \$8,900 through December 1, 2017. ~~The~~ Benefits under the Local 966 Pension Plan ~~is also a~~ are guaranteed by PBGC ~~Covered Pension Plan, but~~ under the

multiemployer plan program. PBGC ~~does not have a~~has no claim ~~to assert~~ against the Debtors ~~in this matter.~~ with respect to the Local 966 Pension Plan.

(ii) *Non-Qualified Plans*

The treatment of Non-Qualified Plans under the Plan is discussed in more detail in Section 4.C.5.a. below.

~~(e)~~(a) Kodak Excess Retirement Income Plan

The Kodak Excess Retirement Income Plan (the “**KERIP**”) is an excess benefit plan that pays retirement benefits to certain KRIP-participating employees whose KRIP benefits are limited by section 415 of the Internal Revenue Code. Benefits are paid upon retirement out of the general assets of Kodak and are not held in trust, with KRIPCO acting as the administrator. There are approximately 290 participants under the KERIP, none of whom currently are active employees. The average monthly KERIP obligation is approximately \$425,000.

~~(d)~~(b) Kodak Unfunded Retirement Income Plan

Kodak maintains the Kodak Unfunded Retirement Income Plan (the “**KURIP**”) to provide benefits to certain KRIP-participating employees whose benefits under the SIP and the KRIP (including termination benefits under the KRIP) are limited by section 401(a)(17) of the Internal Revenue Code and to recognize deferred compensation that is ignored when calculating benefits under the SIP and the KRIP. Benefits are payable out of the general assets of Kodak upon retirement. The KURIP is administered by KRIPCO. As of October 11, 2012, there were approximately 200 active employees and 665 former employees participating.

~~(e)~~(c) Kodak Company Global Pension Plan for International Employees

The Kodak Company Global Pension Plan for International Employees (the “**GPP**”) is maintained by Kodak for the purpose of providing retirement income benefits to eligible, non-resident alien employees on Kodak’s U.S.-based international payroll who are not eligible to participate in KRIP. Additionally, the plan governs benefits for employees who were covered under the Bermuda Plan, a pension plan with a cash balance component, which closed to new enrollment as of March 1, 1999. Benefits are provided at retirement out of the general assets of Kodak based on accrued pay credits and interest credits earned and service credited while an employee of Kodak. Since the GPP was established primarily for the benefit of non-resident aliens who are located outside the U.S., it is not subject to title I or title IV of ERISA. Benefits under GPP are fully vested at all times. As of the Petition Date, there were fewer than 10 active employees participating in the GPP.

~~(b)(4)~~(d) 1982 Eastman Kodak Company Executive Deferred Compensation Plan

The 1982 Eastman Kodak Company Executive Deferred Compensation Plan (the “**EDCP**”) is an unfunded non-qualified deferred compensation plan for eligible employees of EKC and certain subsidiaries. Under the EDCP, eligible employees are given an opportunity to elect to defer a portion of their compensation for a given year, with any account balance paid in cash following the applicable period of fixed deferment. The EDCP is administered by the EDCP committee, which froze the ability for employees to elect to defer monies into the plan in 2009.

~~(b)(4)~~(e) Eastman Kodak Deferred Compensation Plan for Directors.

The Eastman Kodak Deferred Compensation Plan for Directors (the “**Directors DCP**”) is a non-qualified deferred compensation arrangement for eligible directors on the board of directors of EKC. Eligible directors may elect to defer all or a portion of their compensation, whether payable in cash or equity into a phantom stock account under the Directors DCP, and the stock units are distributed in cash following the director’s departure.

~~(b)(4)~~(f) Letter Agreements

The Debtors provide supplemental non-qualified pension benefits pursuant to individual letter agreements with certain current and former employees (collectively, the “Non-Qualified Plan Letter Agreements”). As discussed in more detail below, subject to Court approval, the Debtors are currently contemplating entering into a stipulation addressing claims under the KERIP, the KURIP, the GPP, and the Non-Qualified Plan Letter Agreements.

c. Environmental Liabilities

As of December 31, 2011, the Debtors were subject to liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and various other federal, state and local laws, for environmental assessment and cleanup costs at approximately 31 sites, either directly as a current or former facility owner or operator, or generator who sent waste to a contaminated site, or indirectly through indemnities given to third parties.- In connection with the chapter 11 filing, the Debtors provided withdrawal notifications or entered into settlement negotiations with relevant regulatory agencies and private parties.- At December 31, 2011, EKC’s undiscounted accrued liabilities for environmental remediation costs amounted to approximately \$96 million. These figures represent liabilities presented in accordance with generally accepted accounting practices in the United States (“U.S. GAAP”) and do not represent claim amounts. The Debtors are unable to provide exact claim amounts related to environmental liabilities, as many claims related to environmental liabilities are unliquidated and disputed. Unsecured environmental liabilities are generally included in Class 4 Claims.

~~Among these matters is~~ The Debtors’ largest environmental claim is related to the Diamond Alkali Superfund Site / Lower Passaic River Study Area where EKC indemnified the purchasers of STWB Inc. (formerly Sterling Drug Inc.) in connection with EKC’s 1994 sale of

STWB Inc. [For further information on](#) STWB Inc. ~~and its current parent Bayer Corporation have filed unliquidated proofs of~~ [s claim against the Debtors in these Chapter 11 Cases.](#) [please refer to Section 3.D.3.c. below.](#)

2. Non-U.S. Liabilities

Kodak's non-U.S. pension liabilities encompass both the U.K. pension scheme and the pension arrangements of many subsidiaries and branches operating outside the United States, as set forth in the table above.

a. Kodak Pension Plan in the United Kingdom

Kodak Limited, a wholly-owned non-Debtor subsidiary of EKC incorporated in the United Kingdom, is the employer under the Kodak Pension Plan in the United Kingdom (the "**KPP**"). The KPP is a defined benefit pension scheme created and governed by the pension scheme trust deed and English law, in particular the Pensions Act 1995 and the Pensions Act 2004, and is subject to oversight by the Pensions Regulator of the United Kingdom (the "**U.K. Pensions Regulator**"). Pursuant to Part Three of the Pensions Act 2004, Kodak Limited is obligated to adequately fund the KPP so that the KPP can meet the accrued benefit obligations owed to the members of the KPP as they fall due. As of April 30, 2012, the KPP had 8,626 pensioners and 6,399 deferred members. There are currently no other Kodak subsidiaries that are participating employers in the KPP. The KPP closed to future accrual on March 31, 2012.

Historically, Kodak Limited and the participating employers contributed to the KPP in accordance with the required schedule of contributions. However, following amendments to the applicable English law, the basis on which pension scheme obligations are valued changed. This led to the KPP requiring funding significantly greater than reported in historic financial statements of Kodak Limited. Furthermore, the KPP's funding requirements have been adversely affected by the underperformance of the equity markets, low bond yields and the increased longevity of the population at large, which means that the historical contributions paid by the employers have not increased in value as expected while the amount needed to fund benefits has increased.

EKC issued a guarantee under the guaranty agreement (as amended, the "**KPP Guaranty**"), effective October 9, 2007, among EKC, the board of trustees (now the corporate trustee) of the KPP (the "**KPP Trustee**") and Kodak Limited. Under the KPP Guaranty, EKC guaranteed to Kodak Limited and the KPP Trustee the ability of Kodak Limited, only to the extent it becomes necessary to do so, to (1) make contributions to the KPP to ensure sufficient assets exist to make plan benefit payments, as they become due, if the KPP otherwise would not have sufficient assets and (2) make contributions to the KPP such that it will achieve fully funded status by the funding valuation for the period ending December 31, 2022.

In October 2010, Kodak Limited agreed to a schedule of contributions with the KPP Trustee designed to enable the KPP to meet its statutory funding objective. Under the terms of this agreement, Kodak Limited is obligated to pay a minimum amount of £30.3 million (approximately \$50 million) to the KPP in each of the years 2011 through 2014, and a minimum amount of £55.3 million (approximately \$90 million) to the KPP in each of the years 2015

through 2022. Future funding beyond 2022 would be required if the KPP is still not fully funded as determined by the funding valuation for the period ending December 31, 2022. Under the terms of this agreement, these payment amounts for the years 2015 through 2022 could be lower, and the payment amounts for all years noted could be higher by up to \$5 million each year, based on the exchange rate between the U.S. dollar and British pound. These minimum amounts do not include potential contributions related to tax benefits received by Kodak Limited.

Kodak Limited has not paid the annual contribution due for 2012 and is without means to make any meaningful payment with respect to the funding deficit now or in the future. Recognizing the importance of consensual resolution of the KPP liabilities, EKC met with the KPP Trustee and the U.K. Pensions Regulator in January 2012, prior to the commencement of these Chapter 11 Cases. Since that time, EKC and the KPP Trustee have worked collaboratively to explore settlement alternatives and, in the meantime, assure ordinary course funding and operations of EKC's non-U.S. subsidiaries. The resolution of Kodak's settlement discussions with the KPP is discussed in more detail in Section 3.D.3.b. below.

b. Kodak Philippines Ltd. Retirement Plan

The Kodak Philippines Ltd. Retirement Plan is a retirement plan qualified under, and subject to, Philippine law maintained by Kodak Philippines Ltd.

c. Other Arrangements

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

D. Events Leading Up to These Chapter 11 Cases

1. Industry Overview

Many years ago, Kodak recognized the inevitable and accelerating decline of the global market for film-based products and of its own traditional consumer film business, ~~and~~ Kodak began to embrace changes to its business model, develop and introduce new digital products for businesses and consumers, and restructure its operations accordingly, including reduction of its workforce and active management of its post-employment benefit costs.

2. Prepetition Restructuring Initiatives

Between 2003 and the Petition Date, Kodak generated approximately \$4.0 billion from the sale of non-core assets and businesses, including the Health Group, Remote Sensing Systems, Kodak's ownership interest in Hermes Precisa Pty. Ltd., Light Management Films, Image Sensor Solutions, Eastman Gel, Silver Operations, a variety of chemical operations,

certain assets related to organic light-emitting diode and Kodak's ownership interest in Lucky Film.

From 2003 to the Petition Date, Kodak incurred \$3.0 billion in restructuring charges. As part of its transition to a smaller company focused on digital opportunities, Kodak reduced its global workforce from approximately 63,900 employees in 2003 to approximately 13,100 employees by the end of 2012. From 2003 to 2010, Kodak also closed 13 of its 15 film plants and 130 photo labs. In addition, Kodak negotiated licensing programs for its Digital Imaging Patent Portfolio with over 30 leading companies. This transformation also led to a financially smaller Kodak, with revenues declining from approximately \$13.3 billion in 2003 to about \$6.0 billion in 2011.

In addition to exiting business lines and reducing its workforce, Kodak actively managed its benefit costs, including with respect to benefits due to the Debtors' Retirees, generating cost savings coming from ~~the exercise of the Debtors' unilateral rights to reduce~~reducing or eliminate~~ing~~ certain retiree benefits, as well as increasing ~~employee and retiree~~ health care contributions. Kodak's total liability for other post-employment benefits ~~was reduced~~declined from approximately \$3.0 billion in 2005 to approximately \$1.3 billion as of December 31, 2011.

3. Liquidity Shortfall

As described above, Kodak funded its prepetition restructuring costs from a combination of the fees generated by its licensing programs, proceeds from the disposition of its non-core assets and revenue from its cash-generating film and digital businesses. Kodak's transition to a digital business, however, was interrupted by a liquidity shortfall, primarily in the United States.

Despite Kodak's best efforts, deteriorating market conditions since 2008, substantial post-employment costs and difficulties in collecting licensing fees precipitated Kodak's near-term liquidity shortfall, leading eventually to the commencement of these Chapter 11 Cases.

In 2011, Kodak took actions to enhance its cash position, including: (i) issuing \$250 million in 2019 Notes; (ii) entering into the Prepetition First Lien Credit Facility to access liquidity of approximately \$160 million; and (iii) continuing to sell non-strategic businesses and assets. Despite these actions, Kodak's liquidity was further impaired by substantial foreign and U.S. legacy costs and by the difficulty in monetizing non-strategic assets.

In order to resolve its liquidity challenges, Kodak, with the assistance of its advisors, evaluated strategic alternatives for new lending facilities, strategic transactions, intellectual property monetization, and asset sales. Kodak concluded that seeking debtor-in-possession financing for EKC and its U.S. subsidiaries and reorganizing in these Chapter 11 Cases was, in the long term, in the best interests of Kodak and its stakeholders.

a. Impact of Global Market Conditions

Since 2008, Kodak's businesses were negatively impacted by market conditions affecting the global economy, including their suppliers and their commercial and retail customers worldwide. Kodak experienced both climbing costs and declining profits from its historically profitable traditional businesses, such as its film manufacturing business, and slower revenue growth in its newer initiatives.

Kodak had initially planned to source funds for investment in new businesses from its historically profitable film business. Though Kodak had projected its film business to generate less cash as digital imaging replaced film, the speed of this runoff impacted the film business' generation of cash flow between 2008 and 2010. In addition to this contraction of demand, increasing commodity prices negatively impacted Kodak's cash flow. Kodak's film business purchased approximately \$300 million of silver in 2011, as silver prices ranged between 199 and 294 percent of their 2008 levels.

Similarly, during the 2008 financial crisis and immediately thereafter, the market for Kodak's commercial products, many of which represent significant investments for the businesses that purchase them, shrank significantly. This reduced the profitability of Kodak's digital growth initiatives, which required an established base of installed Kodak products to create economies of scale and build a market for highly profitable services and consumables.

b. Costs of Post-employment Benefits

Historically, the Debtors have provided generous welfare benefits to their Retirees pursuant to multiple benefit plans and programs. As Kodak became a financially smaller business with a reduced workforce, the cost of providing these benefits became unsustainable. The Debtors' largest single post-employment-benefit cash cost in 2011 was approximately \$117 million in payments of Retiree Welfare Benefits. Despite their significant efforts to reduce these liabilities, the Debtors were unable to reduce the costs of their post-employment benefit obligations to a level appropriately scaled for a company of Kodak's reduced size.

c. Delays in Licensing of EKC's Digital Imaging Patent Portfolio

As a result of its research and development and innovation in digital imaging, Kodak possessed a portfolio of over 1,987 digital imaging patents (the "**Digital Imaging Patent Portfolio**"), mostly owned by EKC. This intellectual property encompasses a broad set of technologies, including developments in key digital imaging fields such as digital camera functions and features, image processing algorithms and network image storage, access and fulfillment, and is fundamental to the digital imaging industry, including the cellular phone, digital camera, tablet and social networking markets.

The monetization through licensing arrangements of the Digital Imaging Patent Portfolio was integral to Kodak's transformation during the past decade, having generated over \$3.0 billion in revenue. More than 30 companies licensed the Digital Imaging Patent Portfolio, including such leading mobile-device companies as LG Corporation, Motorola, Inc., Samsung Electronics Co., Ltd. and Nokia Corporation.

As Kodak's financial condition deteriorated, EKC began to experience delays in licensing negotiations with Apple Inc. ("**Apple**"), Research In Motion, Corp. and Research In Motion Limited (collectively, "**RIM**") and HTC Corp. ("**HTC**"), all of whom EKC believed owed substantial royalties for their use of Kodak's digital capture patents. EKC pursued patent litigation against each of Apple, RIM and HTC to enforce its rights relating to the digital camera functionality included in their smartphone handsets and, in the cases of Apple and HTC, in their tablet devices. EKC did not recover its expected licensing revenues, as it experienced setbacks in its litigation strategy setbacks.

On July 20, 2011, EKC announced that it had engaged Lazard Frères & Co. LLC ("**Lazard**") to assist in exploring strategic alternatives related to its Digital Imaging Patent Portfolio. EKC began marketing the Digital Imaging Patent Portfolio to potential purchasers, at the same time continuing its patent licensing program and strategic litigation against infringing parties. EKC explored other financing options and asset sales alternatives. However, these initiatives became more difficult to pursue due to increasing uncertainty concerning Kodak's financial condition.

3. SIGNIFICANT EVENTS AND INITIATIVES IN THESE CHAPTER 11 CASES

The following is a general summary of significant events in these Chapter 11 Cases, including a discussion of the Debtors' restructuring and business initiatives since the commencement of these Chapter 11 Cases. The size, number and diversity of the Debtors' businesses—and the consequences for those businesses of the Debtors' impaired liquidity position in the years prior to the Petition Date—have made the administration of these Chapter 11 Cases, the stabilization of the Debtors' businesses and the development of a plan of reorganization unusually complex and time-consuming.

A. Overview of Chapter 11

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Chapter 11 helps a company to restructure its operations and finances to maximize recovery to all stakeholders. Chapter 11 promotes equality of treatment for similarly situated creditors and interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate comprising all property and all other legal and equitable interests of the debtor as of the date of the debtor's petition for chapter 11 protection. The Bankruptcy Code allows the debtor to continue all business operations and remain in possession of all property of the estate as a "debtor in possession."

The U.S. trustee monitors the progress of a chapter 11 case and supervises its administration. In particular, the U.S. trustee is responsible for monitoring the debtor in possession's operation of the business and the submission of operating reports and fees. The U.S. trustee also appoints official committees (including the retirees' and creditors' committees). The official committees consult with the debtor in possession on administration of the chapter 11 case.

A chapter 11 case culminates in the consummation of a plan of reorganization. The plan of reorganization includes a classification of claims against and interests in the debtor and specifies how each class will be treated. Among other things, the plan of reorganization must be confirmed by the bankruptcy court before it is implemented.

B. Description of Debtors' Creditor and Other Constituencies

1. Official Committee of Unsecured Creditors

On January 25, 2012, the United States Trustee for Region 2 (the "**U.S. Trustee**") appointed the Official Committee of Unsecured Creditors [Docket No. 115] (the "**Creditors' Committee**") pursuant to sections 1102(a) and 1102(b) of the Bankruptcy Code. The original members of the Creditors' Committee included: KPP Trustees Limited; Pension Benefit Guaranty Corporation; Primax Electronics Ltd.; Sony Pictures Entertainment Inc.; Strategic Procurement Group; U.S. Bank National Association; Walmart Stores, Inc. ~~The current~~

As of the date hereof, the members of the Creditors' Committee ~~include:~~ are Altek Corporation; ~~KPP Trustees Limited;~~ Pension Benefit Guaranty Corporation; Strategic Procurement Group; U.S. Bank National Association and Walmart Stores, Inc. The Creditors' Committee's retained professionals include Milbank, Tweed, Hadley & McCloy LLP, Togut, Segal & Segal LLP and Global IP Law Group, LLC, as its legal advisors and Alvarez & Marsal North America, LLC and Jefferies & Company, Inc., as its financial advisors.

The Debtors have continuously consulted with the Creditors' Committee concerning the administration of these Chapter 11. The Debtors have regularly informed the Creditors' Committee of the Debtors' business operations and have sought the support of the Creditors' Committee to the extent its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses. ~~The~~ As discussed further below, the Creditors' Committee participated in the Debtors' marketing process for the Digital Imaging Patent Portfolio ~~and,~~ the settlement process with the KPP, ~~which are discussed further below~~ and the negotiation and formulation of the Rights Offerings, and has otherwise participated actively with the Debtors' management and professional advisors in reviewing the Debtors' business plans and operations as well as the negotiation of the Plan.

2. Ad Hoc Committee of Second Lien Noteholders

Between October 2011 and the Petition Date, certain holders of EKC's Second Lien Notes formed an Ad Hoc Committee of Second Lien Noteholders (the "**Second Lien Committee**"). The members of the Second Lien Committee collectively held \$~~459~~263 million, or ~~61~~70% percent of the outstanding principal value of Second Lien Notes as of ~~November 15, 2012,~~ May 10, 2013,¹³ which is the last date the Second Lien Committee filed a verified statement pursuant to Bankruptcy Rule 2019. Other than its members, the Second Lien Committee does not represent any other entities in connection with these Chapter 11 Cases.

¹³ Short positions held by members of the Second Lien Committee are not counted in this calculation.

Akin Gump Strauss Hauer & Feld LLP, Blackstone Group L.P. and Capstone Trade Partners LLC act as advisors to the Second Lien Committee.

The Debtors have continuously consulted with the Second Lien Committee concerning the administration of these Chapter 11 Cases. The Debtors have regularly informed the Second Lien Committee of the Debtors' business operations and have sought the support of the Second Lien Committee to the extent its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses. The Second Lien Committee participated in the Debtors' marketing process for the Digital Imaging Patent Portfolio, which is discussed further below, and has otherwise participated actively with the Debtors' management and professional advisors in reviewing the Debtors' business plans and operations as well as the negotiation of the Plan.

3. *DIP ABL Agent and DIP ABL Lenders*

Pursuant to the terms of the DIP ABL Credit Agreement, the Interim DIP ABL Order and the Final DIP ABL Order, the DIP ABL Obligations (as defined in the Final DIP ABL Order) constitute superpriority claims payable from, and having recourse to, all prepetition and postpetition property of the Debtors' estates and all proceeds thereof, subject only to payment of a carve-out for the fees and expenses of certain approved professionals. The DIP ABL Agent retained Davis Polk & Wardwell LLP as its legal advisors.

The Debtors have continuously consulted with the DIP ABL Agent throughout these Chapter 11 Cases and have sought its support to the extent that its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' businesses.

4. *DIP Term Loan Agent and DIP Term Loan Lenders*

Pursuant to the terms of the DIP Term Loan Credit Agreement and the DIP Order, the DIP Term Loan Obligations (as defined in the DIP Order) constitute superpriority claims payable from, and having recourse to, all prepetition and postpetition property of the Debtors' estates and all proceeds thereof, subject only to a payment of a carve-out for the fees and expenses of certain approved professionals. The superpriority claims granted on account of the DIP ABL Obligations pursuant to the Final DIP ABL Order will remain in full force and effect and shall continue with the ranking and priority set forth in the Final DIP ABL Order, except as expressly provided in the DIP Order. The DIP Term Loan Agent retained Covington & Burling LLP as its legal advisors. Akin Gump Strauss Hauer & Feld LLP acts as legal advisors to certain lenders party to the DIP Term Loan Credit Agreement.

Since the closing of the DIP Term Loan Credit Agreement, the Debtors have continuously consulted with the DIP Term Loan Agent concerning the administration of these Chapter 11 Cases and have sought its support to the extent that its constituency would be affected by proposed actions and transactions outside the ordinary course of the Debtors' business.

5. Retiree Committee

The Debtors agreed to the establishment of an official committee under section 1114(d) of the Bankruptcy Code to act as the sole authorized representative of all Retirees. On May 3, 2012, upon order of the Bankruptcy Court [Docket No. 1097], the U.S. Trustee appointed the Official Committee of Retired Employees (the “**Retiree Committee**”), which was modified on May 17, 2012 [Docket No. 1206]. The Retiree Committee consisted of seven retired employees of Kodak who are not covered by a collective bargaining agreement. Two members of the Retiree Committee subsequently submitted their resignations from the Retiree Committee to the U.S. Trustee. The Retiree Committee retained Arent Fox LLP and Haskell Slaughter Young & Rediker, LLC as its legal advisors, Zolfo Cooper, LLC as its financial advisors, and The Segal Company as its actuarial consultants. The Retiree Settlement between the Debtors and the Retiree Committee is discussed in Section 3.D.3.a below.

6. Fee Examiner

On August 15, 2012, upon the recommendation of the U.S. Trustee and after consultation with the Debtors and the Creditors’ Committee, the Bankruptcy Court appointed Richard Stern as fee examiner [Docket No. 1872]. The role of the fee examiner is to assist the Debtors in reviewing fees and expenses of retained professionals, to assist the Bankruptcy Court in determining whether such fees and expenses are reasonable, actual, and necessary, and to provide transparency in respect of such fees in the administration of these Chapter 11 Cases. On September 19, 2012, the Bankruptcy Court authorized the retention of Luskin, Stern & Eisler LLP as counsel to the fee examiner [Docket No. 2063].

7. Backstop Parties

The Backstop Parties include several of the Debtors’ largest creditors (and their affiliates). As described in Section 3.E. below, prior to and after the filing of the Initial Plan, the Backstop Parties and the Debtors, in consultation with the Creditors’ Committee, engaged in extensive discussions that resulted in the Backstop Commitment Agreement, the Rights Offerings and the Plan, which provides higher creditor recovery than the Initial Plan. In conjunction with the Backstop Commitment Agreement, GSO Capital Partners LP retained Simpson Thacher & Bartlett LLP as its legal advisors; BlueMountain Capital Management, LLC and Contrarian Capital Management, LLC retained Kramer Levin Naftalis & Frankel LLP, and George Karfunkel, United Equities Commodities Company and Momar Corporation retained Kasowitz Benson Torres & Friedman LLP.

C. **Summary of the Claims Process**

On April 18, 2012, the Debtors filed their schedules of assets and liabilities and statements of financial affairs (the “**Schedules**”) with the Bankruptcy Court. On May 16, 2012 and February 1, 2013, the Debtors filed amendments to certain of the Schedules. The Schedules are available for review at the Debtors’ case information website, <http://www.kccellc.net/kodak>.

1. Establishment of Claims Bar Dates

On February 16, 2012, the Bankruptcy Court entered an order [Docket No. 374] (the “**503(b)(9) Procedures Order**”) establishing exclusive procedures for the assertion, resolution, allowance and satisfaction of 503(b)(9) Claims. Pursuant to the 503(b)(9) Procedures Order, the deadline for filing proofs of 503(b)(9) Claims was April 30, 2012.

On May 10, 2012, the Bankruptcy Court entered an order [Docket No. 1147] (the “**Claims Bar Date Order**”) establishing procedures and deadlines for the filing of proofs of claim and approved the form and manner of notice of the Claims Bar Date ~~(as defined below)~~. Pursuant to the Claims Bar Date Order, the general bar date for certain persons and entities to file proofs of claim in these Chapter 11 Cases was July 17, 2012 (the “**Claims Bar Date**”). Notice of the Claims Bar Date was published in the *New York Times* (National Edition) and the *Rochester Democrat & Chronicle* at least 28 days prior to the Claims Bar Date and copies were served on creditors and potential creditors appearing in the Schedules.

As described in detail in Section 5.A.1 below, the Plan contemplates the establishment of ~~two~~an Administrative Claims Bar Dates, pursuant to the Solicitation Procedures Order and the Confirmation Order.

2. Claims Settlement Procedures

On March 20, 2013, the Bankruptcy Court entered an order approving the expedited procedures for the settlement of certain claims (the “**Claims Settlement Procedures**”) [Docket No. 3361]. The Claims Settlement Procedures classify the claims or resolutions that comprise a settlement into four categories:

- general unsecured claims;
- secured or priority claims, comprised of Other Secured Claims, Administrative Claims and Other Priority Claims;
- inbound claims, comprised of resolutions of any pending or threatened cause of action by the Debtors against a third party; and
- preplan payments, meaning (i) payments made prior to the Effective Date or (ii) allowed setoffs, in each case on account of any prepetition claim.

3. Claims Review and Objection Process

To address the numerous Claims asserted against the Debtors in an expeditious and orderly fashion, the Debtors ~~sought and~~ obtained an order of the Bankruptcy Court authorizing the filing of omnibus objections to claims- [Docket No. 1275]. As of ~~the filing of this Disclosure Statement~~June 13, 2013, the Debtors haved filed ~~30~~33 omnibus objections to Claims (including omnibus objections to 503(b)(9) Claims), and various omnibus claims objection orders have been entered, which have disallowed, expunged or recharacterized approximately 1,6700 Claims. In addition, numerous Claims have been allowed or withdrawn by stipulation with the Holder of the Claim.

~~The~~[Article 10.1 of the](#) Plan provides that, subject to certain exceptions, the Reorganized Debtors have until 180 days after the Effective Date, or such later date as may be established by order of the Bankruptcy Court, to file objections to Claims (other than Administrative Claims).

4. *Claims Administration and Alternative Dispute Resolution Procedures*

On May 3, 2013, the Bankruptcy Court approved procedures for the administration and alternative dispute resolution of certain claims designated by the Debtors for participation in such procedures, upon appropriate notice (the “Resolution Procedures”). Claims subject to the Resolution Procedures include current and future litigation claims in these Chapter 11 Cases that are disputed, unliquidated or contingent and assert or involve claims based on (a) intellectual property claims, (b) personal injury claims, (c) wrongful death claims, (d) tort claims, (e) workers’ compensation claims, (f) labor and employment claims, (g) breach of contract claims, (h) indemnity claims, (i) claims for damages arising from the rejection of an executory contract or unexpired lease and (j) class action claims [Docket No. 3666].

D. Significant Events and Initiatives Related to the Debtors’ Restructuring

Since the commencement of these Chapter 11 Cases, the Debtors have taken steps to successfully emerge from chapter 11 and return to profitability. Immediately after the Petition Date, Kodak announced the four key tenets of its transformation into a market-leading digital technology company: (i) bolster liquidity; (ii) monetize non-strategic intellectual property; (iii) fairly resolve legacy liabilities; and (iv) focus on the most valuable business lines.

As described in more detail below, the Debtors applied the tools available to them under the Bankruptcy Code to achieve their four objectives. First, the Debtors stabilized their operations by maintaining their business relations with nearly their entire prepetition customer base, as well as critical prepetition vendors. Second, the Debtors secured adequate debt financing in order to fund their operations during these Chapter 11 Cases and obtained approval to divest non-core assets. Third, the Debtors have negotiated comprehensive resolutions to their legacy liabilities, including Retiree Welfare Benefits, U.K. pensions and environmental liabilities. Fourth, the Debtors have ~~identified and~~ divested or wound down business lines and intellectual property assets that are not within their core strategic focus. Fifth, the Debtors have engaged on a path to sustainable profitability by implementing important savings and rationalization measures in their cost structure and reorganizing around their core business lines.

As a result of these initiatives, the Debtors have made significant progress in achieving the objectives of their transformation plan and are now poised to emerge from chapter 11.

1. *Stabilizing the Debtors’ Business Operations*

a. *First-Day Relief and Stay of Litigation*

On the Petition Date, the Debtors filed numerous motions seeking relief intended to ensure a seamless transition between the Debtors’ prepetition and postpetition business operations, and to facilitate the administration of these Chapter 11 Cases (the “**First-**

Day Motions”). Among other things, the orders entered by the Bankruptcy Court granting the First-Day Motions (the “**First-Day Orders**”) allowed the Debtors to continue certain normal business activities not specifically authorized under the Bankruptcy Code or as to which the Bankruptcy Code requires prior court approval. The First-Day Motions and the First-Day Orders are available at the Debtors’ case information website, <http://www.kccllc.net/kodak>.

In particular, the First-Day Orders authorized the Debtors to:

- continue to administer customer programs, including warranty and refund policies and customer incentives, and honor all prepetition obligations arising under these programs;
- pay prepetition claims of foreign vendors;
- pay prepetition wages and employee expenses, honor employee medical and other benefits, and continue the Debtors’ employee benefits programs;
- continue to use their prepetition cash management system, bank accounts and business forms;
- pay prepetition income, sales, use, franchise and property taxes and other taxes, assessments, fees and similar charges to governmental authorities;
- establish procedures to preserve the value of the Debtors’ net operating losses;
- pay prepetition claims of shippers, warehousemen, processors and other participants in the Debtors’ distribution network and holders of mechanics’ and other statutory liens, and customs duties; and
- retain professionals utilized in the ordinary course of the Debtors’ business.

In addition, the commencement of the Debtors’ Chapter 11 Cases triggered the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoined all collection efforts and actions by creditors, the enforcement of all liens against property of the Debtors and the commencement or continuation of prepetition litigation against the Debtors. Subject to limited exceptions, the automatic stay will remain in effect until the Effective Date of the Plan.

b. Customer and Vendor Outreach Programs

From the outset of these Chapter 11 Cases, a top priority of the Debtors has been maintaining the trust of both customers and suppliers. Immediately following the Petition Date, the Debtors initiated an extensive worldwide customer and supplier outreach program. The program included communications designed to explain relevant provisions of the U.S. Bankruptcy Code and other applicable law to customers and vendors around the world. Due to these and other efforts, the Debtors have retained virtually all of their top customers and have continued to serve the needs of these customers without supply interruption.

Kodak has processed approximately 270,000 purchase order transactions since the Petition Date, without any supply shortages that materially impacted customer deliveries. This outstanding accomplishment has been driven by the enforcement of the automatic stay, selected temporary trade term adjustments, a minor acceleration of certain liabilities subject to section 503(b)(9) of the Bankruptcy Code, very limited foreign vendor payments, resourcing to alternative suppliers as needed and providing frequent and transparent communications to Kodak's supply base, the overwhelming majority of which have stood behind their commitments.

Having succeeded in their stabilization program, the Debtors have generally continued their global operations in the ordinary course, maintaining worldwide cash levels ~~in excess of~~ approximately \$1 billion, while maintaining sufficient foreign cash balances to meet their operational needs in the ordinary course.

2. *Bolstering Liquidity*

a. DIP ABL Credit Agreement

On the Petition Date, the Debtors filed a motion [Docket No. 16] with the Bankruptcy Court seeking, among other things, interim approval to obtain debtor-in-possession financing. Pursuant to orders entered January 20, 2012 [Docket No. 54] (the "**Interim DIP ABL Order**") and February 16, 2012 [Docket No. 375] (the "**Final DIP ABL Order**"), the Bankruptcy Court authorized EKC and Kodak Canada Inc. (a non-Debtor subsidiary of EKC) to borrow up to the aggregate principal amount of \$950 million pursuant to the Debtor-in-Possession Credit Agreement, dated January 20, 2012 (the "**DIP ABL Credit Agreement**"), by and among EKC and Kodak Canada Inc. and a syndicate of lenders for which Citicorp North America, Inc. (the "**DIP ABL Agent**") serves both as administrative agent and as co-collateral agent with Wells Fargo Capital Finance, LLC.

Upon entering into the DIP ABL Credit Agreement, the Debtors applied a portion of the proceeds from the DIP ABL Credit Agreement to repay in full the approximately \$100 million principal amount outstanding under the Prepetition First Lien Credit Facility. The remainder of the proceeds have been available to finance the Debtors' operations during these Chapter 11 Cases and to provide limited funding for the operations of the Debtors' foreign subsidiaries. The DIP ABL Credit Agreement originally consisted of a \$250 million asset-based revolving credit facility, including a \$25 million Canadian revolving facility, and a \$700 million term loan (the "**DIP ABL Term Loan**").

~~Under the terms of the DIP ABL Credit Agreement, the Debtors had 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 1.50%), plus a margin, (x) in the case of the revolving loan facility, of 2.25% or 3.25%, respectively, and (y) in the case of the term loan facility, of 7.50% and 8.50%, respectively.~~

On February 1, 2013, the Debtors applied approximately \$418.7 million of the net cash proceeds of the monetization of Kodak's Digital Imaging Patent Portfolio (as described in Section 3.D.4.a below) to repay amounts outstanding under the DIP ABL Term Loan. As of

February 5, 2013, the Debtors had \$245.5 million of outstanding term loans under the DIP ABL Credit Agreement.

The DIP ABL Credit Agreement was amended and restated as of March 22, 2013. ~~The amendment and restatement of~~ to reflect the ~~DIP ABL Credit Agreement reflected the~~ paydown payment in full of all ~~term loans that were~~ term loans under ~~the DIP ABL Term Loan as of March 22, 2013, and certain other changes including the elimination of that~~ credit agreement, to eliminate the Canadian revolving facility and ~~the reduction of~~ to reduce the revolving credit line cap to \$200,000,000. among other changes. The amendment also extended the maturity date of the revolving credit facility from July 20, 2013, to September 30, 2013, to match the maturity of the DIP Term Loan Credit Agreement, removed machinery and equipment from the borrowing base of the revolving credit facility, and revised certain covenants to match the terms of the DIP Term Loan Credit Agreement.

b. DIP Term Loan Credit Agreement

To refinance the term loan component of the DIP ABL Term Loan ~~and allow for additional liquidity~~, the Debtors sought authorization to borrow up to the aggregate principal amount of \$848.2 million pursuant to the Debtor-in-Possession Credit Agreement, dated March 22, 2013 (the “**DIP Term Loan Credit Agreement**”), ~~between~~ among EKC, as borrower, the other Debtors, as guarantors, and a syndicate of lenders for which Wilmington Trust, National Association (the “**DIP Term Loan Agent**”) serves both as administrative agent and as collateral agent. The Bankruptcy Court authorized the Debtors to enter into the DIP Term Loan Credit Agreement by an order rendered on January 24, 2013 [Docket No. 2926], as amended by the order entered on March 8, 2013 [Docket No. 3279] (together, the “**DIP Order**”).

The facility provided by the DIP Term Loan Credit Agreement consists of \$455,000,000 of new money (the “**New Money Loans**”) and up to \$375,000,000 of junior lien term loans (the “**Junior Loans**,” and, together with the New Money Loans, the “**DIP Term Loans**”). The Junior Loans were issued in exchange for ~~amounts~~ a portion of the outstanding ~~under the~~ 2018 Notes and 2019 Notes.

The New Money Loans presently bear interest at the rate of LIBOR plus 10.5% per annum, with a LIBOR floor of 100 bps. The Junior Loans presently bear interest at a rate per annum, payable in cash, equal to the applicable non default rate on the 2018 Notes or 2019 Notes (as the case may be) that are subject to the ~~roll-up~~ conversion.

The DIP Term Loan Credit Agreement contained certain milestones ~~that EKC has agreed to comply with.~~ The milestones, which EKC has complied with, or expects to comply with, to date, include:

- (i) By no later than April 8, 2013, deliver a comprehensive draft plan of reorganization (which will set forth, among other things, treatment of the KPP claims, treatment for each class of claims and interests (including proposed terms of any debt to be issued and proposed equity splits), a description of corporate governance mechanics (including provisions to address the selection of officers and directors of the post-reorganization

Company), and post reorganization capital structure) and related disclosure statement to the advisors to the Lead Lenders (as defined in the DIP Term Loan Credit Agreement);

- (ii) By no later than April 30, 2013, file a plan of reorganization and a disclosure statement with the Bankruptcy Court;
- (iii) By no later than June 30, 2013, an order shall be entered by the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement), approving the disclosure statement; and
- (iv) By no later than September 15, 2013, an order shall be entered by the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lead Lenders, approving the plan of reorganization.

~~As set forth in Section 4.C.2. below, the DIP Term Loan Credit Agreement provides that, subject to the satisfaction of certain conditions, upon EKC's emergence, up to \$653,700,000 of New Money Loans and Junior Loans may be converted into loans under an exit facility.~~

The DIP Term Loan Credit Agreement ~~will mature and be paid in full in cash~~ matures on ~~the date that is~~ the earliest of (i) September 30, 2013, (ii) the Effective Date of the Plan, to the extent that amounts outstanding under the DIP Term Loan Credit Agreement are not converted into exit term loans and (iii) the acceleration of the DIP Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement.

As set forth in Section 4.C.4. below, the DIP Term Loan Credit Agreement provides that, upon the Effective Date, up to \$653,700,000 of New Money Loans and Junior Loans may be converted into loans under an exit facility. The conversion of the New Money Loans and Junior Loans is subject to the satisfaction of the conditions contained in the Emergence Credit Facility Documents.

c. Emergence Financing

Pursuant to the Backstop Commitment Agreement, EKC agreed to seek to obtain emergence financing on terms that are superior to the existing Emergence Rollover Credit Agreement negotiated in connection with the DIP Term Loan Credit Agreement.

On June 19, 2013, the Debtors entered into agreements with Bank of America, N.A. ("Bank of America"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank"), J.P. Morgan Securities LLC ("J.P. Morgan") and Barclays Bank PLC ("Barclays"), subject to the satisfaction or waiver of certain conditions and on a best efforts basis, to arrange new post-emergence credit facilities of up to \$895 million. Affiliates of the JPMorgan Chase Bank, J.P. Morgan, Barclays, Bank of America and Merrill Lynch will serve as joint lead arrangers for senior secured term loans of up to \$695 million. In addition to this term financing, affiliates of JPMorgan Chase Bank, J.P. Morgan, Barclays, Bank of America and Merrill Lynch will act as joint lead arrangers

for a new senior secured asset-based revolving credit facility of up to \$200 million, and have committed to provide \$130 million of this facility, subject to the satisfaction of certain conditions.

If consummated, this comprehensive financing package will enable the Debtors, at emergence, to repay their secured creditors under the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement, finance their emergence from chapter 11, and meet their post-emergence working capital and liquidity needs. The proposed term loan financing, if consummated, is expected to provide the Debtors with more favorable terms than the existing Emergence Rollover Credit Agreement.

3. Fairly Resolving Legacy Liabilities

The fair resolution of the Debtors' legacy liabilities has been a crucial and necessary step towards their successful emergence from chapter 11. The Debtors' negotiation efforts with regard to their legacy liabilities have focused on three core objectives: (i) settling Retiree Welfare Benefits liabilities, (ii) pursuing the KPP Global Settlement and (iii) settling remaining environmental liabilities.

a. Retiree Settlement

As discussed herein, the Debtors historically provided generous welfare benefits to the Retirees pursuant to multiple benefit plans and programs. Specifically, the Debtors' liability for Retiree Welfare Benefits exceeded \$1.2 billion as of December 31, 2011.

Since the commencement of the Chapter 11 Cases, the Debtors sought to settle their ongoing obligations with respect to Retiree Welfare Benefits. Following the appointment of the Retiree Committee, the Debtors and the Retiree Committee commenced a multi-month negotiation regarding the Debtors' settlement of Retiree Welfare Benefits.

On October 23, 2012, the Debtors and the Retiree Committee finalized the terms of a global settlement (the "**Retiree Settlement**") pursuant to which the parties agreed, among other things, that:

- (i) the Debtors would continue all Retiree Welfare Benefits through December 31, 2012, after which all Retiree Welfare Benefits would terminate;
- (ii) upon approval of the Retiree Settlement, the Debtors would make a \$7.5 million cash payment to support the initial administrative costs and benefit payments of a voluntary employees' beneficiary association trust (the "**VEBA Trust**"):
- ~~(iii)~~ (iii) the Debtors would allow a \$635 million general unsecured claim against their estates;
- ~~(iii)~~ (iv) the Debtors would allow a \$635 million general unsecured claim against their estates;

- ~~(iv)~~(v) the Debtors would allow a \$15 million administrative claim against their estates, which, at the election of the ~~Retiree Committee~~holder of such administrative claim, could be converted into shares of New Common Stock at Plan value;
- (vi) the Debtors would ~~contribute \$7.5 million to support~~cooperate with the initial costs Retiree Committee in communicating with retirees regarding the terms of the settlement, including conducting town hall meetings and ~~obligations of a voluntary employees' beneficiary association trust (the "maintaining a call center for retirees;~~
- ~~(v)~~—the Retiree Committee and its professionals would continue to represent retirees and to carry out the terms of the Retiree Settlement, including the creation, establishment, and administration of the VEBA Trust~~"); and~~
- (vii) ~~the Retiree Committee and VEBA Trust~~, and the reasonable expenses of the Retiree Committee and the reasonable fees and expenses of its professionals would continue to be paid (subject to the approval of the Court) through the date of any confirmed plan of reorganization; and
- ~~(vi)~~(viii) the Retiree Committee and the VEBA Trust (to the extent consistent with its fiduciary duties) would support a plan of reorganization consistent with the terms of the Retiree Settlement.

The Bankruptcy Court entered an order approving the Retiree Settlement on November 7, 2012 [Docket No. 2302], to which a copy of the Retiree Settlement is attached. The Debtors believe that the Plan is consistent with the Retiree Settlement, which has ~~been substantially consummated~~become effective and remains in full force and effect.

b. Global Settlement with the KPP

On July 16, 2012, the KPP Trustee filed claims in these Chapter 11 Cases, including (a) an Unsecured Claim against EKC arising from the KPP Guaranty and (b) unliquidated claims ~~to~~ filed against each of the Debtors arising out of the power of the U.K. Pensions Regulator, under the Pensions Act of 2004, to issue a financial support direction or contribution notice under certain circumstances to any company connected with, or an associate of, a company which is an employer in relation to an occupational pension plan in the United Kingdom (together, the "**KPP Claims**"). Kodak Limited also filed a claim against EKC based upon the KPP Guaranty (the "**KL Claim**"). EKC has taken no position on the value of the KPP Claims and the KL Claim. However, the underfunded position of the KPP of approximately \$1.5 billion (calculated in accordance with U.S. GAAP) is included in pension and other postretirement liabilities presented in the consolidated statement of financial position as of December 31, 2012 included in EKC's Annual Report on Form 10-K filed on March 11, 2013. The underfunded obligation relates to a non-Debtor entity.

After several months of negotiation, on April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities entered into a global settlement that resolves all current

and future liabilities of the Kodak group with respect to the KPP (the “**KPP Global Settlement**”). The KPP Global Settlement involves five key elements:

- (i) payments by Kodak Limited to the KPP to reduce Kodak Limited's pension liabilities, including a cash payment expected to be approximately \$200 million (the “**KL Payments**”);
- (ii) the extinguishment of Kodak Limited's remaining obligations to the KPP in connection with a regulated apportionment arrangement (the “**RAA**”) under English law;
- (iii) the acquisition by the KPP (or one or more designated companies owned by the KPP, the “**KPP Portfolio Companies**”) of the Personalized Imaging and Document Imaging businesses for a purchase price of \$650 million (the “**KPP Purchase**”), \$525 million of which is expected to be settled in cash and the balance settled with a note issued by the KPP (the “**KPP Note**”), and of which no more than \$325 million will come from KPP assets, excluding the KL Payments;
- (iv) the approval by the U.K. Pensions Regulator of clearance applications filed by EKC and its affiliates stating that, after giving effect to the KPP Global Settlement, it would be unreasonable for the U.K. Pensions Regulator to issue to any of the applicants a financial support direction or contribution notice with respect to any remaining pension funding shortfall; and
- (v) a release by EKC, the KPP, Kodak Limited and other applicable entities with respect to all other liabilities relating to the KPP and withdrawal of the KPP Claims and the KL Claim in these Chapter 11 Cases.

Each of these primary elements of the KPP Global Settlement will be simultaneously effective upon consummation of the KPP Purchase. Conditions to the KPP Purchase include, among others: (i) Bankruptcy Court approval; (ii) the absence of a Material Adverse Effect (as defined in the documentation for the KPP Purchase), unless waived by the KPP; (iii) substantial consummation of the Debtors' Plan, or, alternatively, EKC's adequate reassurance, acceptable to the KPP, that EKC can perform its obligations under the KPP Purchase Agreement and ancillary agreements (unless waived by EKC and the KPP Trustee); (iv) customary conditions precedent for third-party asset sales and (v) approval of the RAA by the U.K. Pensions Regulator. On ~~April 26~~May 28, 2013, the U.K. Pensions Regulator issued a ~~determination~~ notice ~~with respect to its intent to approve the RAA, with formal~~of approval ~~expected by the end of May 2013, after a 28-day waiting period prescribed by statute~~of the RAA. On the same day, the Pension Protection Fund of the United Kingdom issued a letter stating that it did not object to the RAA, the receipt of which was a condition to EKC proceeding with the KPP Global Settlement.

The KPP Purchase may be terminated (i) by the mutual written consent of the Kodak and the KPP; and (ii) by either Kodak or the KPP (a) if the settlement agreement has been

terminated (other than by the party, if any, whose actions led to the termination of the settlement agreement), (b) if the KPP Purchase permanently is enjoined by any governmental authority (other than by the party whose actions resulted in the injunction), (c) if the closing has not occurred by October 2, 2013 (other than by party, if any, whose actions prevented the closing from occurring prior to October 2, 2013); or (d) if the other party has breached its representations, warranties or covenants and such breach is not curable or, if curable, has not been cured by the earlier of 30 days' written notice from non-breaching party or October 1, 2013 (provided that the terminating party is not also in breach of the KPP Purchase Agreement).

The KPP Purchase will provide EKC with an expected \$525 million of cash proceeds, with the remaining \$125 million of the purchase expected to be paid by the KPP Note. The amount of cash received by EKC may increase or decrease based on the amount of the KL Payments made to the KPP immediately prior to consummation of the KPP Purchase. The minimum amount of KL Payments will be \$120 million, which would result in total cash proceeds of \$445 million. The maximum amount of KL Payments is \$300 million, which would result in total cash proceeds of \$625 million. The exact amount of the KL Payments, and therefore cash proceeds to EKC, will be determined by Kodak Limited and the Debtors prior to the Confirmation Hearing. The portion of the price that is not settled in cash will be settled by delivery of the KPP Note. Upon receipt of the KPP Note, EKC will sell it to Kodak Limited and Kodak Limited will setoff the KPP Note against its pension liabilities to the KPP.

The disposition of the Personalized Imaging businesses will be consummated in accordance with a stock and asset purchase agreement (the "**KPP Purchase Agreement**"). The KPP has informed EKC that it intends to own and operate the Personalized Imaging and Document Imaging businesses after consummation of the KPP Purchase as an asset of the KPP, held through one or more KPP Portfolio Companies.

The KPP Purchase Agreement, together with numerous ancillary documents to be signed between EKC and the KPP, will establish a number of important commercial and financial relationships between EKC and the KPP Portfolio Companies after consummation of the KPP Purchase. These relationships ~~will be~~are described in detail in the documents submitted to the Bankruptcy Court in connection with the approval of the KPP Global Settlement and the KPP Purchase. Key elements of these relationships include the following:

- *Transition Services.* At closing, EKC and the KPP Portfolio Companies will enter into a transition services agreement and a reverse transition services agreement pursuant to which the parties will supply each other with services necessary to enable a successful segregation of the Personalized Imaging and Document Imaging businesses from Kodak's Commercial Imaging business. Each party will supply the other with transition services for an initial term of 18 months, which may be extended for an additional period of six months.
- *Supply Agreements.* At closing, EKC and the KPP Portfolio Companies will also enter into 14 supply and services agreements, ~~each with a term from December 31, 2013, to the third anniversary of the closing date.~~ Under twelve of the agreements, EKC will be supplying the KPP Portfolio Companies with supplies and services necessary to operate the Personalized Imaging and Document Imaging businesses, including professional and

consumer film and related materials, display film, specialty chemicals, analytical test services, pilot coating services, sensitizing services, software development services, utility services, and interim equipment manufacturing, and technical knowledge management services. Under the remaining two agreements, the KPP Portfolio Companies will supply EKC with photochemicals and certain printhead refurbishment services for its operation of the Commercial Imaging business.

- *Brand License.* At closing, EKC will grant a perpetual license to the KPP Portfolio Companies for use of the Kodak brand in the Personalized Imaging and Document Imaging businesses as they evolve over time. The license to the KPP Portfolio Companies is subject to various customary controls over the use of the [brand](#).
- *Reciprocal Patent-Licenses.* At closing, EKC and the KPP Portfolio Companies will enter into reciprocal patent-licensing arrangements. EKC will acquire a license under the patents it assigns to the KPP Portfolio Companies. The KPP Portfolio Companies will acquire a license under EKC's retained patent portfolio, but may not provide products or services in the field of Kodak's Commercial Imaging business. Each party will retain certain sublicensing rights in connection with any future sales of its constituent businesses.
- *Mutual Non-Competition Undertaking.* EKC and the KPP Portfolio Companies will be bound by a mutual non-compete for a term of three years in the countries constituting the European Economic Area and a term of five years in the rest of the world, including the United States. For the term of the non-compete, EKC will be restricted from engaging in the Personalized Imaging and Document Imaging businesses and the KPP Portfolio Companies will be restricted from engaging in the Commercial Imaging business, subject in each case to certain exceptions set forth in the KPP Purchase Agreement. In particular, notwithstanding the non-compete, EKC will not be restricted from engaging in the Commercial Imaging business as currently conducted or any reasonably foreseeable extension thereof. EKC also will not be restricted from licensing or otherwise exploiting its intellectual property so long as the primary purpose of such exploitation is not to engage in the Personalized Imaging or Document Imaging businesses.
- *Indemnification.* EKC is under no obligation to indemnify the KPP Portfolio Companies for any breach of the representations made in the KPP Purchase Agreement. After closing, the KPP Portfolio Companies will indemnify Kodak for losses related to the liabilities assumed by the KPP Portfolio Companies under the KPP Purchase Agreement. Likewise, EKC will indemnify the KPP Portfolio Companies for losses related to the liabilities retained by EKC. Additionally, each party will indemnify the other for breaches of covenants to be performed after the closing under the KPP Purchase Agreement. EKC has also agreed to provide a standard indemnity for pre-closing taxes to the KPP.
- *Harrow Facility in the United Kingdom.* EKC has agreed to use its good faith efforts prior to closing to obtain such third-party consents as are necessary to transfer full ownership of the manufacturing site located at Harrow, United Kingdom, to the KPP Portfolio Companies. The Harrow facility is used for the manufacture of photographic

paper, an important element of the Personalized Imaging business. If such consents are not obtained, EKC will lease the Harrow facility to the KPP Portfolio Companies for a term not to extend beyond 2032.

- *Contingent Price Adjustment Payments.* The cash purchase price received by EKC under the KPP Purchase Agreement is subject to two potential post-closing adjustments: (i) the purchase price may be adjusted either upward or downward based on the amount of working capital delivered by EKC at closing; and (ii) so long as the KPP Portfolio Companies operate the Personalized Imaging and Document Imaging businesses in a commercially reasonable manner, EKC agrees to make a series of contingent payments to the KPP Portfolio Companies based on the amount of adjusted EBITDA generated by the Personalized Imaging and Document Imaging businesses through 2018. Contingent payments will be made in arrears at the end of each fiscal year beginning 2015 if cumulative adjusted EBITDA at year end is less than management projections by a significant margin, subject to a maximum payment of \$4 million after fiscal year 2015, \$7 million after fiscal year 2016, \$10 million after fiscal year 2017 and \$14 million after fiscal year 2018. Kodak's obligation to make contingent payments will be terminated prior to 2018 in the event of a sale, change of control, insolvency or other extraordinary event with respect to the Personalized Imaging and Document Imaging businesses.

— A motion to approve the KPP Global Settlement, including the KPP Purchase, ~~will be submitted to~~ was filed with the Bankruptcy Court ~~for its approval on May 15, 2013 [Docket No. 3709].~~ The motion ~~will include~~ included copies of the ~~relevant documents, including a settlement agreement, and~~ the KPP Purchase Agreement, ~~the RAA and numerous related and ancillary documents and forms of agreements. If~~ The Bankruptcy Court approved, the KPP Global Settlement ~~will be incorporated by reference into the Plan as an integral part thereof. on June 20, 2013.~~

c. Environmental Liability Settlements

- (i) ~~The Debtors currently are in settlement negotiations with a number of regulatory agencies and private parties seeking to have prepetition claims withdrawn or settled by means of an agreed-upon stipulated General Unsecured Claim. To date, the Debtors successfully resolved 27 claims. Among the claims remaining to be resolved are 10 claims from~~ EBP Settlement

Kodak, Empire State Development and the New York State Department of Environmental Conservation (the "NYDEC") ~~and four claims asserted by Bayer Corporation and its subsidiary STWB Inc.~~

~~The NYDEC claims arise from both the Debtors' operations at~~ have reached an agreement, which is subject to certain conditions and Bankruptcy Court approval, to establish a \$49 million environmental trust for Eastman Business Park ~~as well as indemnifications the Debtors have given to other parties in certain prepetition contracts involving property in New York. Three of the original 13 claims have been settled, and of the 10 remaining claims, many are relatively small oversight charges. The NYDEC (the "EBP Settlement"). Kodak~~ has filed a

significant legacy environmental liabilities relating to Eastman Business Park (“EBP”), a 1,200-acre technology center and industrial complex in Rochester, New York. EBP today houses over 35 small- and medium-sized businesses, and offers tenants manufacturing, laboratory, office and warehouse space, as well as 300 acres of prime industrial (M1) developable land.

The EBP Settlement is a settlement of Kodak’s historical environmental liabilities at EBP through the establishment of an environmental remediation trust (the “EBP Trust”). If approved by the Bankruptcy Court and upon the satisfaction or waiver of certain conditions, (A) the EBP Trust will be responsible for investigation and remediation at EBP due to conditions giving rise to Kodak’s environmental liabilities in existence prior to the effective date of the EBP Settlement and (B) Kodak will fund the EBP Trust with a \$49 million payment and transfer to the EBP Trust Kodak’s interests in personal property, equipment and fixtures used for performing any environmental response actions at EBP. Kodak’s \$49 million funding obligation will be sourced from approximately \$23 million in existing environmental financial assurances already posted by Kodak and \$26 million of incremental contributions made from the previously announced sale of utility infrastructure to Recycled Energy Development, LLC, and from other cash sources. The EBP Settlement is subject to certain conditions, as set forth more fully in the EBP Settlement.

If the EBP Settlement is consummated and the EBP Trust funded, Kodak’s responsibility for certain historical environmental impacts at Eastman Business Park would become the responsibility of the EBP Trust, accelerating the re-development of the site for use by Kodak, local Rochester businesses and other future tenants.

The NYDEC has 11 outstanding claims in these Chapter 11 Cases. The EBP Settlement settles all of the remaining NYDEC prepetition general unsecured claims for \$11,285,000, including a claim for natural resource damages in the Genesee River, and an overlapping claim by the U.S. United States Environmental Protection Agency ~~has filed a claim for the same alleged damages. It is anticipated that there will be allowed, unsecured claims as a result of the ultimate.~~ The Debtors will have a single unsecured claim settlement figure for these Genesee River claims, with the proceeds to be allocated between New York State and federal claimants. The Debtors are currently in negotiations with the United States with respect to the EBP Settlement and the resolution of ~~these asserted claims.~~ claims by the United States Environmental Protection Agency.

(ii) Other Settlements

To date, the Debtors have successfully resolved 27 prepetition environmental claims (excluding the NYDEC’s claims). Among the claims remaining to be resolved are four claims asserted by Bayer Corporation and its subsidiary STWB Inc. As a result of EKC’s purchase and subsequent sale of Sterling Drug in 1994, EKC agreed to indemnify certain purchasers in these transactions, including with respect to certain environmental liabilities. The successor entity to Sterling Drug is STWB Inc. STWB Inc. is a wholly-owned subsidiary of Bayer Corporation. Both Bayer Corporation and STWB Inc. have filed identical claims against two of the Debtors. On June 7, 2013, STWB Inc. and Bayer Corporation amended their proofs of claim to fix the previously unliquidated amount of the claim at \$250,611,579, plus additional costs and damages, as detailed in the proofs of claim. The Debtors dispute this assertion and

estimate that, to the extent STWB Inc. and Bayer Corporation will have an Allowed General Unsecured Claim, the amount of which will be substantially less than the amount asserted by STWB Inc. and Bayer Corporation. The Debtors, STWB Inc. and Bayer Corporation are in discussions regarding a potential settlement. No assurances can be made that the parties will reach agreement on a settlement. If a settlement is not obtained, the Bankruptcy Court will determine the allowed amount of such claims. The Debtors believe that any allowed claims will be unsecured prepetition claims.

~~As a result of EKC's purchase and subsequent sale of Sterling Drug in 1994, EKC agreed to indemnify certain purchasers in these transactions, including with respect to certain environmental liabilities. The successor entity to Sterling Drug is STWB Inc. STWB Inc. is a wholly-owned subsidiary of Bayer Corporation. Both Bayer Corporation and STWB Inc. have filed identical claims against two of the Debtors. The Debtors have examined these claims and are in discussions regarding a potential settlement. No assurances can be made that the parties will reach agreement on a settlement. If a settlement is not obtained, the Bankruptcy Court will determine the allowed amount of such claims. The Debtors believe that any allowed claims will be unsecured prepetition claims.~~

d. EKRA Settlement

In their Schedules, the Debtors estimated their liabilities under certain Non-Qualified Plans, including the KERIP, the KURIP, the GPP, and the Non-Qualified Plan Letter Agreements. The Debtors estimated the total liability for claims under the KERIP (collectively, the "**KERIP Claims**") to be approximately \$48.7 million, the total liability for claims under the KURIP (together with the KERIP Claims, the "**KERIP/KURIP Claims**") to be approximately \$128.9 million, and the total liability for claims under the GPP and the Non-Qualified Plan Letter Agreements (collectively, the "**Non-KERIP/KURIP Claims**," and together with the KERIP/KURIP Claims, each, a "**Non-Qualified Pension Claim**," and collectively, the "**Non-Qualified Pension Claims**") to be approximately \$40.6 million.

On April 30, 2013, EKRA Ltd. and several other holders of KERIP/KURIP Claims (collectively, the "**KERIP/KURIP Movants**") filed a motion [Docket No. 3645] (the "**KERIP/KURIP Motion**") requesting that the Bankruptcy Court appoint a committee pursuant to section 1102(a)(2) of the Bankruptcy Code to represent the interests of the holders of the KERIP/KURIP Claims. The KERIP/KURIP Movants asserted that they (and certain other holders of the KERIP/KURIP claims) disagree with the underlying discount rates and mortality tables used by the Debtors to calculate the KERIP/KURIP Claims.

Subsequent to the filing of the KERIP/KURIP Motion, the Debtors entered into discussions with the KERIP/KURIP Movants in an effort to consensually resolve the relief requested therein. As of the date hereof, the Debtors, subject to Court approval, are contemplating entering into a stipulation with the KERIP/KURIP Movants pursuant to which, among other things:

- (i) the Non-Qualified Pension Claims will be calculated utilizing certain agreed-upon assumptions (collectively, the "**Assumptions**"):

- (ii) based on the Assumptions, (A) in the aggregate, the Non-Qualified Pension Claims will equal approximately \$244.2 million and the individual holders (each, a “Non-Qualified Pension Holder,” and collectively, the “Non-Qualified Pension Holders”) of the Non-Qualified Pension Claims will have allowed, non-priority general unsecured claims in the respective amounts (each, an “Allowed Non-Qualified Pension Claim,” and collectively, the “Allowed Non-Qualified Pension Claims”) provided for the Non-Qualified Pension Holders on an exhibit to be attached to such stipulation, and (B) in the aggregate, the Allowed Non-Qualified Pension Claims on account of the KERIP/KURIP Claims shall equal approximately \$201 million and the Allowed Non-Qualified Pension Claims on account of the Non-KERIP/KURIP Claims shall equal approximately \$43 million;
- (iii) the Allowed Non-Qualified Pension Claims shall be Allowed General Unsecured Claims for the purposes of the Plan and section 502(b) of the Bankruptcy Code, without any requirement for a Non-Qualified Pension Holder, subsequent to the date of such stipulation, to file a Proof of Claim on account of its Allowed Non-Qualified Pension Claim, and without regard to whether a Non-Qualified Pension Holder was required to file, or did file, a Proof of Claim on or before the Claims Bar Date on account of its Non-Qualified Pension Claim; and
- (iv) for the avoidance of doubt, any Non-Qualified Pension Holder which, prior to the date of the stipulation, filed a Proof of Claim on account of a Non-Qualified Pension Claim and whose Proof of Claim was subject to an Omnibus Claims Objection filed by the Debtors and sustained by an order (a “Claims Objection Order”) of the Court that resulted in modifying such Proof of Claim to an amount lower than such Non-Qualified Pension Holder’s Allowed Non-Qualified Pension Claim shall, notwithstanding the Claims Objection Order, maintain such Non-Qualified Pension Holder’s Allowed Non-Qualified Pension Claim.

As noted above, in the event that the Debtors and the KERIP/KURIP Movants enter into such a stipulation, the stipulation would be subject to Court approval.

4. Monetizing Non-Core Intellectual Property

A key component of Kodak’s transformation strategy was to monetize its Digital Imaging Patent Portfolio while maintaining the greatest possible range of options to use the underlying intellectual property rights in its reorganized business. The disposition of the Digital Imaging Patent Portfolio was a key premise in the Debtors’ postpetition financing and one of the crucial objectives with which the Debtors commenced their Chapter 11 Cases. The result of over a year of continuous efforts, the sale of the Digital Imaging Patent Portfolio and the related licensing transactions represented a major milestone in these Chapter 11 Cases, unlocking a key

source of financing for the completion of the Debtors' operational restructuring while preserving intellectual property rights essential to the implementation of their plan for emergence.

a. Digital Imaging Patent Portfolio Disposition and Patent Licensing Transactions

On June 11, 2012, the Debtors filed a motion [Docket No. 1361] (the "**Patent Sale Motion**") requesting, among other things, the approval of procedures for a confidential competitive bidding process for the Digital Imaging Patent Portfolio. After a hearing on the Patent Sale Motion and the resolution of objections (primarily from parties holding licenses and other rights under the Digital Imaging Patent Portfolio), the Bankruptcy Court entered an order to grant the Patent Sale Motion on July 5, 2012 [Docket No. 1590]. In light of the highly competitive nature of the market for intellectual property, the preexisting competitive and adversarial relationships between likely bidders for the Digital Imaging Patent Portfolio, and the Debtors' resulting need to minimize the risk of disruption to any successful bid, the Bankruptcy Court conditionally authorized the sale of the Digital Imaging Patent Portfolio, subject to final approval of the consummation of a sale to the successful bidder.

On December 19, 2012, after a lengthy marketing process and months of negotiation, the Debtors announced the sale (the "**Digital Imaging Patent Sale**") of the Digital Imaging Patent Portfolio to Intellectual Ventures Fund 83 LLC ("**IV**") as part of a highly complex intellectual property transaction (the "**Patent Disposition**") between the Debtors, IV, Apple, FlashPoint Technology, Inc. ("**FlashPoint**") and a consortium of licensees (the "**Consortium Licensees**"), for a total consideration of \$527 million in sale and licensing proceeds. Pursuant to the Patent Disposition, Kodak licensed the Digital Imaging Patent Portfolio, and (subject to certain exclusions) its approximately 7,500 remaining patents, to each of the Consortium Licensees; retained licenses under the Digital Imaging Patent Portfolio to conduct the Debtors' retained businesses and grant sublicenses to divested businesses; and settled its pending patent litigation with Apple, FlashPoint, FUJIFILM Corporation ("**FUJIFILM**"), HTC, RIM and Shutterfly, Inc.

The Bankruptcy Court entered an order [Docket No. 2847] (the "**Patent Sale Order**") approving the consummation of the Digital Imaging Patent Sale and all settlements and other transactions contemplated by the Patent Disposition on January 11, 2013, finding that the Patent Disposition was the highest or otherwise best offer that the Debtors received. The Patent Disposition was consummated on February 1, 2013.

The Patent Disposition is recognized in the intellectual property community as one of the most complicated patent transactions ever completed, whether in or outside of chapter 11. The transaction required 13 leading companies—many of whom continue to have litigious relationships with each other—to agree on purchase terms and/or long-term licensing arrangements, with each company's agreement being cross-conditioned on the others'. Because the transaction occurred while the Debtors were still considering strategic alternatives, the Debtors had to preserve the value of their leading technologies for use by the Debtors and potential purchasers of the Personalized Imaging and Document Imaging businesses in any number of future circumstances. The resulting agreements took months to complete and resolved hundreds of business concerns and questions.

The Patent Disposition was a necessary component of the reorganization. The Debtors, in consultation with key creditors, concluded that the Patent Disposition provided the highest and best available value, as the Court also found. The cash generated by the Patent Disposition enabled the Debtors to pursue the goals set in these Chapter 11 Cases for successful emergence.

b. Intellectual Property Settlements in Connection with the Patent Disposition

A dispute between EKC and Apple and FlashPoint arose out of patent ownership claims based on joint development work by EKC and Apple in the 1990s. Beginning in 2004, the Debtors commenced 10 patent infringement actions in federal district courts and three investigations before the International Trade Commission (“ITC”) to enforce certain patents in the Digital Imaging Patent Portfolio. In January 2010, EKC filed a complaint asking the ITC to commence an investigation of Apple’s violations of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, which forbids the importation of patent-infringing products into the United States. In February 2010, the ITC commenced an initial investigation into Apple’s importation of infringing iPhone products. Concurrent with initiation of the proceeding, EKC filed a patent infringement lawsuit against Apple in the U.S. District Court for the Western District of New York (the “**W.D.N.Y. Action**”). At Apple’s request, the W.D.N.Y. Action was stayed pending a final decision in the ITC proceeding. Apple’s subsequent motion to lift the stay was denied. After the commencement of these Chapter 11 Cases, Apple and, later, FlashPoint pressed their claims of ownership of certain patents (the “**Disputed Patents**”) and sought relief from the automatic stay.

Objections to the Patent Sale Motion were filed by Apple and FlashPoint based on their separate claims to ownership and inventorship of the Disputed Patents. On June 18, 2012, the Debtors commenced the adversary proceeding captioned *Eastman Kodak Company v. Apple Inc. and FlashPoint Technology, Inc.* (Adv. Proc. No. 12-01720) (the “**Apple/FlashPoint Adversary Proceeding**”) before the Bankruptcy Court, seeking, *inter alia*, a declaratory judgment that Apple and FlashPoint had no interest in the Disputed Patents. On August 1, 2012, the Bankruptcy Court determined that the claims of Apple and FlashPoint to certain Disputed Patents were barred under the applicable statute of limitations and/or the doctrine of laches, but denied the Debtors summary judgment against Apple and FlashPoint as to certain other Disputed Patents.

As the Debtors proceeded with the marketing of the Digital Imaging Patent Portfolio, however, the settlements contemplated by the Patent Disposition emerged as a means of disposing of Apple and FlashPoint’s remaining ownership and inventorship claims.

As part of the relief granted in the Patent Sale Order, the Bankruptcy Court approved the following settlements:

(i) *Apple / FlashPoint Settlement*

To further the successful consummation of the Patent Disposition, EKC, Apple and FlashPoint agreed to resolve their respective claims in the Apple/FlashPoint Adversary

Proceeding, as part of a greater settlement of intellectual property claims. Pursuant to the Licensee Settlements, as described below, EKC and Apple released all infringement claims under each other's intellectual property, and dismissed their respective claims against each other in all pending patent litigation, including the Apple/FlashPoint Adversary Proceeding.

EKC, Apple, IV and FlashPoint entered into a settlement agreement whereby FlashPoint agreed, upon consummation of the Digital Imaging Patent Sale, to dismiss any and all claims to the Digital Imaging Patent Portfolio, including the Disputed Patents, in exchange for a payment of \$5 million by IV on behalf of EKC, and a license from Apple and IV to FlashPoint under the Disputed Patents. EKC and FlashPoint also entered into supplemental settlement agreements whereby FlashPoint released any and all claims against all other Kodak patents (with certain exceptions). These supplemental agreements also provided for the transfer by EKC of its shares in FlashPoint and two FlashPoint affiliates to their respective issuers in exchange for a payment to EKC of approximately \$1.68 million.

(ii) *Settlements with Consortium Licensees*

As a necessary part of the Patent Disposition, EKC and each Consortium Licensee entered into licensee settlements (the “**Licensee Settlements**”), including, among others, the dismissal of all pending patent litigation between the Debtors and each Consortium Licensee, and a mutual release of all patent claims (and, in the case of certain Consortium Licensees, intellectual property claims) with respect to the period ending on the effective date of the retained patents license agreements.

Under the Licensee Settlements, EKC retains all rights to enforce its retained patents with respect to the manufacture of printing devices and related components and materials—the heart of the Debtors' reorganized business operations.

(iii) *FUJIFILM Settlement*

Also in connection with the Patent Disposition, EKC and FUJIFILM, one of the Consortium Licensees, entered into an additional agreement pursuant to which, among other things, EKC agreed to assume certain cross-license agreements to grant EKC the right to assign these agreements to its successor in bankruptcy and to sublicense its rights thereunder to EKC's divested businesses, including the personalized imaging business. The settlement between EKC and FUJIFILM thus facilitates the Debtors' sale of the personalized imaging business as well as dispositions of other businesses that rely on EKC's rights under the assumed cross-license agreements. Furthermore, EKC and FUJIFILM will observe a three-year mutual standstill of all patent claims relating to printing devices and related components and materials. Damages, however, continue to accrue. As part of the settlement with FUJIFILM, EKC allowed a prepetition General Unsecured Claim in the amount of \$70 million against EKC in favor of FUJIFILM.

5. The Path to Profitability

a. Reviewing Customer and Product Profitability

The Debtors, with the assistance of AP Services LLC, have undertaken several initiatives to comprehensively review customer accounts around the globe. The objectives of these initiatives are: (i) to ensure that Kodak meets or exceeds customer expectations for products and services delivered, (ii) to make certain that all customers are familiar with the benefits of the full portfolio of Kodak's business solutions, and (iii) to improve the profitability of certain underperforming accounts.

Relative to this last objective of rapid profitability improvement among Kodak's businesses, the Debtors initiated a comprehensive customer and product profitability assessment, review and action planning program. The assessment included a detailed evaluation of all revenues and costs associated with serving most of Kodak's global customers across all lines of business and geographic regions. During the assessment phase, significant efforts were employed to ensure that the actual costs associated with each customer, product, marketing channel, and geographic area were understood and properly assigned to a specific account. This full cost evaluation allowed the Debtors to develop an accurate understanding of profitability, identify those customer accounts and business lines that were performing poorly, and plan and prioritize actions to improve profitability.

The customer accounts and business lines that had been identified as underperforming were then evaluated by product groups, region marketing staff, and field sales personnel. The global reviewing teams worked to design and deploy plans to improve profits that included actions such as price increases, product substitution, customer rationalization, and, where necessary, utilizing contract rejection or other provisions of the Bankruptcy Code in concert with a contracts review steering committee. The global teams have reviewed several tranches of customer accounts (representing the largest and least profitable accounts) and have taken actions which result in an improvement in the estimate of global gross profit for 2013 of over \$90 million in the Commercial Imaging business. As an added part of this exercise, these teams have found improvements in both the Personalized Imaging and Document Imaging businesses. Furthermore, additional gross profit improvements will be realized from the wind-down of the consumer inkjet business.

Concurrent with this initial wave of customer-level profitability improvement actions, the global business units and regions are concluding the planning phase for the next series of accounts. This phase includes a much larger number of mid-size and smaller customers that contribute negative or low profitability revenue. The elimination of significant numbers of low contribution customers will provide benefits in complexity reduction, service cost reduction, and go-to-market cost reduction.

The Debtors also established a customer profitability improvement program, which has utilized new customer profitability measurement tools to evaluate account margins across the businesses.

b. Improving Procurement Processes and Driving Value in Vendor Relationships

Since the Petition Date, the Debtors have utilized a cross-business procurement council to direct and support the procurement team's efforts, with the objectives of securing sources of supply, preserving liquidity, limiting payments authorized under the First-Day Orders, and utilizing the contract assumption and rejection process and other provisions of the Bankruptcy Code to achieve cost savings in purchased material and services.

Also, as part of their overall restructuring, the Debtors have realigned procurement into a leaner, more centralized, category-focused organization, designed to maximize company-wide purchasing leverage and best-practice processes on a global basis and for ease of driving future improvement efforts. As a consequence, the Debtors plan to reduce procurement operating cost for core procurement operations to benchmark levels of 0.7% of purchase spend by 2014.

Supply continuity was accomplished despite the limited use of First-Day Order authorized payments and absence of a critical vendor motion. The Debtors have paid under \$3 million in non-administrative-expense foreign vendor payments to ~~less~~fewer than 10% of their foreign vendors, against an authorized amount of \$60 million. In addition, the Debtors were able to negotiate claim waivers and ongoing annual rate reductions with many of their shipping vendors.

As part of the chapter 11 process, the Debtors have established a contracts review steering committee to review more than 24,000 executory contracts and utilize the contract assumption and rejection process to rationalize prices with suppliers, improve margins with customers and avoid certain other costs through rejection of or renegotiation of contracts. Leveraging this contract review process, the Debtors have been able to negotiate new supply agreements or find alternate sources of supply, resulting in both significant reductions in prepetition claim amounts as well as ongoing price reductions. Finally, the Debtors' decision to reject contracts related to certain real property leases, intellectual property, marketing, sponsorships and other non-real property contracts has resulted in savings of approximately \$140 million since the Petition Date.

To help preserve liquidity related to days payable outstanding, the Debtors established a process to mitigate demands from suppliers for shortening of payment terms, down payments, prepayments and letters of credit. Ongoing supplier communications and negotiations have resulted in stable trade payables throughout these Chapter 11 Cases. Additionally, because the Debtors have demonstrated consistent payment patterns to their suppliers, they were able to renegotiate with suppliers to begin to align terms to pre-filing levels, which is resulting in improved working capital.

c. Aligning Costs and Expenses

(i) *Reduction of Corporate SG&A Costs*

As part of their reorganization, the Debtors have to decrease their corporate selling, general and administrative ("SG&A") costs to a size commensurate with the size of their

businesses, while ensuring that their corporate costs as a percentage of revenue are aligned to industry standards. Corporate SG&A includes such areas as finance, information systems, purchasing, human resources, and legal, in addition to corporate research ~~&~~and development (“**R&D**”), real estate and environmental.

To accomplish this objective, the Debtors defined target reductions for each function based on comparable industry benchmarks, with the objective to position Kodak at a level similar to or better than its competitors. Based on these cost reduction targets, plans were developed and implemented for each function, including in their scope both people-related and non-people related costs. An initial set of actions was implemented in 2012, resulting in more than 20% reduction in corporate costs, with significant additional reductions planned for 2013.

During 2012, the Debtors reduced headcount across the corporate functions by 26%. In addition, as part of the vendor outreach programs discussed above, the Debtors entered into extensive renegotiation of third-party contracts, with an emphasis on Information Systems external suppliers and finance service providers. An additional 30% reduction will be achieved in 2013, taking into account the planned transfer of employees in connection with the sale of the Personalized Imaging and Document Imaging businesses.

In order to improve efficiency of operations, Kodak increased its use of financial transaction processing shared services in Asia and Eastern Europe, leveraging lower cost resources and synergies from standardized, centralized processes. Kodak had a significant reduction in the number of legal entities it used globally.

The Debtors also eliminated the standalone corporate marketing function, the corporate advertising budget and all corporate sponsorships.

(ii) *Reduction in Business Unit Sales ~~&~~and Marketing Costs*

As part of their reorganization, the Debtors seek to increase the effectiveness and productivity of their investment in sales and marketing, while ensuring that these costs are aligned to industry standards. These costs include direct sales and marketing as well as sales support, product management, advertising, customer order service and credit and collections.

To accomplish these goals, the Debtors have defined cost reduction targets and sales productivity targets based on comparable industry benchmarks, with the objective to position the company at a level similar to or better than its competitors. Based on these cost reduction targets, plans were developed and implemented in each business unit across all the regions where Kodak operates worldwide.

In 2012, Kodak was able to reduce headcount by 28% in this area, and anticipate a 50% additional reduction in 2013, including the planned transfer of employees in connection with the sale of the Personalized Imaging and Document Imaging businesses. Kodak reduced non-direct sales positions in a higher proportion than direct sales positions in order to protect market reach and the ability to develop new and existing client relationships. In addition, Kodak anticipates a reduction in advertising expenses of 50%.

(iii) *Redesign of the Sales Incentive Compensation Program*

The Sales Incentive Compensation Program (“**SICP**”) is a critical management tool that drives the day-to-day behavior of about 1,000 sales professionals promoting, pricing and selling Kodak’s products across the world.

Kodak rolled out a completely redesigned SICP for 2013 across all business units and regions where it operates. The new SICP accomplishes a number of objectives, including (1) improving the alignment of sales incentives and behaviors to corporate strategy; (2) increasing emphasis on profitability and pricing protection; (3) increasing emphasis on long-term revenue through higher sales of annuity products, including consumables and services; (4) increasing incentive to sell across the entire product portfolio of Kodak, in order to further the growth of existing client relationships; (5) simplification of the program in order to facilitate its implementation by sales professionals and reduce administration costs; and (6) standardization of the program across all regions, eliminating inconsistencies and promoting best practices globally.

(iv) *Operational Cost Alignment*

Concurrently with the ongoing divestiture of several of its businesses, Kodak launched a broad initiative to further align its operating costs. This initiative approached Kodak’s cost structure with a clean-sheet design mindset, in order to ensure that each operating function kept the headcount and cost structure strictly required to operate the remaining Commercial Imaging business after the planned divestitures. As a result of this initiative, additional cost reductions are being implemented globally and have been reflected in the overall financial projections.

This initiative has already yielded positive results, including the elimination of more than 600 positions in the manufacturing, supply chain, technical service and product engineering functions, a 30% reduction in real estate locations across the world, a 32% reduction in the number of major warehouses on a global basis, an 18% reduction in the number of information systems maintained by the company and the closure of two manufacturing facilities.

(v) *Retaining Key Employees*

To stem the departure of essential personnel and the substantial resulting costs to the Debtors, the Debtors developed a continuity plan (the “**Continuity Plan**”) to provide incentives for participating non-insider employees to remain employed throughout the duration of these Chapter 11 Cases. The Debtors set aside a pool of about \$13.5 million for cash incentive payments to Continuity Plan participants, none of whom are “insiders” for the purposes of section 503(c)(1) of the Bankruptcy Code and all of whom meet criteria related to the Debtors’ business needs and the employee’s external marketability.

Under the Continuity Plan, aggregate awards of approximately \$8.5 million, payable in December 2012 and July 2013, were granted to 119 non-insider manager-level employees in the form of payments representing, on average, 35 percent of the employee’s base salary. The balance of approximately \$5 million available under the Continuity Plan was reserved for awards generally representing 25 percent or less of the employee’s base salary to

other non-insider employees on an as-needed basis. Awards generally are subject to continued employment with the Debtors through each payment date. The Bankruptcy Court entered an order approving the Continuity Plan on May 1, 2012 [Docket No. 1064].

d. Focusing on the Most Valuable Business Lines

Reorganizing around Kodak's most valuable business lines is a cornerstone of the Debtors' transformation plan. To that end, Kodak identified core business lines with respect to which Kodak has significant competitive and technological advantage and expects the greatest opportunities for sustainable growth. As part of the effort to allow Kodak to focus on the businesses that will constitute the profitable and sustainable reorganized entity upon emergence, the Debtors have ~~implemented the plan to exit~~ exited certain business lines ~~and monetize Kodak's non-core intellectual property (as discussed above).~~

(i) *Dedicated Capture Devices*

In February 2011, at the annual investors meeting, Kodak announced its decision to change its strategy for its low-growth dedicated capture device business, comprising digital cameras, pocket video cameras, and digital picture frames, in order to focus on profitability. The strategy was confirmed during the third quarter of 2011, when revenue declined while profitability improved. On February 9, 2012, Kodak announced that it would fully exit the business during the first half of 2012. Kodak's expected annual savings as a result of this strategic decision was approximately \$100 million. Kodak worked closely with its retail partners to achieve a smooth transition in 2012. Kodak also announced at that time that it would seek brand licensees for cameras. Kodak executed a brand licensing agreement in October 2012, and publicly announced the arrangement on January 7, 2013 for a multi-year, brand licensing agreement with JK Imaging, Ltd., to license the Kodak brand name for certain consumer products, including digital cameras, pocket video cameras, and portable projectors.

(ii) *Kodak Gallery*

On May 2, 2012, Kodak closed its sale of certain assets of the unprofitable Kodak Gallery online-based photo sharing and merchandise business to Shutterfly, Inc. for \$23.8 million. With Kodak's focus on profitable growth businesses and the phase out of the capture device business, there was less of a strategic relationship between Kodak's imaging customers and the Kodak Gallery business. Kodak successfully executed on the requirements to complete the transition to Shutterfly, Inc. on September 20, 2012, securing the remaining balance of the purchase price.

(iii) *Consumer Inkjet*

On September 28, 2012, Kodak announced that, starting in 2013, it would focus its consumer inkjet business on the profitable sale of ink and wind down its sale of consumer inkjet printers while continuing to serve its installed base. The decision to exit the business was driven by the inability to continue to fund the industry business model of hardware sales below fully allocated cost, and the ability to create significant net cash contribution through the sale of ink. It is expected that the sale of profitable ink cartridges will continue through 2014, with declining sales volumes beginning in 2013.

(iv) *Personalized Imaging and Document Imaging*

On August 23, 2012, Kodak announced the decision to initiate sale processes for its Personalized Imaging and Document Imaging businesses. Assets used by the Personalized Imaging and Document Imaging businesses are owned both by the Debtors and their non-Debtor affiliates. In furtherance of the sale, Kodak commenced a transition of those business lines into standalone businesses.

The Personalized Imaging business consists of the Retail System Solutions (“RSS”), Paper & Output Systems, Event Imaging Solutions and Film Capture units. RSS is the leader in retail print solutions with a global footprint of more than 100,000 KODAK Picture Kiosks; Paper & Output Systems includes the broadest portfolio of traditional photographic paper and photochemicals; Event Imaging Solutions provides souvenir photo services, solutions and products at theme parks and other destinations; and Film Capture includes the sale and distribution of consumer and professional film and one-time use cameras.

The Document Imaging business provides a leading and comprehensive portfolio of scanners, capture software and related technical services to enterprise customers.

~~Pursuant to the DIP Term Loan Credit Agreement, EKC may convert a portion of the DIP Term Loans into exit financing at emergence, subject to, among other things, receiving a minimum aggregate gross cash purchase price of \$600 million from the disposition of any combination of certain specified assets that are not part of the Commercial Imaging business, including any combination of the Personalized Imaging and Document Imaging businesses and trademarks, trademark licenses, domain names and related intellectual property assets and materials.~~

As described in more detail in Section 3.D.3.b above, the KPP Global Settlement provides, among other things, for the acquisition by the KPP, or one or more KPP Portfolio Companies, of the Personalized Imaging and Document Imaging businesses for a purchase price of \$650 million, \$525 million of which is expected to be settled in cash and the balance settled with a note issued by the KPP.

E. Backstop Commitment Agreement and Rights Offerings

On June 18, 2013, the Debtors filed a motion [Docket No. 4070] (the “Backstop Commitment Agreement Approval Motion”) seeking, among other things, approval of the Debtors’ entry into the Backstop Commitment Agreement by and among the Backstop Parties and the Debtors and the Debtors’ performing their obligations under the Initial Commitment Provisions, including payment of the Backstop Fees and Expense Reimbursement as and when due. The Backstop Commitment Agreement is attached hereto as Appendix D.

A key feature of the Plan is the distribution of subscription rights in connection with two rights offerings to raise \$406 million of equity capital through the issuance of 34 million shares of New Common Stock. The primary purpose of the Backstop Commitment Agreement is to ensure that the Debtors have sufficient proceeds from the Rights Offerings to fund Distributions under the Plan. Accordingly, pursuant to the Backstop Commitment

Agreement, the Backstop Parties have committed to purchase any shares offered but unsubscribed in the 4(2) Rights Offering subject to certain conditions.

The key terms of the Backstop Commitment Agreement are as follows:¹⁴

- EKC will conduct the Rights Offerings pursuant to and in accordance with the Rights Offerings Procedures, the Backstop Commitment Agreement and the Plan.
- Pursuant to the 4(2) Rights Offering, the Backstop Parties will be entitled to purchase, in addition to their 4(2) Primary Shares and their 1145 Available Shares, 10 million of the 4(2) Rights Offering Shares as allocated among the Backstop Parties that subscribe for all of their respective 4(2) Primary Shares based upon such Backstop Parties' relative Backstop Commitment Percentages or as otherwise agreed upon by all such Backstop Parties.
- Each Backstop Party agrees, severally and not jointly, to purchase on the Closing Date for the Per Share Price, the amount of Unsubscribed Shares equal to such Backstop Party's Backstop Commitment Percentage of the aggregate Unsubscribed Shares.
- Subject to Court approval of the Backstop Commitment Agreement, the Debtors will pay (i) an Initial Commitment Fee equal to 4.0% of the Rights Offerings Amount (\$16.24 million) and (ii), if the Closing occurs, a Consummation Fee equal to 1.0% of the Rights Offerings Amount (\$4.06 million) (together, the "Backstop Fees"). The Backstop Fees payable on the Closing Date may be paid either in Cash or with shares of New Common Stock based on the Per Share Price, at the Debtors' discretion. The Debtors intend to satisfy the Backstop Fees through the issuance of 1,700,168 shares of New Common Stock. If the Backstop Commitment Agreement is terminated prior to Closing (other than as a result of a Feeless Termination Event), the Debtors will pay the Initial Commitment Fee in Cash. The Backstop Fees will be Allowed Administrative Claims.
- Subject to Court approval of the Backstop Commitment Agreement, the Debtors will pay the documented reasonable fees and expenses of Simpson Thacher & Bartlett LLP, Kramer Levin Naftalis & Frankel LLP, Kasowitz Benson Torres & Friedman LLP and one counsel for each jurisdiction that is reasonably necessary to consummate the transactions contemplated by the Backstop Commitment Agreement, in each case that have been and are incurred by the Backstop Parties in connection with the negotiation, preparation and implementation of the Backstop Commitment and the Rights Offerings, and in each case subject to any limitations that may be separately

¹⁴ The following is only intended to provide a summary of the Backstop Commitment Agreement. To the extent of any inconsistency between this summary and the Backstop Commitment Agreement, the Backstop Commitment Agreement shall govern. Capitalized terms in this Section 3.E not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the Backstop Commitment Agreement.

agreed in writing between EKC and the applicable Backstop Party. The Expense Reimbursement will be Allowed Administrative Claims.

- Following Court approval of this Disclosure Statement, each Backstop Party agrees to use its commercially reasonable efforts to (i) timely vote or cause to be voted all of its Beneficially Controlled Votable Claims to accept the Plan; (ii) not change or withdraw such vote or exercise; (iii) consent to the treatment of its Beneficially Controlled Votable Claims and the treatment of all other claims against and equity interests in the Debtors as set forth in the Plan; and (iv) not object to or otherwise commence any proceeding or take any other action opposing any of the terms of the Disclosure Statement or the Plan, unless, in each case, the Plan is modified in a manner that violates the terms of the Backstop Commitment Agreement (collectively, the “Plan Support Obligations”). Each Backstop Party agrees that it will not transfer any Beneficially Controlled Votable Claim unless the transferee agrees in writing for the benefit of EKC to be bound by the Plan Support Obligations.
- The Debtors will apply the proceeds from the exercise of the Rights and the sale of the Unsubscribed Shares to satisfy the claims of the Holders of Allowed Class 3 Second Lien Notes Claims, to pay the Cash portion of the Rights Offerings Consideration and to fund the Kodak GUC Trust, in each case, pursuant to the Plan.
- Except as set forth in the Backstop Commitment Agreement or otherwise contemplated by this Disclosure Statement and the Plan, or with the consent of the Requisite Backstop Parties, EKC shall, and shall cause its Subsidiaries to, carry on its business in the ordinary course and use its commercially reasonable efforts to preserve intact its Post-Effective Date Business, keep available the services of its officers and employees, preserve its material business relationships in connection with the Post-Effective Date Business, and shall not enter into any transaction material to the Post-Effective Date Business other than in the ordinary course, except for certain transactions previously disclosed to the Backstop Parties.
- EKC and its Subsidiaries shall not initiate or solicit any inquiries, proposals or offers or engage in any discussions or negotiations related to an Alternate Transaction; provided that the board of directors of EKC may approve an unsolicited Alternative Transaction and terminate the Backstop Commitment Agreement if the board determines in good faith that such transaction constitutes a Superior Transaction and that failing to approve it would be inconsistent with the directors’ legal duties under applicable law.
- Subject to certain exceptions, the Debtors will jointly and severally indemnify each Backstop Party from any Losses incurred in connection with the Backstop Commitment Agreement and the Plan.
- Conditions to the obligations of each Backstop Party to consummate the transactions contemplated by the Backstop Commitment Agreement include, among others: (i) entry of the BCA Approval Order, Plan Solicitation Order, Rights Offerings Procedures Order, BCA Consummation Approval Order and Confirmation Order; (ii)

- compliance by the Debtors in all material respects with the Plan and satisfaction of the conditions to effectiveness thereunder; (iii) the completion of the Rights Offerings; (iv) approval of the KPP Global Settlement; (v) the Debtors' obtaining, and satisfying all conditions to effectiveness of, the Emergence Credit Facilities; (vi) execution and delivery by EKC of the Registration Rights Agreement; (vii) the making or obtaining of all notifications or consents required under antitrust laws; (viii) satisfaction of certain minimum liquidity standards by the Reorganized Debtors and their Subsidiaries; (ix) dismissal of the Committee's Lien Challenge; (x) the absence of a Material Adverse Effect since April 30, 2013; and (xi) other customary conditions.
- The Backstop Commitment Agreement may be terminated by the Backstop Parties (i) upon a default by a Backstop Party of its backstop commitment obligations if both the Backstop Parties and the Company fail to arrange for a replacement commitment, subject to certain conditions; (ii) if any Law or Order prohibits the Plan, the Rights Offerings or the transactions contemplated by the Backstop Commitment Agreement; (iii) if the BCA Approval Order is not entered by July 2, 2013, (iv) if any of the BCA Approval Order, Plan Solicitation Order, Rights Offerings Procedures Order, BCA Consummation Approval Order, KPP Global Settlement Order or the Confirmation Order is reversed, dismissed or vacated or is modified or amended after entry in a manner that is not reasonably satisfactory to the Requisite Backstop Parties, (v) if EKC enters into an Alternate Transaction, (vi) if the Debtors breach any representation, warranty or covenant in the Backstop Commitment Agreement that would result in EKC's failure to satisfy the conditions to Closing and such breach is not cured, (vii) if a DIP ABL Event of Default or a DIP Term Loan Event of Default occurs and is continuing, (viii) if the Creditors' Committee files any pleading in furtherance of the Committee's Lien Challenge or (ix) if the Closing has not occurred by October 3, 2013 (provided that the Debtors may extend such date to November 4, 2013 in the event that requisite antitrust approvals have not been obtained).

In connection with the negotiation of Backstop Commitment Agreement, the Debtors have agreed to the following provisions, reflected in the Plan:

- If the Second Lien Acceptance is obtained, the Second Lien Notes Claims shall be Allowed in an aggregate amount equal to the Second Lien Agreed Amount,¹⁵ plus the Second Lien Settlement Amount.¹⁶ If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed:

¹⁵ The "Second Lien Agreed Amount" means the sum of (a) \$375 million, which is the outstanding principal amount of the Second Lien Notes as of the Effective Date, plus (b) accrued and unpaid interest thereon as of the Effective Date at the non-default contract rate applicable as of the Petition Date.

¹⁶ The "Second Lien Settlement Amount" means a Cash payment equal to \$20 million, as a full and final settlement in respect of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures the payment of which is not provided for in the Plan.

- (i) with respect to each Stipulating Second Lien Noteholder,¹⁷ its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and
- (ii) with respect to any other Second Lien Noteholder, in the amount determined by the Court.
- On the Effective Date, the transactions contemplated by the Plan, including the distributions to Holders of Claims in Class 3, Class 4 and Class 6, will be in full and final settlement of the Committee's Lien Challenge, and the Committee's Lien Challenge will be deemed dismissed with prejudice, and the Creditors' Committee and the Second Lien Notes Trustee will file a joint notice of dismissal with the Bankruptcy Court.
- Reorganized Kodak will issue Warrants to Holders of General Unsecured Claims, as described in Section 4.C.3.b. below.
- On the Effective Date, certain Avoidance Actions will be transferred to and the Kodak GUC Trust Initial Amount will be deposited in the Kodak GUC Trust for the benefit of the Holders of General Unsecured Claims, as described in Section 4.D below.

For further information on the Rights Offerings and Rights Offerings Procedures, please refer to Section 8 below.

4. THE REORGANIZED DEBTORS

Kodak is a trusted leader in conventional and digital technologies that serve the \$720 billion commercial, packaging and functional printing market. Kodak is focused on meeting customer needs and leading the Commercial Imaging industry, in which Kodak has a compelling and unique combination of advantages. These include:

¹⁷ "Stipulating Second Lien Noteholder" means a Holder of Second Lien Notes Claims that (a) duly voted to accept the Plan in accordance with the Solicitation Procedures Order, (b) enters into a stipulation with the Debtors in form and substance reasonably satisfactory to the Debtors pursuant to which the Debtors are irrevocably and unconditionally released from all obligations to pay any amounts under the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder other than the Second Lien Agreed Amount and the Second Lien Settlement Amount, which stipulation shall be subject to receipt by such Holder of its Pro Rata portion of the Second Lien Agreement Amount and Second Lien Settlement Amount and (c) enters into an instruction to the Second Lien Indenture Trustee in form and substance reasonably satisfactory to the Debtors instructing the Second Lien Indenture Trustee not to take any action to enforce or collect any amounts due under the Second Lien Notes Indenture in excess of the Second Lien Agreed Amount, the Second Lien Settlement Amount and fees and expenses reimbursable under the Plan, which instruction shall be subject to receipt by such Holder of its Pro Rata portion of the Second Lien Agreement Amount and Second Lien Settlement Amount.

- *Strong technology:* Kodak's innovative technologies enable the company to provide its customers with qualitatively different advanced solutions and to shape the development of commercial printing markets in the future.
- *Strong market mix:* Kodak operates in a highly advantageous mix of large, established and steady markets, which continue their digital transition, as well as early-stage markets with excellent prospects for dynamic growth.
- *Strong position:* Kodak is a recognized leader in these markets, with cash-generative businesses in the large markets and excellent positioning to achieve volume and profitability gains in the growth markets.

The following section provides a description of the reorganized company and outlines the strategy and product offerings of the Commercial Imaging businesses around which it will be organized.

A. Reorganized Debtors' Business Plan

1. ~~The New~~Reorganized Kodak

Kodak offers its extensive and loyal worldwide customer base differentiated innovations in printing solutions and services, where it is a leader in inkjet-based digital presses and hybrid solutions, electrophotographic presses, flexo print solutions, digital controllers and workflow software, computer-to-plate ("CTP") output devices, digital printing plates, professional and consulting services and entertainment and commercial films. Kodak's Commercial Imaging product portfolio is unmatched. It is the direct result of the company's unique combination of proven technologies and deep knowledge in materials science, digital imaging science and deposition processes. The latter describes how Kodak applies and deposits organic and inorganic materials on a large variety of substrates at very high speeds with outstanding precision. That includes a large variety of printable formulations and a variety of receiving surfaces such as paper, foil, film, plastic, glass, metal, and/or corrugated materials enabling Kodak to create functionality beyond visual communications.

As a leader in ~~the Commercial Imaging industry~~commercial imaging, Kodak will help define its development through its high-quality, cost-effective products and services. Kodak will pursue four distinct and complementary business objectives to extend the strength of its position in Commercial Imaging and deploy its powerful technological advantages to shape tomorrow's high-growth, high-margin market segments:

- Expand Kodak's cash-generative Graphics business, where Kodak leads the pre-press segment of the digital offset printing market, providing a broad range of commercial printing customers with enhanced offset capabilities. These include state-of-the-art controllers, CTP output devices, unified workflow solutions and a range of digital printing plates with leading sustainability features. Worldwide, Kodak Graphics customers produce more than \$100 billion in commercial printing each year, and ~~Kodak~~Kodak's installed base of over 15,000 CTP output devices, which incorporate the *SQUAREspot* laser writing imaging technology, image more than 30% of digital offset

plates. Kodak's product innovations will continue to provide its customers in this market with compelling, differentiated solutions.

- Leverage Kodak's success in developing and commercializing digital printing technologies, including the *SQUAREspot* laser writing imaging technology and continuous inkjet *Stream* technology, to grow and strengthen the company's position in attractive, high-growth markets—primarily commercial inkjet, packaging and functional printing—and partner with customers to lead the development of these markets in the future. Since launch, Kodak's state-of-the-art digital PROSPER Platform of commercial inkjet printing systems has printed more than 30 billion pages, and Kodak's digital packaging technology, FLEXCEL NX CTP Output Devices and Plates, has doubled installations and plate utilization year-over-year in each of the last four years.
- Provide professional services to commercial printing and digital imaging markets, supporting new customer applications and business solutions.
- Manage the decline of its mature, cash-generating Entertainment ~~&and~~ Commercial Film businesses.

2. Portfolio

Kodak's Commercial Imaging portfolio meets two distinct needs for its customers:

- Transforming large printing markets with digital offset, digital print and hybrid solutions; and
- Developing new solutions for high-growth markets.

Accordingly, to successfully deliver solutions to its commercial customers and meet the needs of the markets as described below in "Industry Overview," Kodak will operate the Commercial Imaging portfolio as two business segments:

- Graphics, Entertainment ~~&and~~ Commercial Film ("GECF"), which includes Graphics (comprising digital plates, CTP output devices, digital controllers and unified workflow solutions), Entertainment Imaging ~~&and~~ Commercial Films, and associated Global Technical Services; and
- Digital Printing ~~&and~~ Enterprise ("DP&E"), which includes Inkjet Printing Solutions, Electrophotographic Printing Solutions, Flexo Packaging Solutions, Functional Printing and Enterprise Professional Services.

In providing customers with solutions to meet their needs in both of these segments, Kodak will also support its customers with after-sale consumables and services that include plates, dry inks ~~and related consumables~~, commercial inkjet inks, brand protection solutions ~~and services~~, workflow software, technical service and consumer inkjet consumables. These business segments are described in greater detail below, following an industry overview of

~~the industry~~, the markets Kodak serves, and Kodak's strategy to deliver sustainable growth and positive returns.

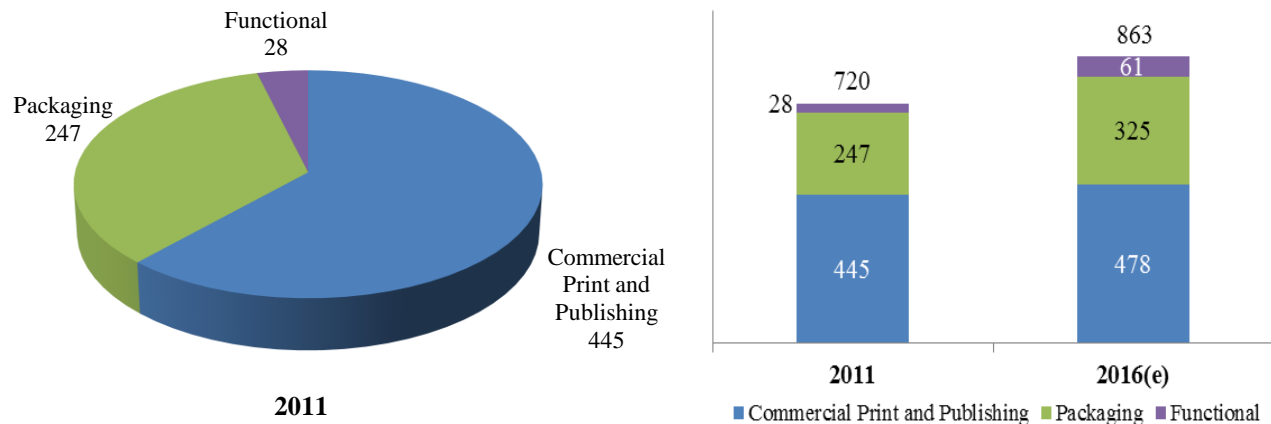
3. Industry Overview

Kodak serves a \$720 billion market composed of commercial printing, packaging, and functional printing. Kodak supports two technologies for commercial printing: offset and digital. Kodak provides flexographic, offset and digital solutions for the packaging and functional printing growth markets.

As shown by the charts below, commercial printing and publishing ~~is-a~~are transitional markets with ~~a~~ rapid movement to digital, packaging is a sustainable-growth market with areas of high growth, while functional printing is a market with high growth prospects.

Sustainable Growth with Areas of High Growth

Market size (billions of dollars)



Sources: IDTechEx, DisplaySearch, Marketsandmarkets, BCC Research and Pira.
(e) Estimates

a. Commercial Printing

Kodak successfully competes in the large and growing worldwide commercial print market that in 2011 was estimated at \$445 billion.

Several trends are expected to drive continued dynamic growth in the size of the overall commercial printing market, including:

- a demand for personalization in multi-channel communications;
- investments in the conversion to digital print, resulting in double-digit page and revenue growth;

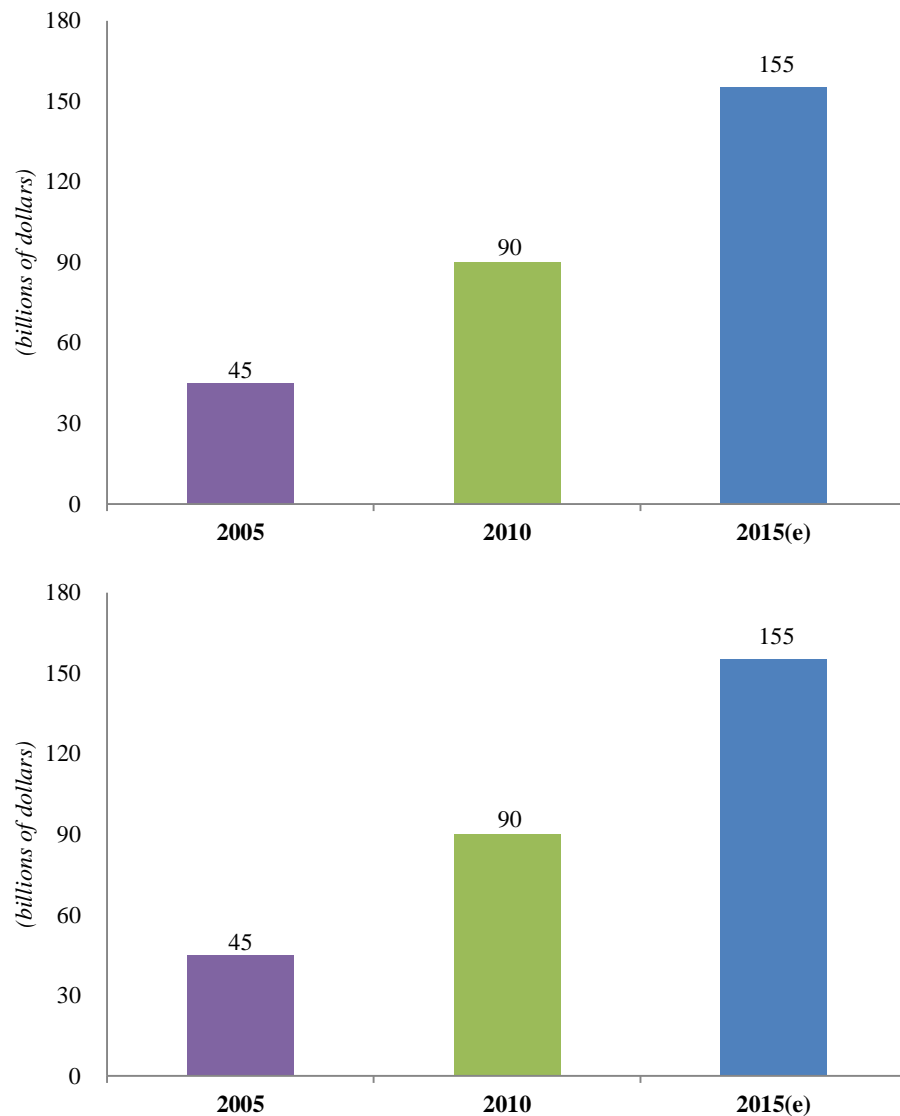
- move to sustainable printing through the use of process-free plates that do not require any chemistry to develop the plates or secondary operations of baking the plates;
- rapid growth and expansion in emerging markets;
- developed markets experiencing industry consolidation, driving production efficiencies, creating the need for ultra-high-volume printing solutions as large print service providers aggregate volume through acquisition of smaller printing companies. KODAK *Stream* inkjet technology is ideally suited to these high-volume, high-productivity users;
- sophisticated market analytics and information (commonly referred to as Big Data), enabling more high-impact applications and driving an improved return on marketing investment for print; and
- improved processes through seamless integration and automation of workflow tasks for both conventional and digital print production.

The print market includes conventional and digital printing technologies:

More than 90% of all printed media globally currently uses the conventional (or analog) printing process, in which a specifically prepared and cut plate makes an inked impression on a cylinder, which in turn transfers the image onto paper or any of a variety of other surfaces (all known as substrates).

Digital printing is rapidly changing business models and value propositions for the printing markets, offering customers the opportunity to personalize and deliver mass customization, while delivering high-speed, offset-class output, just-in-time manufacturing and exceptionally low total cost of operation. This market currently comprises less than 10% of all printed media worldwide, but is growing at double-digit rates. Customers' continued investment in digital technology is generating consistent gains in digitally printed pages and double-digit print revenue.

Worldwide Digital Print Revenue



Source: Pira, *Worldwide Market for Print*.
(e) Estimates

b. Packaging

The packaging industry is a \$250 billion market worldwide (according to 2011 estimates). It is the fastest growing segment of the print market, and is expected to grow significantly through 2016 and beyond. This market is characterized by a highly fragmented value chain, where technology substitution is a key differentiator. Global trends in the packaging industry include:

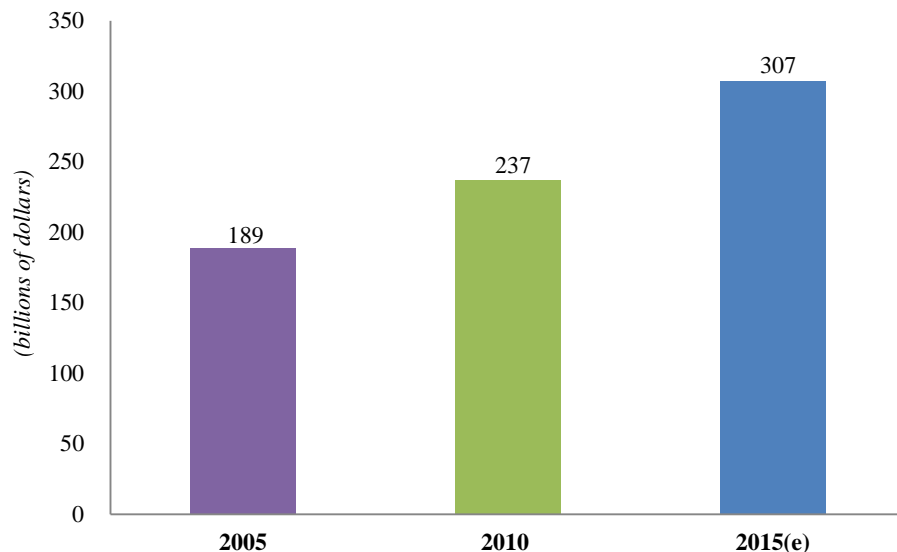
- mass customization, ~~which uses~~ data is used to segment and target consumers; ~~and~~ increase demand for packaged goods as a result of global demographic changes,

population increases, urbanization, increased living standards and versioning, ~~that drive demand for packaged goods;~~

- retail power shift, ~~with;~~ major retailers are increasingly ~~engaging in~~ defining specifications for packaging formats, materials, sizes and graphic designs of consumer products sold in their stores, while at the same time expanding their private label product lines;
- ~~packaging's unique position that~~ no digital substitution: unlike other printed media, there is no digital substitution for packaging design, development, manufacturing or distribution; and
- ~~enhanced~~ functional packaging: overt and covert security solutions are necessary to protect brands, ~~and~~ particularly in emerging markets (where global branded goods are manufactured); future technology around smart packaging ~~that~~ provides indicators for freshness, expiration, shelf appeal, interactive communication and additional useful customer ~~useful~~ data.

These trends necessitate packaging solutions based on digital printing technologies that enable high-quality flexographic printing at lower costs, with technologies that are highly responsive to customers' needs and contribute to improved time to market for the products.

Packaging Market Growth



Sources: Pira, PRIMIR, EKC internal analysis.
(e) Estimates

c. Functional Printing

Functional Printing includes a deployment of printing technology to deposit a wide variety of materials onto a substrate to create functionality beyond visual communications.

This technology has potential application in a range of current and new markets, including electronic touchscreens, smart packaging, printed electronics, fuel cells, solar harvesting, transistors, and disposable medical and biotech sensors.

Kodak's long technological history in materials science and its deep expertise in substrates and coatings creates unique new market opportunities in functional printing, leveraging Kodak's technological leadership in roll-to-roll conveyance and continuous manufacturing processes, deposition technologies, imaging science, front-end controllers and workflow.

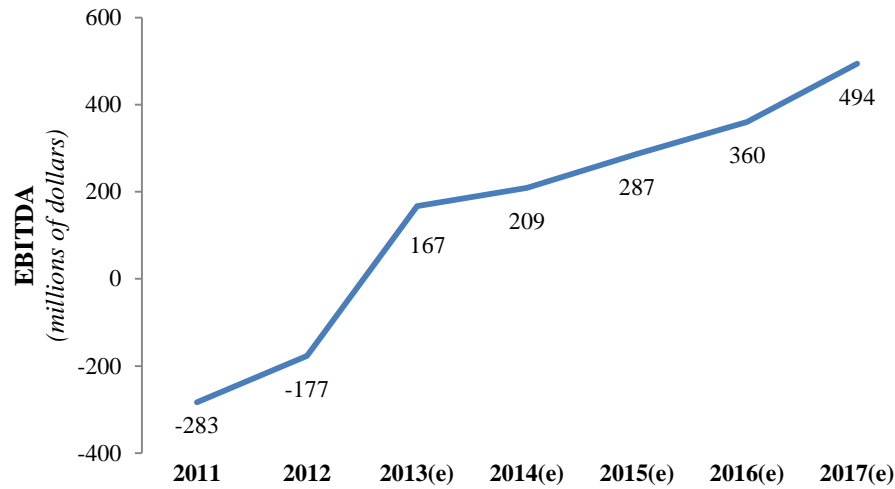
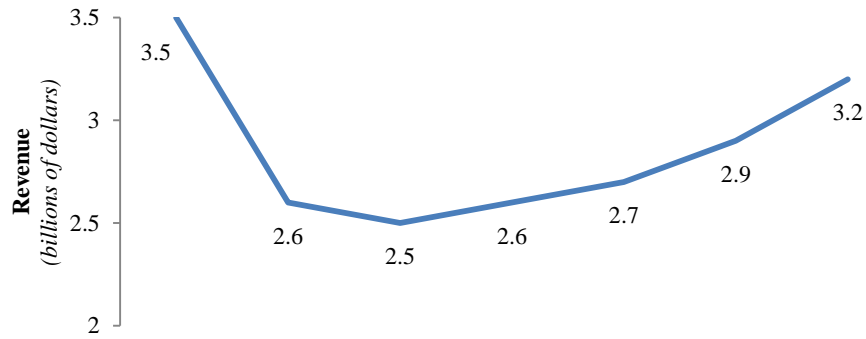
The watershed innovation in the functional printing space is Kodak's proprietary *SQUAREspot* laser writing technology, which enables printing systems to deposit materials on a wide variety of substrates with a high degree of accuracy, precision, repeatability and speed. Printing using high-quality, high-resolution square spots, rather than the traditional circular dots, improves quality, precision and resolution. Functional printing using the *SQUAREspot* technology can then meet highly demanding parameters, such as resolution, geometry, robust functional performance, and cost that customers of these advanced printing applications require.

4. Business Strategy

Kodak's post-emergence business strategy in Commercial Imaging will be a continuation of the strategy that successfully steered the company's business in this segment during its reorganization. Kodak will:

- lead the change in the commercial print market with breakthrough digital print technologies, front-end controllers and workflow solutions offered to customers through direct sale and channel partnerships;
- deliver sustainable, market-leading offset solutions to serve the needs of current and future customers through availability of SONORA process-free plates; and
- accelerate long-term growth in the packaging and functional print markets via Kodak's breakthrough solutions and strategic partnerships with industry leaders, and
- provide leading professional services to ~~help~~ Kodak's customers ~~offer unique solutions and value propositions to their clients.~~

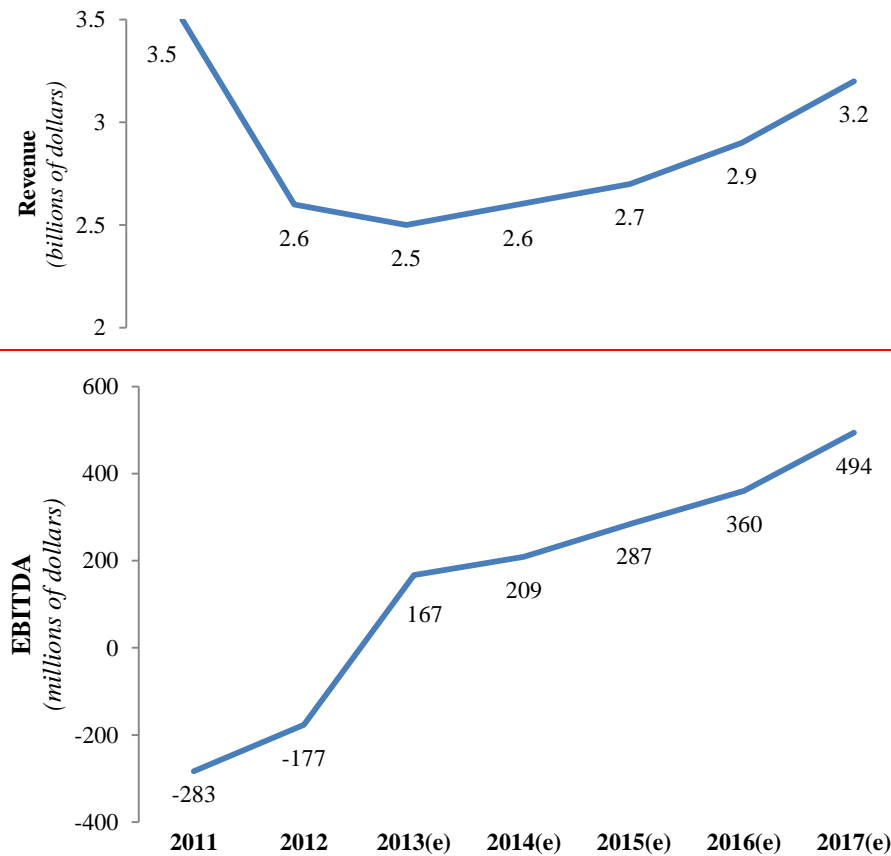
Kodak expects the effective execution of this strategy to deliver sustainable growth and positive returns for the 2013-2017 period and beyond. Specifically, Kodak anticipates stabilization and then growth in revenue with a Commercial Imaging earnings before interest, taxes, depreciation and amortization ("**EBITDA**") improvement of approximately \$327 million between 2013 and 2017. By comparison, Kodak's Commercial Imaging EBITDA improved by approximately \$106 million between 2011 and 2012. (Commercial Imaging EBITDA is a non-GAAP financial measure that has a directly comparable GAAP financial measure. Reconciliation is provided in Appendix DE hereto.)



Significant removal of overhang costs Expanding profitability

(e) Estimates

The significant improvement in EBITDA is a result of ~~both~~ (i) Kodak's increase in the installed base of new products introduced in the last four years and the effect of its accumulated annuities ~~plus~~ (ii) a strong focus on new growth markets and new product introductions that drive higher gross profit, ~~as well as~~ and (iii) the concerted actions to reduce corporate ~~cost structure~~ costs through ~~extensive~~ partnerships and resource realignment.



(e) Estimates

To accomplish these objectives, Kodak has established the following specific strategic priorities for 2013-2017:

- Commercial Printing:* Accelerate installations of Kodak's high-speed, high-volume PROSPER family of inkjet systems and writing heads via direct sales and Original Equipment Manufacturer ("OEM") partners (relationships that enable Kodak to accelerate go-to-market strategies), while sustaining ~~the~~ Kodak's cash generating businesses through growth of SONORA plates driven by Kodak's technological leadership in digital plates.
- Packaging/Functional Printing:* Achieve worldwide packaging leadership by 2016; by continuing the last four years' growth performance of KODAK FLEXCEL solutions, driven by Kodak's superior *SQUAREspot* technology. Kodak and its partners will also deliver new direct digital printing solutions by 2014 for the packaging marketplace using the *Stream* inkjet technology. Using *SQUAREspot* and Kodak's overall roll manufacturing conveyance process, Kodak will aggressively enter the functional print growth markets with an initial focus on touch-screen display ~~and~~ Kodak will then move to other applications, including smart packaging, over the longer term. Both of these two new market solutions have been developed during the last three years and are ready for market introduction in 2014.

- *Operational:* Improve product mix to take advantage of higher margin products and expanding markets; stabilize new product platforms and expand partnerships with industry leaders; optimize key supply chains; and adapt cost structures to new business models.

5. *The Reorganized Debtors' Product Offerings*

a. Graphics, Entertainment ~~&~~and Commercial Film

(i) *Graphics*

Kodak's Graphics business consists of market leading CTP output devices, technology that Kodak pioneered in 1995 when the company introduced the first thermal CTP market. In CTP, an output device exposes a digital image using *SQUAREspot* laser imaging technology directly to an aluminum surface (printing plate), which is then mounted onto a printing press to reproduce the image. Kodak's CTP devised image solutions currently image more than 30% of offset plates worldwide.

Kodak's innovative Graphics portfolio also includes front-end controllers, production workflow software (including the new PRINERGY 6 Workflow portfolio), CTP output devices (including the KODAK TRENDSETTER and ACHIEVE Product with new TH5 imaging technology), and digital plates (including KODAK SONORA Process-Free Plates). The SONORA Plate is particularly innovative as it delivers cost savings and efficiency to customers through its durability (enabling an entire job to be printed using one set of plates) and promotes customers' sustainability practices and credentials as it does not require processing chemistry.

Kodak is the only supplier in the industry that develops and manufactures a fully optimized prepress portfolio (Controllers, CTP, Workflow, Plates and Service). Kodak will expand its market share with existing customers and in emerging markets, leveraging the transition to process-free sustainable technology, with its market-leading KODAK SONORA Plates, growing the installed base, and developing next-generation products to broaden market fit and continue to drive operational efficiencies that enable Kodak to achieve a manufacturing position as the highest-quality and lowest-cost supplier in the industry.

The total industry market for Kodak's graphic products worldwide is estimated to remain above \$6 billion for the next several years, as indicated by the chart below:

Worldwide Graphic Products Market



(e) Estimates

(ii) Global Technical Services

Kodak's Global Technical Services ("GTS") for Commercial Imaging is focused on ~~achieving high-selling service contract attached rates to~~ contracts for Kodak products, including the following service categories: field services, customer support services, educational services, and professional services. GTS provides services that meet customer needs, maximizing value from Kodak hardware and software purchases throughout their product lifecycle.

GTS' margin improvement opportunities are achieved by enabling remote customer support services, certified field service partner programs in high-growth emerging markets, standardizing processes across business unit product lines, and premium price proactive maintenance break-fix offerings.

(iii) *Entertainment Imaging ~~&~~and Commercial Film*

Kodak's Entertainment Imaging ~~&~~and Commercial Film group ("E&CF") encompasses its motion picture film business, a world-class leader in providing motion imaging products (camera negative, intermediate, print and archival film), services, and technology for the professional motion picture and exhibition industries. As the industry continues toward digital capture and digital cinema formats, E&CF will balance manufacturing volumes with expected demand.

E&CF also offers Aerial and Industrial Films—including KODAK Printed Circuit Board film, and delivers external sales for the company's component businesses: Polyester Film, Specialty Chemicals, Inks ~~&~~and Dispersions, and Solvent Recovery.

b. Digital Printing and Enterprise

Digital Printing is an innovative and high-growth business, which leverages Kodak's break-through technological innovation to produce growth through ~~differentiated~~unique customer solutions, a network of industry leading partners and limited capital investment. Digital printing will enable highly customized printing, both on flat surfaces and three-dimensional packaging.

(i) *Digital Printing*

Kodak's Digital Printing Solutions, with an installed base greater than 5,000 units, includes high-speed, high-volume commercial inkjet, and color and black-and-white electrophotographic printing equipment and related consumables and services.

~~(i)(a)~~ (a) Inkjet Printing Solutions

Kodak is today the number one provider in the commercial inkjet market. The product offering includes KODAK PROSPER Presses and PROSPER hybrid components—featuring the fastest inkjet droplet generation on the market—which are sold directly to customers. PROSPER hybrid components are also integrated into OEM partner portfolios. PROSPER Presses drive high-value print opportunities for customers with offset-class output. The PROSPER Press features the *Stream* inkjet technology, which delivers a continuous flow of ink that enables constant and consistent operation, with uniform size and accurate placement, even at very high print speeds—well above those of competitive systems. Applications include publishing, commercial print, direct mail, and packaging. The business also enjoys a large and profitable customer base of KODAK VERSAMARK (first-generation) Products. The strategy for this segment includes expanding OEM partnerships focused on ~~both~~ new markets and new applications, ~~in both~~ in the commercial printing and the packaging segments as well as new industrial printing applications, ~~and establishing~~. Kodak will also establish local manufacturing of PROSPER Products in Asia to accelerate cost reductions and better serve growth markets.

~~(b)~~ (b) Electrophotographic Printing Solutions

Electrophotographic Printing Solutions encompasses the NEXPRESS Press Platform, that offers extremely high-quality, differentiated printing of short-run, personalized print applications such as direct mail, books, marketing collateral and photo products; and the DIGIMASTER Production Platform that uses monochrome electrophotographic printing technology to create high-quality printing of statements, short-run books, corporate documentation, manuals and direct mail.

Kodak has a substantial worldwide installed base of KODAK NEXPRESS Presses, giving the company the ability to deliver improved profitability from consumables, with its Fifth Imaging Unit Solutions dry inks that enhance the value of the printed page and dimensional, gold, pearlescent, pink and fluorescent red inks. Kodak has attained critical mass in this business with its substantial installed base of NEXPRESS Presses and ongoing sales of service, dry ink and other related consumables.

KODAK DIGIMASTER Production Systems are installed worldwide in a broad range of print environments, including commercial printers, government offices and publishers. The DIGIMASTER Product line has been in the market for nearly 15 years and through successive enhancements has maintained a loyal and high page-volume customer base.

Additional areas of growth include the production of OEM toner and antimicrobial agents. These ~~naseent~~new initiatives create opportunities in textiles, military and industrial materials, as well as print applications.

(ii) *Flexo Packaging Solutions*

The Flexo business includes Kodak's innovative and industry recognized FLEXCEL NX and FLEXCEL Direct Platforms that uniquely position Kodak to lead digitization in packaging and capitalize on the expanding packaging market. The FLEXCEL System uses Kodak's proprietary *SQUAREspot* Technology, enabling it to continue to strengthen its market position in this segment.

Kodak's strategies for the business are supported by the product offering and include extending the product portfolio and capitalizing on emerging "smart" packaging solutions.

(iii) *Functional Printing*

~~Kodak is~~ Kodak's unparalleled expertise in materials science, deposition technologies and large-scale commercialization and manufacturing uniquely positioned the company to capitalize on the functional printing opportunity. The first phase of this ~~development~~strategy involves developing further ~~engagement of~~ strategic relationships with worldwide touch-panel sensor leaders, ~~and the~~ such as the partnership with UniPixel announced on April 16, 2013. The second phase centers on developing and updating proprietary technology for direct printing on a wide range of materials ~~that could be leveraged into adjacent markets, including~~ related to transistors, fuel cells, display screens and packaging materials. Kodak's current and anticipated product offerings s supports these aims and by 2014 ~~the company~~ Kodak

expects to leverage *SQUAREspot* Technology and flexographic plate capabilities to begin to realize business opportunities in the Functional Printing segment. [The projected growth of Functional Printing is reflected in the Financial Projections.](#)

(iv) *Enterprise Professional Services*

Enterprise Professional Services add value to Kodak customers' core business offerings and assists with the challenges and opportunities created by the worldwide digital transformation. Kodak brings together its technological strengths to meet the needs of its customers in the areas of Print & Managed Media Services, Brand Protection Solutions and Services, and Document Management Services.

Kodak serves customers in enterprises, including government, pharmaceuticals, and health, consumer and luxury good products, retail and finance. Kodak is the partner of choice for content management innovation and technology-based services that can help customers better control costs, increase effectiveness and improve overall return.

Enterprise [Professional](#) Services is focused in emerging markets where there is a higher demand for this type of services infrastructure. [Brand Protection Solutions & Services](#) is focused on worldwide brand management in both developed and emerging markets. Brand Protection Solutions & Services includes both covert and overt brand protection products, as well as materials-based and artwork-based products that assist brand owners in protecting their offerings from the black market, grey market, infringement and product tampering.

6. *[Rationalizing R&D](#)*

The creation of new intellectual property by the renowned scientific and engineering staffs of Kodak remains at a high level as the company refocuses towards the business-to-business solutions described earlier in this section. This strong R&D productivity is evident in the high ratio of patent applications and granted patents per million dollars spent on R&D, and by the even higher ratio of patent applications and granted patents per Kodak scientist or engineer.

~~Currently~~ [As of June 4, 2013](#), Kodak has ~~an~~ [extensive worldwide](#) portfolio of about 7,500 ~~546~~ active patents related to key ~~areas within~~ [elements of](#) the Commercial Imaging business. [Of those patents, approximately 4,787 were active U.S. patents and 2,759 were active foreign patents. Of the foreign patents, 187 do not have U.S. counterparts. After the acquisition by the KPP of the Personalized Imaging and Document Imaging businesses, Kodak currently estimates that it will](#) ~~pursue~~ [have approximately 4,400 active U.S. patents and 2,600 active foreign patents, for a total of 7,000 active patents worldwide. These](#) ~~technologies, combined with years of experience in their development and use, give~~ [estimates are subject to change.](#)

[In addition, there are currently 1,365 pending U.S. patent applications and 1,143 pending foreign applications, for a total of 2,508 pending applications worldwide. After the acquisition by the KPP of the Personalized Imaging and Document Imaging businesses, Kodak](#) ~~a very strong technology position going forward~~ [currently estimates that it will have approximately 1,250 pending US applications and 1,050 pending foreign applications, for a total of approximately 2,300 pending applications worldwide. These estimates are subject to change.](#)

~~The company~~Kodak has scaled and focused its R&D organization to meet the needs of the Commercial Imaging business. The R&D investment for Reorganized Kodak will be directed only to the core technology strengths of material science, deposition processes, and digital image science, with the main emphasis on projects aligned with high-growth market opportunities in the DP&E and Graphics businesses.

Corporate R&D will center on technology applications in printed electronics, fluidics, patterned deposition, and new materials. All of these technology platforms support the DP&E roadmaps for digital and functional printing products with new capabilities as well as new products. The R&D within the DP&E business segment is focused on three primary product areas: (i) the *Stream* writing system both for PROSPER and OEM Presses, (ii) flexography for printing on packaging, and (iii) first functional printing products in the touch screen segment. The R&D within the Graphics business segment is focused on controllers, workflow software and process-free solutions.

Importantly, the significant breakthrough technologies that Kodak has brought to market in recent years ~~hold bright potential to~~may quickly evolve into more powerful offerings ~~since~~because they are new to the market. As one example, the *Stream* printheads offered in KODAK PROSPER Products already deliver speed, cost and quality that no other printhead provider currently offers; yet, the potential still exists to increase current speeds by two to three times. Similarly, Kodak's ability to formulate stable, small particle pigmented ink ~~formulations~~ in combination with microfluidic control of these inks in *Stream* printheads via the design of the jetting module that is used in PROSPER Presses and components offers ~~great~~avenues for future improvements. The same development momentum applies to *SQUAREspot* laser writing technology. Today, the *SQUAREspot* technology is used in KODAK Platesetters and Flexographic Imaging Systems, but ~~the company~~Kodak expects to expand its use into additional digital and functional printing applications. Both are key examples of Kodak's expertise in deposition processes—that is, creating printing engines that deposit ~~material~~ ~~formulations~~materials onto substrates with great precision at very high speeds.

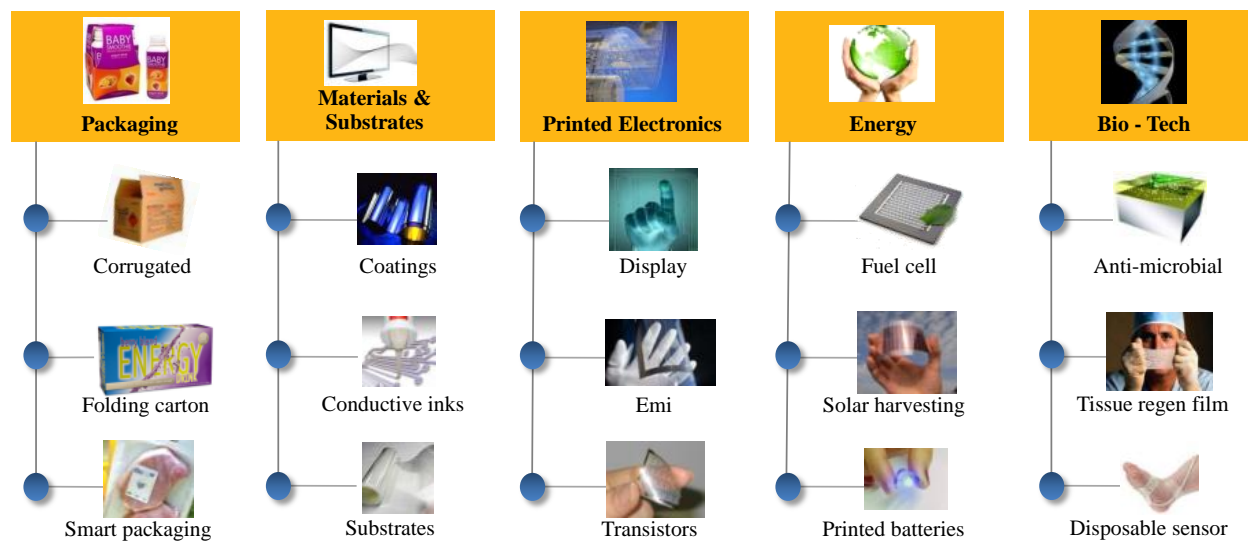
Beyond the tighter R&D focus, Reorganized Kodak will make greater use of joint development efforts, working with a network of leading strategic partners on specific projects such as writing systems for OEM presses, and touch sensor films and modules. This will enable shared investment and will result in getting new technologies to market faster.

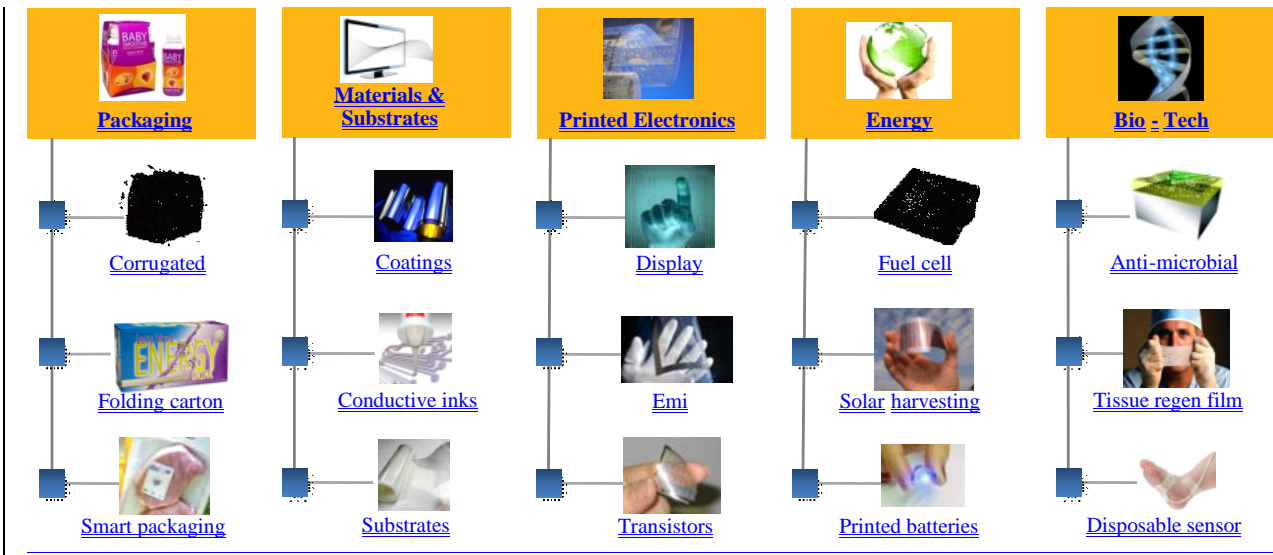
Innovation, Technology Differentiation and Application Know How

	116. Kodak Laser <i>SQUARE</i> spot Heads			Kodak Stream Inkjet		
Key Technology Specifications		117. Kodak	118. Industry		Kodak	Industry
	119. DPI	120. Up to 25,600	121. Less than 10,000	122. Drop Velocity	123. 20m/s	124. 8m/s
	125. Lines per inch	126. Up to 450 (More than 500 in lab)	127. Up to 200	128. Drop Generation	129. 400 KHZ	130. Less 60 KHZ
131. Solution Platforms	<ul style="list-style-type: none">▪ Offset prepress (digital plates)▪ Flexo packaging (Flexo plates)			<ul style="list-style-type: none">▪ PROSPER press▪ PROSPER imprinting▪ OEM systems		
132. Current and Potential Customers	<ul style="list-style-type: none">▪ Commercial Print▪ Packaging▪ Functional Print (future)			<ul style="list-style-type: none">▪ Commercial Print▪ Packaging (future)		
	133. Supported by workflow, technical services and professional services					

~~134.~~ Source: EKC internal analysis

Functional Printing Today and in the Future





B. ~~Management and Corporate Structure~~

1. Management

The following table presents information concerning the current officers of EKC:

Name	Age	Position Positions Held	Date Elected Position Held Since
Douglas J. Edwards	52	Senior Vice President	2012
Brad W. Kruchten	52 53	Senior Vice President	2011
Antonio M. Perez	67	Chairman of the Board, Chief Executive Officer	2005
Laura G. Quatela	55	President	2012
Rebecca A. Roof	57	Interim Chief Financial Officer	2012
Eric H. Samuels	45	Chief Accounting Officer and Corporate Controller	2009
Patrick M. Sheller	52	General Counsel, Secretary and Chief Administrative Officer	2012
Terry R. Taber	58	Senior Vice President	2010

On the Effective Date, Reorganized Kodak will enter into employment agreements with certain individuals in senior management. The Debtors intend to include the form or material terms of such New Management Agreements in the Plan Supplement.

2. Board of Directors

The following individuals comprise the current Board of Directors of Kodak ~~includes the following members:~~

Name	Age	Position	Position Held Since
Richard S. Braddock	135. 136. 1	Director	137. 1987
James V. Continenza	138. 139. 0	Director	140. 2013
Timothy M. Donahue	141. 142. 4	Director	143. 2001
Michael J. Hawley	144. 145. 1	Director	146. 2004
William H. Hernandez	147. 148. <u>465</u>	Director	149. 2003
Douglas R. Lebda	150. 151. 3	Director	152. 2007
Kyle P. Legg	153. 154. 1	Director	155. 2010
Delano E. Lewis	156. 157. 4	Director	158. 2001
William G. Parrett	159. 160. <u>768</u>	Director	161. 2007
Antonio M. Perez	162. 163. 7	Chairman	164. 2005
Joel Seligman	165. 166. 3	Director	167. 2009
Dennis F. Strigl	168. 169. <u>667</u>	Director	170. 2008

The identity and affiliations of each individual proposed to serve as a director, officer or voting trustee of the members any Reorganized Debtor after the Effective Date, as well as the nature of any compensation of such individual who is an insider of a Debtor, will be disclosed in the Plan Supplement no later than the Confirmation Hearing.

Pursuant to the Backstop Commitment Agreement, the New Board of Directors will be disclosed in the Plan Supplement, and any composed of nine directors elected consisting of: (i) the chief executive officer of Reorganized Kodak; (ii) six directors designated by the Backstop Parties (one of which shall be James Continenza, as long as he is able and willing to serve and one of which shall be selected in consultation with the Creditors' Committee); and (iii) two (2) directors to be designated by the Creditors' Committee in consultation with the Requisite Backstop Parties; provided that not less than five of the directors identified or designated pursuant to this section shall be subject to approval of the Bankruptcy Court clause (ii) and all the

~~directors identified or designated~~ pursuant to ~~section 1129(a)(5) of the Bankruptcy Code. The existing directors of each of the subsidiary Debtors will remain in their current capacities as directors of the applicable Reorganized Debtor until replaced or removed in accordance with the organizational documents of the applicable Reorganized Debtor~~clause (iii) will be “independent” (as defined in the rules and regulations governing the requirements of companies listing on the New York Stock Exchange) with respect to Reorganized Kodak.

~~Pursuant to the terms of the DIP Term Loan Credit Agreement, promptly after the closing date of the DIP Term Loan Credit Agreement and prior to the effective date of the DIP Term Loan Credit Agreement, upon the request of the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement), one person who will be satisfactory to the Required Lead Lenders and reasonably acceptable to EKC will be added to the New Board of Directors; provided that such person (1) is independent with respect to EKC and the Lead Lenders (as defined in the DIP Term Loan Credit Agreement) and (2) is available to continue their service on the New Board of Directors. On April 1, 2013, James V. Continenza was elected as a member of the current board of directors.~~

~~In addition, in accordance with the DIP Term Loan Credit Agreement, certain members of the New Board of Directors will be appointed from candidates identified by an independent search firm jointly engaged by the Debtors, the Creditors’ Committee and the Second Lien Committee.~~

C. Reorganized Debtors’ Corporate Structure and Capitalization

1. Corporate Structure

As described in ~~Section~~Article 5.34 of the Plan, ~~on or after~~following the ~~Effective~~Confirmation Date, the ~~Reorganized Debtors, in consultation with the Requisite Backstop Parties,~~ may ~~simplify and rationalize~~reorganize their corporate structure by eliminating certain entities (including non-Debtor entities) that are deemed no longer helpful ~~to the Reorganized Debtors~~, and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by or necessary to effectuate the Plan.

2. New Kodak Charter; Trading Restrictions

The Reorganized Kodak Certificate of Incorporation, the form of which may be included in the Plan Supplement, will be filed with the Secretary of State of New Jersey.

The Debtors may include in the Reorganized Kodak Certificate of Incorporation trading restrictions reasonably satisfactory to the Requisite Backstop Parties and intended to prevent certain transfers of our securities that could result in an ownership change under section 382 of the Internal Revenue Code (the “**Charter Restrictions**”), which could potentially materially inhibit Reorganized Kodak’s ability to use certain net operating loss carryforwards, foreign tax credits carryforwards and other tax attributes (collectively, the “**Tax Attributes**”) to reduce future taxable income and tax liabilities. Reorganized Kodak may also adopt a rights plan reasonably satisfactory to the Requisite Backstop Parties to help protect its Tax Attributes under which certain participants in restricted transfers of shares of New Common Stock and other

Kodak securities may be diluted in certain circumstances. The Charter Restrictions and/or rights plan may exclude the Backstop Parties. There can be no assurance that any such Charter Restrictions or rights plan will be adopted or that the Tax Attributes will not be limited by an ownership change occurring after the Effective Date.

The following is a description of proposed Charter Restrictions for the purpose of informing creditors of their general nature. The Charter Restrictions are the subject of continued discussion among the Debtors and the Backstop Parties and may be eliminated or modified, generally or with respect to the Backstop Parties, at any time by Plan Supplement.

~~4.~~ If adopted, the Charter Restrictions generally could restrict any transfer of Beneficial~~Equity~~ Ownership of shares of New Common Stock and securities:

- by any person who beneficially owns 4.90 percent or more of the shares of New Common Stock then outstanding or certain other classes of stock then outstanding (a “**Five Percent Stockholder**”);
- if the effect would be to increase the Beneficial Ownership by any person to 4.90 percent or more of the shares of New Common Stock then outstanding or certain other classes of stock then outstanding; or
- if the effect would be to increase the percentage of shares of New Common Stock beneficially owned by a Five Percent Stockholder;

A person shall be deemed the “**Beneficial Owner**” of any securities (i) which such person directly owns, (ii) which such person would be deemed to indirectly or constructively own for purposes of section 382 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder or (iii) which any other person Beneficially Owns, but only if such person and such other person are part of the same group of persons that, with respect to such security, are treated as one “entity” as defined under Treasury Regulation 1.382-3(a)(1). Complicated stock ownership rules prescribed by the Internal Revenue Code (and Treasury Regulations promulgated thereunder) apply in determining whether a Person is a Five Percent Stockholder under the Charter Restrictions.

For purposes of the Charter Restrictions, “person” means any individual, firm, partnership, limited liability company, trust, association, limited liability partnership, corporation or other “entity” within the meaning of Treasury Regulations § 1.382-3(a)(1)(i), and includes any successor (by merger or otherwise) of such entity. A person does not include a “public group” as defined in Treasury Regulations §1.382-2T(f)(13), but shall mean a first tier entity and a higher tier entity as defined in Treasury Regulations § 1.382-2T(f).

Any transfer restrictions in the Reorganized Kodak Certificate of Incorporation could be subject to certain exceptions. A transfer from persons who are not Five Percent Stockholders to other persons who are not, and do not become, Five Percent Stockholders, as well as transfers by Reorganized Kodak, could generally not be restricted.

In addition, the New Board of Directors (consisting of directors independent of the requesting person and disinterested in the proposed transaction) could have the discretion to approve prospectively or retroactively a transfer of securities. If adopted, the New Board of Directors could approve a transaction with or without first having received a request and any determination or approval of the New Board of Directors could be made prospectively or retroactively, could be limited to specific transfers or could apply to any transfer by a certain person or persons, could be made by way of granting a waiver or having Reorganized Kodak enter into an agreement, could be limited or unlimited in time, and could be conditional and include restrictions. If adopted, the Charter Restrictions may exclude the Backstop Parties and/or the New Board of Directors may be required to approve certain transfers up to a specified threshold.

If adopted, these transfer restrictions could result in the delay or refusal of certain requested transfers of securities of Reorganized Kodak (including shares of New Common Stock issued in connection with an exercise of the Warrants) or prohibit ownership (thus requiring dispositions) of the securities of Reorganized Kodak due to a change in the relationship between two or more persons or to a transfer of an interest in an entity that, directly or indirectly, owns the securities of Reorganized Kodak. If adopted, the transfer restrictions could also apply to proscribe the transfer of Warrants or creation or transfer of certain "options" (which are broadly defined by section 382 of the Internal Revenue Code) with respect to securities of Reorganized Kodak to the extent that, if exercised, they would result in a proscribed level of ownership.

Any direct or indirect transfer attempted in violation of the Charter Restrictions would be void as of the date of the prohibited transfer as to the purported transferee (or, in the case of an indirect transfer, the direct owner of securities of Reorganized Kodak would be deemed to have disposed, and be required to dispose, of the excess stock, with such disposition being deemed to occur simultaneously with the transfer), and the purported transferee (or in the case of any indirect transfer, the direct owner) would not be recognized as the owner of the securities owned in violation of the Charter Restrictions for any purpose, including for purposes of voting and receiving dividends or other distributions in respect of shares of New Common Stock, or in the case of options and Warrants, the New Board of Directors could refuse to issue or transfer shares of New Common Stock in respect of their exercise if such transfer would cause a person to become a Five Percent Stockholder or cause the Beneficial Ownership of a Five Percent Stockholder to increase. Transfers in violation of the Charter Restrictions would be unwound in the manner specified therein.

The purpose of these provisions would be to treat a prohibited transfer, to the extent possible, as if it had never occurred, and the New Board of Directors would be given discretion to apply or change these procedures to accomplish such purpose.

3. *Equity*

a. *New Common Stock*

On the Effective Date, the Reorganized Kodak Certificate of Incorporation will provide for 500 million shares of authorized New Common Stock, and Reorganized Kodak shall issue or reserve for issuance a sufficient number of shares of New Common Stock equal to the

“Fully Diluted Effective Date Share Issuance,” a number of shares of New Common Stock equal to the quotient of (a) a number of shares of New Common Stock equal to the sum of (i) 40 million ~~shares of New Common Stock to Holders of Class 3 Claims, Class 4 Claims and Class 6 Claims, together with~~ plus (ii) to the extent applicable, the number of shares of New Common Stock issued to satisfy (x) payment of the Backstop Fees and (y) the Retiree Committee Conversion Right (the “Effective Date Share Issuance”), divided by (b) 90% (or such lower percentage (but not less than 88%) as may be determined by the Requisite Backstop Parties prior to the Effective Date); plus any additional shares of New Common Stock, ~~options or other equity awards to be reserved for issuance in connection with the New Equity Plan,~~ to satisfy any share issuances authorized under the Warrants. The shares of New Common Stock issued in connection with the Plan, including in connection with the consummation of the Rights Offering, the Backstop Commitment Agreement, or upon exercise of the ~~Retiree Committee Conversion Right and as necessary to fashion an appropriate remedy for the Committee’s Lien Challenge, as set forth in footnote 6 in the Plan. New Common Stock issued pursuant to the Plan (including upon exercise of the Retiree Committee Conversion Right),~~ Warrants, and options or other equity awards issued pursuant to the New Equity Plan, shall be authorized without the need for further corporate action or without any further action by ~~the Holders of Claims~~ any Person, and once issued, shall be duly authorized, validly issued, fully paid and non-assessable.

~~Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.~~

Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.

~~2. — Debt~~

b. The Warrants

On the Effective Date, Reorganized Kodak shall issue to the holders of General Unsecured Claims net-share settled warrants to purchase: (i) at the 125% Exercise Price (equal to the product of the Per Share Price by 1.25), a number of shares of New Common Stock equal to the product of (a) 5% by (b) the Effective Date Share Issuance (subject to any applicable anti-dilution adjustments and any other applicable terms of the ~~exit~~ 125% Warrant Agreement) (the “125% Warrants”) and (ii) at the 135% Exercise Price (equal to the product of the Per Share Price by 1.35), a number of shares of New Common Stock equal to the product of (a) 5% by (b) the Effective Date Share Issuance (subject to any applicable anti-dilution adjustments and any other applicable terms of the 135% Warrant Agreement) (the “135% Warrants”).

c. New Jersey Shareholders' Protection Act

The Plan provides that Reorganized Kodak will be incorporated in the State of New Jersey. The New Jersey Shareholders' Protection Act (the "NJSPA") may limit Reorganized Kodak's ability to enter into certain business combinations (including mergers, stock and asset sales, and reclassifications) with "interested stockholders."

A stockholder is an "interested stockholder" if it is:

- a beneficial owner, directly or indirectly, of 10% or more of Reorganized Kodak's outstanding voting stock; or
- an affiliate or associate of Reorganized Kodak who, at any time within the five years prior to the date in question, was a beneficial owner, directly or indirectly, of 10% or more of our outstanding voting stock

and, in either case, on the date that an interested stockholder became an interested stockholder, Reorganized Kodak is traded on a national securities exchange or registered under section 12(g) of the Exchange Act.

Generally, Reorganized Kodak may not enter into a business combination with an interested stockholder for five years following the date on which such stockholder became an interested stockholder (the "**Stock Acquisition Date**"), unless:

- the New Board of Directors approves the business combination prior to the interested stockholder's Stock Acquisition Date; or
- (i) the transaction which caused a person to become an interested stockholder was approved by the New Board of Directors prior to the Stock Acquisition Date and (ii) the subsequent business combination is approved by (x) the members of the New Board of Directors who are independent of the interested stockholder or a committee of the board consisting entirely of directors who are independent of the interested stockholder, and (y) holders of a majority of Reorganized Kodak's voting stock not beneficially owned by the interested stockholder.

In addition, after five years, Reorganized Kodak may not enter into a business combination with the interested stockholder unless either of the previous two conditions or one of the following two conditions is met:

- the stockholders of Reorganized Kodak receive consideration for their shares in an amount and form that satisfies the requirements of the NJSPA and, prior to the business combination completion date, the interested stockholder has not become a beneficial owner of any additional shares of stock except through the limited circumstances provided in the NJSPA; or
- the business combination is approved by the affirmative vote of the holders of at least two-thirds of Reorganized Kodak's outstanding voting stock not beneficially owned by that interested stockholder.

EKC has approved the issuance of shares of New Common Stock to the Backstop Parties for purposes of the NJSPA. EKC has not approved the issuance of shares of New Common Stock to any other potential “interested stockholder” for such purposes.

4. Emergence Financing

The terms of the emergence financing shall be on terms no less favorable to Reorganized Kodak than the DIP Term Loan Credit Agreement upon conversion to ~~exit~~emergence financing as contemplated by the DIP Term Loan Credit Agreement.

Reorganized Kodak ~~will have~~has the option to convert up to \$653.7 million of the loans under the DIP Term Loan Credit Agreement into term loans under the Emergence Rollover Credit Agreement, if, among other things, the following conditions are met: (i) as of the Effective Date, EKC will have met the minimum requirements set forth in the Emergence Rollover Credit Agreement with respect to the Debtors’ U.S. liquidity, EKC’s Conversion Secured Leverage Ratio and EKC’s Conversion Adjusted EBITDA (as these terms are defined in the Emergence Rollover Credit Agreement); (ii) the Bankruptcy Court will have entered an order confirming the Plan and authorizing the credit facilities under the Emergence Rollover Credit Agreement and such order is in full force and effect on the date of the conversion; (iii) the Effective Date must occur no later than September 30, 2013; (iii) no default or event of default shall have occurred and be continuing under the DIP Term Loan Credit Agreement or would result from the conversion; (iv) the sale of certain specified assets that are not part of the Commercial Imaging business must have occurred for a minimum aggregate gross cash purchase price of \$600 million; (v) \$200 million of the New Money Loans must have been repaid in full in cash; (vi) there shall have been an additional repayment of loans in an amount equal to 75% of U.S. liquidity above \$200 million on the Effective Date; (vii) no Material Adverse Effect (as defined in the DIP Term Loan Credit Agreement) will have occurred since the date of approval of the Disclosure Statement by the Bankruptcy Court; (viii) the holders of New Money Loans will have received a fee of 2% of the New Money Loans being converted into loans under the Emergence Rollover Credit Agreement, to be paid in kind; (ix) all liability in respect of the KPP will have been resolved on terms reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement); and (x) entry of the Confirmation Order.

~~3.5.~~Legacy Liabilities

a. Pension Liabilities

The Debtors are rejecting or terminating all Non-Qualified Plans.

~~However, the~~The Reorganized Debtors will continue to honor and perform the Qualified Plans in accordance with their terms and applicable laws (including, as applicable, ERISA and the Internal Revenue Code,), subject to any ~~contractual or statutory~~ rights to terminate or modify such plans. All ~~Proofs of Claim~~Claims filed on account of obligations owed under any Qualified Plan shall be deemed satisfied, withdrawn and expunged from the Claims Register as of the Effective Date, ~~or any portion of a Proof of Claim related to obligations owed on account of any Qualified Plan shall be deemed withdrawn solely to the extent of such~~

~~obligations~~, without any further action of the Debtors or the Reorganized Debtors and without any further action, order, or approval of the Bankruptcy Court.

Because the Debtors are continuing the Qualified Plans, total pension expenses for U.S. GAAP purposes 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 be approximately \$48 million in 2013.

The following table illustrates Kodak's U.S. and non-U.S. pension and other post-employment benefits obligations as of December 31, 2012:

As of December 31, 2012 (based on information available as of March 11, 2013) <i>(in millions \$)</i>		<u>2012 U.S.</u> <u>(Debtor)</u>	<u>Non-U.S.</u> <u>(Non-Debtor)</u> ¹⁸
<i>(in millions \$)</i>		U.S. (Debtor)	Non-U.S. (Non-Debtor) ¹⁹
Pension			
Projected benefit obligation		171. 5,575	172. 1,268
Fair value of plan assets (Underfunded)		173. 4,865	174. 971
Cash payments for 2012		175. (710)	176. (297)
Projected cash payments for 2013		177. 7	178. 29
		179. 1	180. 42
Other post-employment benefits			
Accumulated benefit obligation (unfunded)		181. (61)	182. (92)
Cash payments for 2012		183. 113	184. 4
Projected cash payments for 2013		185. 26	186. 5

b. Environmental Liabilities

~~Kodak has environmental liabilities relating to Eastman Business Park, a 1,200-acre technology center and industrial complex in Rochester, New York. Eastman Business Park today houses over 35 small and medium-sized businesses, and offers tenants manufacturing, laboratory, office and warehouse space, as well as 300 acres of prime industrial (M1) developable land. Kodak is currently in discussions with the Empire State Development, as coordinator for various agencies of the State of New York, in connection with a global settlement of Kodak's environmental liabilities through the establishment of a \$49 million environmental trust (the "EBP Trust"). If the settlement is consummated and the EBP Trust funded, Kodak's responsibility for historical environmental impacts at Eastman Business Park would become the responsibility of the EBP Trust, accelerating the re-development of the site for use by Kodak, local Rochester businesses and other future tenants. The EBP Trust would be funded by the contribution of \$23 million in existing environmental financial assurances already posted by Kodak and from \$26 million of incremental contributions made from the previously announced sale of utility infrastructure to Recycled Energy Development, LLC, the potential sale of other real estate interests or from other cash sources. The settlement is subject to Kodak securing the necessary incremental funding, the negotiation of definitive agreements, compliance with~~

¹⁸ Excludes KPP obligations.

¹⁹ Excludes KPP obligations.

~~statutory requirements, approval by the Empire State Development and other state agencies, and approval by the Bankruptcy Court.~~

Assuming that the EBP Settlement described in Section 3.D.3.c above occurs, Kodak will retain liabilities under both regulatory and voluntary agreements for certain international and domestic sites, including locations in Weatherford, Oklahoma (Kodak facility at 2720 East Frontage Road 73096) and Middleway, West Virginia (former facility at 1 Grace Avenue 25430). These retained liabilities were estimated at approximately \$22 million as of December 31, 2012 (*pro forma* for the EBP Settlement). Additional information regarding site conditions, remedial measures or regulatory approaches could affect future costs.

D. The Kodak GUC Trust

On or before the Effective Date, an agreement (the “**Kodak GUC Trust Agreement**”) will be executed by the Debtors, the Creditors’ Committee and a trustee designated by the Creditors’ Committee (the “**Kodak GUC Trustee**”), and all other necessary steps shall be taken to establish a liquidating trust (the “**Kodak GUC Trust**”) and allocate the beneficial interests therein to the Holders of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim, as provided in Articles 4.2.4 and 4.2.6, respectively, of the Plan, whether their Claims are Allowed on or after the Effective Date.

On the Effective Date, (a) the Kodak GUC Trust Avoidance Actions will be transferred (and deemed transferred) to the Kodak GUC Trust without the need for any person or Entity to take any further action or obtain any approval and (b) the Debtors shall deposit into the Kodak GUC Trust Cash in the amount of \$3 million. Such transfers will be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax.

The “**Kodak GUC Trust Avoidance Actions**” include any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b) and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law (collectively, “**Avoidance Actions**”), excluding all Avoidance Actions against any (a) Released Party, (b) Holder of Allowed Second Lien Notes Claims, solely in their capacity as a holder of Second Lien Notes, and (c) employee, landlord, vendor, customer, joint venture partner, or non-debtor party to any Specified Contract or open purchase order, in each case, related or useful to the Post-Effective Date Business as reasonably determined by the Reorganized Debtors in consultation with the Creditors’ Committee. For the avoidance of doubt, Avoidance Actions do not include, and the Debtors shall retain all rights to commence, pursue, and/or proceed with, breach of contract and/or intellectual property litigation Causes of Action.

As of June 14, 2013, the Debtors, with the assistance of AP Services LLC estimated the value of the Kodak GUC Trust Avoidance Actions to fall within a range of \$11 million to \$22 million.

At least annually, the Kodak GUC Trustee will (in consultation with the Reorganized Debtors) make Distributions to the beneficiaries of the Kodak GUC Trust of all

Cash on hand in accordance with the Kodak GUC Trust Agreement (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section any permitted investments under Article 16.8 of the Plan) except such amounts (i) that would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such Distribution (but only until such Claim is resolved), (ii) that are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Kodak GUC Trust during liquidation, (iii) that are necessary to pay reasonable expenses (including any taxes imposed on the Kodak GUC Trust or in respect of its assets), and (iv) that are necessary to satisfy other liabilities incurred by the Kodak GUC Trust in accordance with the Plan or the Kodak GUC Trust Agreement.

D.E. Additional Information

Additional information concerning the Debtors' business operations and financial results are set forth in EKC's filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2012, filed on March 11, 2013. These filings are available from the website of the SEC at <http://www.sec.gov>, and from the Debtors' website at <http://www.kodak.com>.

5. SUMMARY OF THE PLAN

A. Treatment of Unclassified Claims

1. Administrative Claims Bar Dates

~~There will be two Administrative Claims Bar Dates.~~ Any request for payment of a General Administrative Claim ~~that accrued prior to [•], 2013~~ must be filed and served on the ~~Debtors and the Reorganized Debtors~~ pursuant to the procedures specified in the ~~Solicitation Procedures Order on or prior to the Initial Administrative Claims Bar Date, and any request for payment of a General Administrative Claim that accrued on or after [•], 2013 must be filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the~~ notice of entry of the Confirmation Order and the Confirmation Order on or prior to the ~~Final~~ Administrative Claims Bar Date, *provided* that no request for payment is required to be filed and served with respect to any:

~~(a)~~a. Allowed Administrative Claim;

~~(b)~~b. 503(b)(9) Claim, ~~as any request~~which requests for payment of a 503(b)(9) Claim shall be governed by ~~the terms of~~ the 503(b)(9) Procedures Order;

~~(c)~~c. Ordinary Course General Administrative Claim;

~~(d)~~d. Claim of a Governmental Unit not required to be filed pursuant to section 503(b)(1)(D) of the Bankruptcy Code;

~~(e)~~e. General Administrative Claim held by a current officer, director or employee of any Debtor for indemnification, contribution, or advancement

of expenses pursuant to such Debtor's certificate of incorporation,
by-laws, or similar organizational document;

(f) Non-Qualified Plan Accrual Claim;

(g) Professional Claim; or

(h) Claim for U.S. Trustee Fees.

Any Holder of a General Administrative Claim who is required to, but does not, file and serve a request for payment of such General Administrative Claim pursuant to the procedures specified in the ~~Solicitation Procedures Order or the~~ Confirmation Order on or prior to the ~~Initial or Final~~ Administrative Claims Bar Date, ~~as applicable~~, shall be forever barred, estopped and enjoined from asserting such General Administrative Claim against the Debtors or the Reorganized Debtors or their respective property, and such General Administrative Claim shall be deemed discharged as of the Effective Date.

Any objection to a request for payment of a General Administrative Claim that is required to be filed and served pursuant to Article 3.1 of the Plan must be filed and served on the Reorganized Debtors and the requesting party creditor (a) no later than 60 days after the ~~Final~~ Administrative Claim Bar Date or (b) by such later date as may be established by order of the Bankruptcy Court upon a motion by a Reorganized Debtor, with notice only to those parties entitled to receive notice pursuant to Bankruptcy Rule 2002.

2. General Administrative Claims

Except to the extent that a Holder of an Allowed General Administrative Claim agrees to less favorable treatment, the Holder of each Allowed General Administrative Claim shall receive Cash in an amount equal to the full unpaid amount of such Allowed General Administrative Claim on the later of (a) the Effective Date or as soon as reasonably practicable ~~after the Effective Date~~ thereafter, (b) the date on which such Claim is Allowed or as soon as reasonably practicable ~~after such Claim is Allowed, or~~ thereafter, (c) with respect to Ordinary Course General Administrative Claims, the date such amount is due in accordance with applicable non-bankruptcy law and the terms and conditions of any applicable agreement or instrument; or (d) with respect to a Non-Qualified Plan Accrual Claim, as and when such Claim would have otherwise been due and payable under the terms of the applicable terminated Non-Qualified Plan (assuming such plan had not been terminated).

3. DIP ~~Facility~~ Claims

a. DIP ABL Claims

"**DIP ABL Claims**" means ~~the Claims~~ a Claim held by the ~~parties to the~~ DIP ABL ~~Credit Agreement, as may be amended and restated from time to time,~~ Parties arising out of a loan or loans to the Debtors pursuant to the terms of the DIP ABL Credit Agreement.

DIP ABL Claims shall be Allowed in the full amount due and owing under the DIP ABL Credit Agreement. Except to the extent that a Holder of an Allowed DIP ABL Claim

agrees to a less favorable treatment, each Holder of Allowed DIP ABL Claims shall receive Cash equal to the full amount of its Allowed DIP ABL Claims in full and final satisfaction of such Claims; provided that:

- (a) Any indemnification and expense reimbursement obligations of the Debtors that are contingent as of the Effective Date shall survive the Effective Date and be paid by the Reorganized Debtors as and when due under the DIP ABL Credit Agreement; and
- (b) Outstanding letters of credit and other cash management products ~~to~~will be addressed consistent with the terms of the Emergence Credit Facility Documents

b. DIP Term Loan Claims

“**DIP Term Loan Claims**” means ~~Claims~~a Claim arising under the DIP Term Loan Credit Agreement.

The DIP Term Loan Claims shall be Allowed and deemed to be Allowed Claims in the full amount due and owing under the DIP Term Loan Credit Agreement, including principal, interest, and reasonable fees and expenses, in each case, to the extent required to be paid under the terms of the DIP Term Loan Credit Agreement.

All DIP Term Loan Claims shall be Allowed and deemed to be Allowed Claims in the full amount due and owing under the DIP Term Loan Credit Agreement. Except to the extent that a Holder of Allowed DIP Term Loan Claims agrees to a less favorable treatment, each Holder of each Allowed DIP Term Loan Claims shall receive Cash equal to the full amount of its Allowed DIP Term Loan Claims in full and final satisfaction of such Claims, provided that:

- (a) if any Convertible DIP Term Loans are converted into Emergence Rollover Term Loans on the Effective Date, the Holder of such Convertible DIP Term Loans shall receive Emergence Rollover Term Loans as provided in the DIP Term Loan Credit Agreement in lieu of any other Distribution on account of its Convertible DIP Term Loans; and
- (b) any indemnification and expense reimbursement obligations of the Debtors that are contingent as of the Effective Date shall survive the Effective Date and be paid by the Reorganized Debtors as and when due under the DIP Term Loan Credit Agreement.

4. Professional Claims

a. Final Fee Applications

All final requests for payment of Professional Claims, including the Holdback Amount, shall be filed and served no later than 60 days after the Confirmation Date, in the manner set forth in the Professional Fee Order or, as it relates to APS, in the APS Retention

Order. The Bankruptcy Court shall determine the Allowed amounts of such Professional Claims ~~shall be determined by the Bankruptcy Court.~~

b. Professional Fee Escrow Amount

The Debtors shall establish and fund on or prior to the Effective Date the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Except as provided in the last sentence of this paragraph, such funds shall not be considered property of the ~~e~~ Estates of the Debtors or the Reorganized Debtors, as applicable. The Reorganized Debtors shall pay Professional Claims in Cash as soon as reasonably practicable after such Claims are Allowed by order of the Bankruptcy Court. When all Allowed Professional Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to the Reorganized Debtors.

c. Professional Fee Reserve Amount

Professionals shall provide good faith estimates of their Professional Claims for purposes of the Professional Fee Escrow Account and shall deliver such estimates to the Debtors no later than ~~{10}~~ days prior to the Confirmation Hearing, provided that such estimates shall not be considered an admission or limitation with respect to the fees and expenses of such Professionals. If a Professional does not provide such an estimate, the Reorganized Debtors may estimate, in their reasonable discretion, the Professional Claims of such Professional.

d. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors or the Reorganized Debtors, as the case may be, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional or other fees and expenses related to implementation and Consummation of the Plan incurred by the Debtors, the Reorganized Debtors, or the Creditors' Committee, as the case may be. Except as otherwise specifically provided in the Plan, upon the Confirmation Date, any requirement that Professionals comply with sections 327, 328, 329, 330, 331 or 1103 of the Bankruptcy Code or the Professional Fee Order (or, as it relates to APS, the APS Retention Order) in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors, the Reorganized Debtors or, solely with respect to the matters set forth in Article 15.9 of the Plan, the Creditors' Committee, may (a) employ and pay any Professional in the ordinary course of business and (b) pay the Unsecured Notes Trustee Claim without any further notice to or action, order or approval of the Bankruptcy Court.

5. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, the Holder of each Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, at the election of the applicable Debtor or Reorganized Debtor, (a) Cash on the Effective Date or as soon as reasonably practicable thereafter in an amount equal to the full unpaid amount of such Allowed Priority Tax Claim or (b) deferred Cash

payments in accordance with section 1129(a)(9)(C) of the Bankruptcy Code. Any Allowed Priority Tax Claim that is not due and payable on or prior to the Effective Date shall be paid in the ordinary course of business after the Effective Date as and when due under applicable non-bankruptcy law.

6. Statutory Fees Payable Pursuant to 28 U.S.C. § 1930

The Debtors or the Reorganized Debtors, as applicable, shall pay all U.S. Trustee Fees for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first. For the avoidance of doubt, each separate Debtor is separately obligated to pay U.S. Trustee Fees until such separate Debtor's Chapter 11 Case is converted, dismissed, or closed, whichever occurs first.

7. Retiree Committee Administrative Claim

The ~~Retiree Committee~~, VEBA Trust or its assignee(s), on account of the Retiree Committee Administrative Claim, shall receive Cash in an amount equal to the full unpaid amount of the Retiree Committee Administrative Claim on the Effective Date ~~or as soon as reasonably practicable after the Effective Date.~~ In lieu of a Cash payment, the ~~Retiree Committee~~ VEBA Trust or its assignee(s) may, in its discretion and in final and full satisfaction, settlement, release and discharge of the Retiree Committee Administrative Claim, elect by written notice to the Debtors on or prior to the Confirmation Date to exercise the Retiree Committee Conversion Right.

8. Backstop Fees; Backstop Expense Reimbursement

The Backstop Fees and Backstop Expense Reimbursement shall be Allowed Administrative Claims, without reduction or offset, in the full amount due and owing under the Backstop Commitment Agreement. On the Effective Date, if not previously paid in full in accordance with the terms of the Backstop Commitment Agreement, any outstanding Backstop Expense Reimbursement shall be paid in Cash and any outstanding Backstop Fees shall be paid in Cash or New Common Stock, at the election of Kodak.

B. Classification, Treatment and Voting of Claims and Equity Interests

1. Classification of Claims and Equity Interests

All Claims and Equity Interests, except for Administrative Claims, Priority Tax Claims, DIP Facility Claims and Professional Claims, are classified in the Classes set forth in Article 4 of the Plan. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Equity Interest qualifies within the description of such other Classes. A Claim or Equity Interest also is classified in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Equity Interest in that Class and has not been paid, released or otherwise satisfied prior to the Effective Date.

~~b.a.~~ Deemed Substantive Consolidation

The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order deeming the substantive consolidation of the Debtors' Estates into a single Estate for certain limited purposes related to the Plan, including Voting, Confirmation and Distribution. As a result of the deemed substantive consolidation of the Estates, each Class of Claims and Equity Interests will be treated as against a single consolidated Estate without regard to the separate legal existence of the Debtors. The Plan will not result in the merger or otherwise affect the separate legal existence of each Debtor, other than with respect to voting and distribution rights under the Plan.

b. Summary of Classification and Treatment

The classification of Claims and Equity Interests pursuant to the Plan is as follows:

<u>Class</u>	<u>Claims and Equity Interests</u>	<u>Status</u>	<u>Voting Rights</u>
<u>1</u>	<u>Other Priority Claims</u>	<u>Unimpaired</u>	<u>Deemed to Accept</u>
<u>2</u>	<u>Other Secured Claims</u>	<u>Unimpaired</u>	<u>Deemed to Accept</u>
<u>3</u>	<u>Second Lien Notes Claims</u>	<u>Impaired²⁰</u>	<u>Entitled to Vote</u>
<u>4</u>	<u>General Unsecured Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>5</u>	<u>KPP Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>6</u>	<u>Retiree Settlement Unsecured Claim</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>7</u>	<u>Convenience Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>8</u>	<u>Subsidiary Convenience Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>9</u>	<u>Equity Interests</u>	<u>Impaired</u>	<u>Deemed to Reject</u>
<u>10</u>	<u>Section 510(b) Claims</u>	<u>Impaired</u>	<u>Deemed to Reject</u>

2. Treatment of Claims and Equity Interests

a. Class 1 – Other Priority Claims

“Other Priority Claim” means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim, DIP Facility Claim or Priority Tax Claim.

Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Other Priority Claims, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (ii) the Effective Date, (ii) the date on which such Other Priority Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court.

²⁰ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.

Class 1 is Unimpaired. Each Holder of an Other Priority Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of Other Priority Claims is entitled to vote to accept or reject the Plan.

b. Class 2 – Other Secured Claims

“**Other Secured Claim**” means any Secured Claim other than the DIP Facility Claims or the Second Lien Notes Claims.

Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Other Secured Claims, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the sole discretion of the applicable Debtor: (i) payment in full in Cash including the payment of any interest payable under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing such Allowed Other Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other manner that renders the Claim Unimpaired.

Class 2 is Unimpaired. Each Holder of an Other Secured Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of an Other Secured Claim is entitled to vote to accept or reject the Plan.

c. Class 3 – Second Lien Notes Claims

“**Second Lien Notes Claim**” means any Claim arising under or in connection with the Second Lien Notes Indentures, including Adequate Protection Claims.

~~Subject to~~ If the outcome of the Committee’s Second Lien Challenge Acceptance is obtained, the Second Lien Notes Claims shall be Allowed in ~~the an~~ aggregate amount ~~of 100% of equal to~~ the ~~Outstanding Principal~~ Second Lien Agreed Amount, plus accrued the Second Lien Settlement Amount. If the Second Lien Acceptance is not obtained, the Second Lien Notes Claims shall be Allowed:

- (i) with respect to each Stipulating Second Lien Noteholder, its Pro Rata share in Cash of the Second Lien Agreed Amount plus the Second Lien Settlement Amount; and ~~unpaid interest as of the Effective Date at the non default contract rate applicable as of the Petition Date.~~²¹

²¹—~~The Plan allocates 85% of the New Common Stock to Class 3 (subject to dilution for the New Equity Plan and potential dilution if the Retiree Committee Conversion Right is exercised), assuming 100% of the Outstanding Principal Amount of the Second Lien Notes Claims is Allowed. Currently, the Debtors take no position on the Committee’s Lien Challenge. The Plan currently reserves the Creditors’ Committee’s right to request the Court, if the Committee’s Lien Challenge is resolved in favor of the Creditors’ Committee, to grant appropriate relief, including potentially recharacterizing any post-petition interest paid to the Holders of Allowed Second Lien Notes Claims and any fees and expenses paid to their advisors as payments of principal on the Second Lien Notes. In that event, the Creditors’ Committee may seek to have additional shares of New Common Stock issued to the Holders (as of the Distributions Record Date) of Allowed Claims in Class 4 and Class 6. For the~~

(ii) with respect to any other Second Lien Noteholder, in the amount determined by the Court.

Except to the extent that a Holder of an Allowed Second Lien Notes Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Second Lien Notes Claims, each Holder of an Allowed Second Lien Notes Claim shall receive:

(i) if the Second Lien Acceptance is obtained, payment in Cash of its Pro Rata share of the Allowed amount; and

(ii) otherwise, at the Debtors' election, (A) payment in full in Cash, including the payment of any amounts due under section 506(b) of the Bankruptcy Code or (B) such other treatment that renders the Second Lien Notes Claims Unimpaired;²² provided that, in either instance, and notwithstanding any judicial determination or subsequent settlement regarding the allowance of the ~~following consideration~~: Second Lien Make-Whole, each Stipulating Second Lien Noteholder shall receive payment in Cash of its Pro Rata²³ share of the Second Lien Agreed Amount plus the Second Lien Settlement Amount in full and final satisfaction, settlement, release and discharge of the Second Lien Make-Whole and all other Claims arising under or in connection with the Second Lien Notes Indentures with respect to such Stipulating Second Lien Noteholder.

~~(i) With respect to the portion of such Allowed Second Lien Notes Claim representing accrued and unpaid interest, Cash in an amount equal to accrued and unpaid interest as of the Effective Date at the non-default contract rate applicable as of the Petition Date; and~~

~~avoidance of doubt, the Debtors retain the right to settle the Committee's Lien Challenge under the Plan or otherwise.~~

²² The Backstop Commitment Agreement provides that no amendment, supplement or other modification to the Plan shall provide for the reinstatement of the Second Lien Notes Claims without the consent of each Backstop Parties to its sole discretion.

²³ For purposes of the allocation of the Second Lien Settlement Amount among holders of the 2018 Notes and the 2019 Notes, respectively, Pro Rata shall mean, with respect to the 2018 Notes, the percentage represented by a fraction (a) the numerator of which shall be an amount equal to the redemption premium calculated pursuant to section 3.03 of the Second Lien Notes Indenture relating to the 2018 Notes based on a September 30, 2013 redemption date, and (b) the denominator of which shall be an amount equal to the aggregate of the redemption premiums calculated pursuant to section 3.03 of each of the Second Lien Notes Indentures based on a September 30, 2013 redemption date; and, with respect to the 2019 Notes, the percentage represented by a fraction (a) the numerator of which shall be an amount equal to the redemption premium calculated pursuant to section 3.03 of the Second Lien Notes Indenture relating to the 2019 Notes based on a September 30, 2013 redemption date, and (b) the denominator of which shall be an amount equal to the aggregate of the redemption premiums calculated pursuant to section 3.03 of each of the Second Lien Notes Indentures based on a September 30, 2013 redemption date.

(ii) ~~With respect to the portion of such Allowed Second Lien Notes Claim representing the Outstanding Principal Amount, a number of shares of New Common Stock equal to the Outstanding Principal Amount multiplied by 0.09066667.~~²⁴

In addition to the foregoing, ~~with respect to~~ but without duplication in the ~~portion of event~~ the ~~Allowed~~ Second Lien Notes Claims ~~representing~~ are Unimpaired, the Debtors shall pay, in Cash, an amount equal to the incurred and unpaid reasonable and documented fees and expenses (including the reasonable and documented fees and expenses of counsel) ~~payable due~~ to the Second Lien Indenture Trustee, ~~the Debtors shall pay Cash in an amount equal to incurred and unpaid reasonable and documented fees and expenses~~ under the Second Lien Notes Indentures as of the Effective Date.

Class 3 is Impaired. ~~Each~~ and each Holder of a Second Lien Notes Claim is entitled to vote to accept or reject the Plan.

~~Pursuant to the Final DIP ABL Order, parties in interest had 180 days following the entry of such order to initiate any challenges to the validity, enforceability, priority, or extent of the liens and claims asserted by the Second Lien Trustee. The Second Lien Trustee extended the Creditors' Committee's deadline to commence an adversary proceeding until November 16, 2012. On October 31, 2012, the Creditors' Committee filed a motion for entry of an order granting leave, standing, and authority to prosecute and, if appropriate, settle certain claims against the Second Lien Trustee [Docket No. 2276] (the "Standing Motion"). On November 12, 2012, the Second Lien Trustee filed an objection to the Standing Motion. Following a hearing on November 14, 2012, the Bankruptcy Court overruled the Second Lien Trustee's objection and entered an order granting the relief sought in the Standing Motion [Docket No. 2370].~~

~~Thereafter, on November 16, 2012, the Creditors' Committee commenced an adversary proceeding on behalf of the Debtors' estates against Wilmington Trust, N.A., in its capacities as successor indenture trustee and collateral agent, captioned *Official Committee of Unsecured Creditors of Eastman Kodak Company, et al. v. Wilmington Trust, N.A., in its capacities as Successor Indenture Trustee and Collateral Agent* (Adv. Proc. No. No. 12-01947) (the "Committee's Lien Challenge"). The Committee's Lien Challenge seeks, among other things, to avoid the liens asserted by the Second Lien Trustee against the Debtors' foreign patents and patent infringement claims (or a declaratory judgment that such liens were never granted) and to declare that its claim is not secured by such collateral. The Second Lien Trustee has filed a motion to dismiss certain counts of the Committee's Lien Challenge, but no hearing on such motion has yet occurred.~~

~~The Plan does not provide for the settlement of the Committee's Lien Challenge. The Plan allocates 85% of the New Common Stock to Class 3 (subject to dilution for the New Equity Plan and potential dilution; provided that, if the Retiree Committee Conversion Right is~~

²⁴ ~~375,000,000 * 0.09066667 = 34,000,000 shares.~~

~~exercised), assuming 100% of the Outstanding Principal Amount of the Second Lien Notes Claims is Allowed. Currently~~Second Lien Acceptance is not obtained, the Debtors ~~take no position on the Committee's Lien Challenge. The Plan currently reserves the Creditors' Committee's right to request the Court, if the Committee's Lien Challenge is resolved in favor of the Creditors' Committee, to grant appropriate relief, including potentially recharacterizing any post-petition interest paid to the Holders of Allowed Second Lien Notes Claims and any fees and expenses paid to their advisors as payments of principal on~~may elect to treat the Second Lien Notes. ~~In that event, the Creditors' Committee may seek~~ Claims as Unimpaired and, in that case, each Holder of a Second Lien Notes Claim is conclusively deemed to have ~~additional shares of New Common Stock issued to the Holders (as of the Distributions Record Date) of Allowed Claims in Class 4 and Class 6. For the avoidance of doubt, the Debtors retain the right to settle the Committee's Lien Challenge under the Plan or otherwise~~accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

d. Class 4 – General Unsecured Claims

“General Unsecured Claim” means an Unsecured Claim that is not a Retiree Settlement Unsecured Claim, Convenience Claim or Subsidiary Convenience Claim.

Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed General Unsecured Claims, each Holder of an Allowed General Unsecured Claim shall receive ~~New Common Stock in an amount equal to such Holder's Pro Rata share of the Unsecured Creditor Pool~~its:

- (i) Pro Rata share of the Unsecured Creditor New Common Stock Pool;
- (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants;
- (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver;²⁵ and
- (iv) applicable Rights Offerings Consideration.

Class 4 is Impaired. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

e. Class 5 – KPP Claims

The Holder of the KPP Claims shall receive such consideration as is provided in the KPP Global Settlement.

²⁵ **“Backstop Trust Waiver”** means the waiver by the Backstop Parties of distributions from the Kodak GUC Trust; provided that notwithstanding the foregoing, each Backstop Party shall participate Pro Rata in any distribution from the Kodak GUC Trust that, when added to all prior distributions, exceeds the lesser of (x) \$25 million and (y) an amount equal to 20% of the amount of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim (other than those held by the Backstop Parties).

Class 5 is Impaired. The Holder of the KPP Claims is entitled to vote to accept or reject the Plan ~~as provided for in the KPP Global Settlement.~~

f. Class 6 – Retiree Settlement Unsecured Claim

The “Retiree Settlement Unsecured Claim-is” means the \$635 million Unsecured Claim Allowed pursuant to the Retiree Settlement.

Except to the extent that a Holder of the Retiree Settlement Unsecured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for its portion of the Retiree Settlement Unsecured Claim, each Holder of the Retiree Settlement Unsecured Claim shall receive ~~New Common Stock in an amount equal to such Holder’s its:~~

- (i) Pro Rata share of the Unsecured Creditor ~~New Common Stock~~ Pool;
- (ii) Pro Rata share of (x) the 125% Warrants and (y) the 135% Warrants;
- (iii) Pro Rata distributions from the Kodak GUC Trust, subject to the Backstop Trust Waiver; and
- (iv) applicable Rights Offerings Consideration.

Class 6 is Impaired. Each Holder of the Retiree Settlement Unsecured Claim is entitled to vote to accept or reject the Plan.

g. Class 7 – Convenience Claims

“**Convenience Claim**” means (a) any Unsecured Claim Allowed in an amount equal to or less than \$10,000, or (b) any Unsecured Claim Allowed in an amount greater than \$10,000 but which is reduced to \$10,000 by an irrevocable written election of the Holder of such Claim made on a properly executed and delivered Ballot; provided, ~~however,~~ that any Unsecured Claim that was originally Allowed in excess of \$10,000 may not be subdivided into multiple Unsecured Claims of \$10,000 or less for purposes of receiving treatment as a Convenience Claim. In addition, Subsidiary Convenience Claims shall not be Convenience Claims.

On the later of the Effective Date or as soon as practicable after a Convenience Claim becomes Allowed, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Convenience Claim, each Holder of an Allowed Convenience Claim shall receive payment in Cash in an amount equal to ~~4.5~~ 4.5 percent of such Allowed Convenience Claim; *provided* that the aggregate amount of Cash received by Holders of Convenience Claims on account of their Convenience Claims shall not exceed ~~\$[●] \$600,000.~~

Class 7 is Impaired. Each Holder of a Convenience Claim is entitled to vote to accept or reject the Plan.

h. Class 8 – Subsidiary Convenience Claims

“**Subsidiary Convenience Claim**” means an Unsecured Claim against Eastman Kodak International Capital Company, Inc., FPC Inc., Kodak (Near East), Inc. or Kodak Philippines, Ltd.

Except to the extent that a Holder of a Subsidiary Convenience Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for its Subsidiary Convenience Claim, each Holder of such Subsidiary Convenience Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Subsidiary Convenience Claim becomes Allowed, and (iii) such other date as may be ordered by the Bankruptcy Court; provided that the aggregate amount of Cash received by Holders of Subsidiary Convenience Claims on account of their Subsidiary Convenience Claims shall not exceed \$300,000.

Class 8 is Impaired. Each Holder of a Subsidiary Convenience Claim is entitled to vote to accept or reject the Plan.

i. Class 9 – Equity Interests

No Holder of an Equity Interest in EKC shall receive any Distributions on account of its Equity Interest. On and after the Effective Date, all Equity Interests in EKC shall be cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise.

Class 9 is Impaired. Each Holder of an Equity Interest in EKC is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of an Equity Interest in EKC is entitled to vote to accept or reject the Plan.

j. Class 10 – Section 510(b) Claims

“**Section 510(b) Claim**” means any Claim arising from the rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors, for damages arising from the purchase or sale of such security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim.

No Holder of a Section 510(b) Claim shall receive any Distributions on account of its Section 510(b) Claim. On the Effective Date, all Section 510(b) Claims shall be discharged.

Class 10 is Impaired. Holders of Section 510(b) Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of a Section 510(b) Claim is entitled to vote to accept or reject the Plan.

~~C.~~ **Certain Special Provisions**

~~1.3.~~ Intercompany Claims and Interests

Notwithstanding anything ~~in the Plan~~^{herein} to the contrary, on the Effective Date or as soon thereafter as is reasonably practicable, at the option of the Reorganized Debtors and in consultation with the Requisite Backstop Parties, all Intercompany Claims and Intercompany Interests will be: (a) preserved and reinstated, in full or in part; (b) cancelled and discharged, in full or in part, in which case such discharged and satisfied portion shall be eliminated and the Holders thereof shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such portion under the Plan; (c) eliminated or waived based on accounting entries in the Debtors' or the Reorganized Debtors' books and records and other corporate activities by the Debtors or the Reorganized Debtors; (d) ~~contributed~~ to the capital of the obligation~~ing~~ entity or (e) otherwise compromised. In no event shall Intercompany Claims be allowed as Unsecured Claims or entitled to any Distribution under the Plan.

~~2.4.~~ Special Provision Governing Unimpaired Claims

Except as otherwise provided herein, the Plan shall not affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including legal and equitable defenses or setoff or recoupment rights with respect thereto.

~~3.5.~~ Confirmation Pursuant to Sections 1129(a) and 1129(b) of the Bankruptcy Code

For purposes of Confirmation, section 1129(a)(10) of the Bankruptcy Code shall be satisfied if any one of Classes 3 – 8²⁶ accepts the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class or Classes of Claims.

~~4.6.~~ Subordinated Claims

The allowance, classification and treatment of all Allowed Claims and the respective Distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise; ~~provided that,~~ the Debtors reserve the right to ~~reclassify~~^{re-classify} any Allowed Claim in accordance with any contractual, legal or equitable subordination rights relating thereto.

²⁶ Or Classes 4 – 8, if Claims in Class 3 are deemed Unimpaired as set forth in Article 4.2.3 of the Plan.

D.C. Implementation of the Plan²⁷

1. Operations Between the Confirmation Date and Effective Date

During the period from the Confirmation Date through and until the Effective Date, the Debtors may continue to operate their businesses as debtors in possession, subject to all applicable orders of the Bankruptcy Court and any limitations set forth in the Backstop Commitment Agreement.

2. KPP Global Settlement

A motion to approve the KPP Global Settlement ~~will be~~ [Docket No. 3709] has been submitted to the Bankruptcy Court for its approval under Bankruptcy Rule 9019 and sections 363 and 365 of the Bankruptcy Code.

3. Settlement of Committee's Lien Challenge

On the Effective Date, the transactions contemplated by the Plan, including the distributions to Holders of Claims in Class 3, Class 4 and Class 6, shall be in full and final settlement of the Committee's Lien Challenge, and the Committee's Lien Challenge shall be deemed dismissed with prejudice, and the Creditors' Committee and the Second Lien Notes Trustee shall file a joint notice of dismissal with the Bankruptcy Court.

~~3.4.~~ Other Restructuring Transactions

Following the Confirmation Date, the Debtors, in consultation with the ~~Emergency Review~~ Requisite Backstop Parties, may reorganize their corporate structure by eliminating certain entities (including non-Debtor entities) that are deemed no longer helpful, and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, liquidation, domestication, continuation or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, debt or obligation on terms consistent with the terms of the Plan; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution with the appropriate governmental authorities pursuant to applicable law; and (d) all other actions that the Debtors, in consultation with the ~~Emergency Review~~ Requisite Backstop Parties, determine are necessary or appropriate, including making filings or recordings that may be required by applicable law. To the extent deemed helpful or

²⁷ ~~The Debtors are in preliminary discussions with certain holders of Second Lien Notes Claims and General Unsecured Claims regarding a possible rights offering for New Common Stock, including their participation as possible backstop parties to the offering. The proceeds of the rights offering would be used to fund the Plan, including potentially funding distributions on account of Second Lien Notes Claims. There is no certainty that a rights offering will be implemented or consummated.~~

appropriate to the Debtors or the Reorganized Debtors, the restructuring may be effected pursuant to sections 368 and 381 of the Internal Revenue Code, to preserve for the Debtors or the Reorganized Debtors the tax attributes of such entities. Notwithstanding anything else to the contrary in the Plan, the Debtors may engage in any restructuring, reorganizations, liquidation, intercompany sales and similar transactions after prior notice to the Backstop Parties in order to implement tax planning, which transactions are not reasonably expected to materially adversely affect any Backstop Party.

~~4.5.~~ Vesting of Assets in the Reorganized Debtors

Except as otherwise provided ~~in the Plan~~ herein or in the Confirmation Order, as of the Effective Date, all property of each Estate (including Causes of Action) and any property acquired by any Debtor under the Plan shall vest in the applicable Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances or interests; provided that the Kodak GUC Trust Avoidance Actions shall be transferred to the Kodak GUC Trust in accordance with Article 16.3 of the Plan; provided, further, that nothing in Article 5.5 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court. On and after the Effective Date, except as otherwise provided in the Plan, the Reorganized Debtors may operate their businesses and may use, acquire or dispose of property and compromise or settle any Claims or Causes of Action (other than the Kodak GUC Trust Avoidance Actions) without supervision or approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules; provided that the claims asserted by GOT in the GOT Adversary Proceeding, as well as any property interest of GOT in the GOT Adversary Patents or the GOT Royalties, are preserved during the pendency of the GOT Adversary Proceeding.

~~5.6.~~ Cancellation of Existing Agreements, Notes and Equity Interests

On the Effective Date, except as otherwise specifically provided for in the Plan, the obligations of the Debtors under the Second Lien Notes Indentures, Unsecured Notes Indentures, and any other Certificate, Equity Interest, share, note, bond, indenture, purchase right, option, warrant or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Equity Interest (except such Certificates, notes or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan), shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors and their Affiliates shall not have any obligations thereunder and shall be released and discharged therefrom; provided, ~~however,~~ that (x) the Second Lien Notes Indentures and Unsecured Notes Indentures shall remain in effect and govern the rights and obligations of the Indenture Trustees and the beneficial holders of notes issued under such indentures, including to effectuate any charging liens permitted under the Second Lien Notes Indentures and Unsecured Notes Indentures, respectively and (y) any obligations of the Debtors in the Backstop Commitment Agreement that by their terms are to be satisfied after, or are otherwise stated to survive, the closing of the Backstop Commitment Agreement shall be the obligations of the Reorganized Debtors. Notwithstanding any provision in the Second Lien Notes Indentures or the Second Lien Notes to the contrary, the Second Lien Indenture Trustee shall be permitted to pay the Stipulating Second Lien Noteholders, and the Stipulating Second Lien Noteholders shall

be entitled to receive, payment with respect to the Second Lien Settlement Amount and Second Lien Agreed Amount without any pro rata reallocation to non-Stipulating Second Lien Noteholders.

6.7. *New Common Stock*

~~(i)~~ —

On the Effective Date, the Reorganized Kodak Certificate of Incorporation shall have provided for 500 million shares of authorized New Common Stock, and Reorganized Kodak shall issue or reserve for issuance ~~40 million~~ a sufficient number of shares of New Common Stock equal to ~~Holders of Class 3 Claims, Class 4 Claims and Class 6 Claims, together with the Fully Diluted Effective Date Share Issuance, plus~~ any additional shares of New Common Stock, ~~options or other equity awards to be reserved for issuance satisfy any share issuances authorized under the Warrants. The shares of New Common Stock issued in connection with the Plan, including in connection with the New Equity Plan, consummation of the Rights Offerings, the Backstop Commitment Agreement, or upon exercise of the Retiree Committee Conversion Right and as necessary to fashion an appropriate remedy for the Committee's Lien Challenge, as set forth in footnote 6 in the Plan. New Common Stock issued pursuant to the Plan (including upon exercise of the Retiree Committee Conversion Right), Warrants, and options or other equity awards issued pursuant to the New Equity Plan, shall be authorized without the need for further corporate action or without any further action by ~~the Holders of Claims~~ any Person, and once issued, shall be duly authorized, validly issued, fully paid and non-assessable. ³~~

Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.

8. *Rights Offerings*

The Debtors will implement the Rights Offerings in accordance with the Backstop Commitment Agreement and the Rights Offerings Procedures.

a. *1145 Rights Offering*

The 1145 Rights Offering shall be open to all Holders of 1145 Eligible Claims. The 1145 Rights Offering shall consist of a distribution of the 1145 Rights in respect of the 1145 Rights Offering Shares in accordance with the Rights Offerings Procedures Order.

b. *4(2) Rights Offering*

The 4(2) Rights Offering shall be open to 4(2) Eligible Participants. The 4(2) Rights Offering shall consist of a distribution of the 4(2) Rights in respect of the 4(2) Rights Offering Shares in accordance with the 4(2) Rights Offering Procedures. Kodak and

Reorganized Kodak shall conduct the 4(2) Rights Offering in accordance with the Rights Offerings Procedures Order.

The Backstop Parties have agreed to purchase (on a several and not joint basis) all of the 4(2) Rights Offering Unsubscribed Shares, subject to and in accordance with the terms of the Backstop Commitment Agreement.

~~Any share of New Common Stock issued to a creditor of any Debtor that is not Kodak shall be treated as (a) a contribution of cash by Reorganized Kodak to the applicable Debtor in the amount equal to the fair market value of such New Common Stock, followed by (b) the issuance of New Common Stock by Reorganized Kodak to the applicable Debtor in return for such cash, followed by (c) the transfer of the New Common Stock by the applicable Debtor to the applicable creditor.~~

~~7.9.~~ *Section 1145-Exemption from Registration*

Except with respect to any ~~p~~Person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, ~~no~~the offer, issuance, sale or distribution under the Plan of the (a) shares of New Common Stock comprising the Unsecured Creditor New Common Stock Pool, (b) shares of New Common Stock issued in connection with the Retiree Committee Conversion Rights, if applicable, (c) 1145 Rights, (d) 1145 Rights Offering Shares, (e) Warrants, and (f) shares of New Common Stock issuable upon the exercise of the Warrants shall all be exempt from registration under Section 5 of the Securities Act (or any State or local law requiring registration for offer or sale of a security) ~~shall be required for the offer or sale of the New Common Stock under the Plan~~under section 1145 of the Bankruptcy Code.

The (a) 4(2) Rights, (b) 4(2) Rights Offering Shares, (c) any shares of New Common Stock issued in connection with the payment of the Backstop Commitment Fees and (d) any shares of New Common Stock issued pursuant to the Backstop Commitment Agreement shall all be issued without registration in reliance upon the exemption set forth in section 4(2) of the Securities Act and will be “restricted securities.”

The Rights and 1145 Rights Offering Shares and 4(2) Rights Offering Shares are being offered, distributed and sold pursuant to the Plan.

~~8.10.~~ *Emergence Financing*

If all or any portion of the Convertible DIP Term Loans are converted into Emergence Rollover Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement, then on the Effective Date: (a) Obligations (as defined in the DIP Term Loan Credit Agreement) under the DIP Term Loan Credit Agreement and the other DIP Term Loan Documents shall be converted into and continue as obligations under the Emergence Rollover Credit Agreement and the other Emergence Credit Facility Documents; and (b) all liens, rights, interests, duties and obligations under the DIP Term Loan Documents shall convert into and continue as liens, rights, interests, duties and obligations under the Emergence Term Loan Credit Agreement and any such liens shall continue to secure obligations of Reorganized Kodak under the Emergence Term Loan Credit Agreement. Without limiting the foregoing, all liens and security interests granted under the DIP Term Loan Documents to the DIP Term Loan Parties

and converted into and continued as liens and security interest under the Emergence Term Loan Credit Agreement shall be (x) valid, binding, perfected and enforceable liens and security interest in the personal and real property described in such documents, with the priorities established in respect thereof under applicable non-bankruptcy law and (y) not subject to avoidance, recharacterization or subordination under any applicable law; and Reorganized Kodak shall, and is authorized to, enter into and perform and to execute and deliver the Emergence Term Loan Credit Agreement and such other agreements, instruments or documents reasonably requested by the DIP Term Loan Agent (in form and substance acceptable to the DIP Term Loan Agent) to evidence or effectuate the conversion of all or any portion of the Convertible DIP Term Loans to Emergence Rollover Term Loans in accordance with the terms of the DIP Term Loan Documents. Without limiting the foregoing, Reorganized Kodak shall pay, as and when due, all fees and expenses and other amounts provided under the Emergence Credit Facility Documents.

To the extent ~~the Reorganized Kodak obtains~~ Debtors obtain one or more Emergence Credit Facilities in lieu of, or in addition to, the conversion of all or any portion of the Convertible DIP Term Loans into Emergence Rollover Term Loans, then, on the Effective Date, ~~the Reorganized Kodak~~ Debtors shall, and ~~is~~ are hereby authorized to, enter into and perform and execute and deliver ~~one or more the~~ Emergence Credit Facility Documents with respect to which such Emergence Credit Facilities and Reorganized Debtor is contemplated to be a party on the Effective Date. The Reorganized Debtors are hereby authorized to borrow under such Emergence Credit Facilities and use the proceeds of such borrowings for any purpose permitted thereunder, including to fund (a) the repayment of all DIP Term Loan Claims that are not converted into Emergence Rollover Term Loans in accordance with the terms of the DIP Term Loan Credit Agreement, (b) distributions under and in accordance with the Plan, and (c) ongoing business operations, general corporate purposes and working capital needs. Without limiting the foregoing, ~~the Reorganized Kodak~~ Debtors shall pay, as and when due, all fees ~~and~~ expenses, losses, damages, indemnities and other amounts, including any applicable refinancing premiums and applicable exit fees, provided under the Emergence Credit Facility Documents relating to such Emergence Credit Facilities.

Confirmation of the Plan shall be deemed (a) approval of the Emergence Credit Facilities and all transactions contemplated thereby and thereof, (including additional syndication of the Emergence Credit Facilities (if any)), and all actions to be taken, undertakings to be made, and obligations to be incurred by ~~the Reorganized Kodak~~ Debtors in connection therewith, including the payment of all fees, expenses, losses, damages, indemnities and ~~expenses~~ other amounts provided for by the Emergence Credit Facility Documents, and (b) authorization for the Reorganized Debtors to enter into and perform under the Emergence Credit Facility Documents. The Emergence Credit Facility Documents shall constitute legal, valid, binding and authorized obligations of ~~the Reorganized Kodak~~ Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Emergence Credit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law.

On the Effective Date, all of the liens and security interests to be granted in accordance with the Emergence Credit Facility Documents (a) shall be deemed to be approved; (b) shall be legal, binding and enforceable liens on, and security interests in, the collateral granted ~~thereunder~~under respective Emergence Credit Facility Documents in accordance with the terms of the Emergence Credit Facility Documents; (c) shall be deemed perfected on the Effective Date, subject only to such liens and security interests as may be permitted under the Emergence Credit Facility Documents, and the priorities of such liens and security interests shall be as set forth in the respective Emergence Credit Facility Documents; and (d) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized ~~Kodak~~ Debtors and the ~~persons~~ secured parties (and ~~entities~~ granted their designees and agents) under such ~~liens and security interests~~ Emergence Credit Facility Documents are hereby authorized to make all filings and recordings, and to obtain all governmental approvals and consents ~~necessary~~ to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection of the liens and security interests granted under the Emergence Credit Facility Documents shall occur automatically by virtue of the entry of the Confirmation Order and funding on or after the Effective Date, and any such filings, recordings, approvals and consents shall not be necessary or required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties. To the extent that any Holder of a Secured Claim that has been satisfied or discharged pursuant to the Plan, or any agent for such Holder, has filed or recorded ~~publicly~~ any liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Debtors, Reorganized Kodak or any administrative agent under the Emergence Credit Facility Documents that are necessary to cancel and/or extinguish such ~~publicly filed~~ liens and/or security interests- (it being understood that such liens and security interests shall be automatically canceled/or extinguished automatically by virtue of the entry of the Confirmation Order).

On the Effective Date, all ~~existing~~issued and outstanding letters of credit shall be; cash collateralized, replaced or reinstated in accordance with their terms and the terms of the DIP Credit Agreements and any applicable Emergence Credit Facility Documents.

~~9.11.~~ Section 1146 Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any transfers from the Debtors to the Reorganized Debtors or to any other Person, pursuant to, in contemplation of, or in connection with the Plan (including any transfer pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, assumption, termination, refinancing and/or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment or recording of any lease or sublease; (d) the grant of collateral as security for any or all of the Emergence Credit Facilities; (e) the KPP Global Settlement; ~~or~~

~~(f)~~ (f) the Backstop Commitment Agreement; or (g) the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, sales and use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall, and shall be directed to, forgo the collection of any such tax, recordation fee or government assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee or government assessment. The Bankruptcy Court shall retain specific jurisdiction with respect to these matters.

~~10.~~ 12. Preservation of Causes of Action

Except as otherwise provided in Article 12 or 16 or the other provisions of the Plan, each Cause of Action of a Debtor shall be preserved and, along with the exclusive right to enforce such Cause of Action ~~(other than as set forth in footnote 6 of the Plan),,~~ shall vest exclusively in the applicable Reorganized Debtor as of the Effective Date; provided that nothing in Article 5.12 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court. Unless a Cause of Action is expressly waived, relinquished, released or compromised in the Plan or an order of the Bankruptcy Court, the Reorganized Debtors expressly reserve such Cause of Action for later adjudication and, accordingly, no doctrine of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), laches or other preclusion doctrine shall apply to such Cause of Action as a consequence of the Confirmation, the Plan, the vesting of such Cause of Action in the Reorganized Debtors, any order of the Bankruptcy Court or these Chapter 11 Cases. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as an indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue such Cause of Action.**

~~11.~~ 13. Effectuating Documents and Further Transactions

The Debtors or the Reorganized Debtors, as applicable, may take all actions to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, including the distribution of the securities to be issued pursuant hereto in the name of, and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions or consents except for those expressly required pursuant hereto; ~~provided, however, that~~ after the Confirmation Date, ~~(but prior to the Effective Date,)~~ the Debtors shall consult with and, to the ~~Emergency Review~~ extent required by the terms of the Backstop Commitment Agreement, seek the consent of the Requisite Backstop Parties on such actions. The secretary and any assistant secretary of each Debtor shall be authorized to certify or attest to any of the foregoing actions.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the shareholders, directors or members of the Debtors shall be deemed to have been so approved and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant to applicable law, and without any requirement of further action by the shareholders, directors, managers or partners of the Debtors, or the need for any approvals, authorizations, actions or consents.

~~12.~~14. Reinstatement of Interests in Debtor Subsidiaries

In the event that the Debtors elect to reinstate Intercompany Interests pursuant to Article 4.3 of the Plan, each Reorganized Debtor shall issue authorized new equity securities to the Reorganized Debtor that was that Debtor's corporate parent prior to the Effective Date so that each Reorganized Debtor will retain its 100% ownership of its pre-Petition Date Debtor subsidiaries. The Debtors may modify the foregoing ~~may be modified by the Debtors~~ at any time in consultation with the Requisite Backstop Parties.

~~13.~~15. Intercompany Account Settlement

The Debtors and Reorganized Debtors, and their respective subsidiaries, will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Debtors or Reorganized Debtors (as applicable) to satisfy their obligations under the Plan.

16. Fees and Expenses of the Unsecured Notes Trustee

Reasonable and documented fees and expenses incurred by the Unsecured Notes Trustee during the pendency of the Chapter 11 Cases, solely in its capacity as such, shall, without duplication and to the extent unpaid by the Debtors prior to the Effective Date, be Allowed Administrative Claims and paid by the Reorganized Debtors without further Bankruptcy Court approval upon the submission of invoices to the Reorganized Debtors.

~~E.D.~~ **Corporate Governance and Management**

1. Corporate Existence

Subject to any restructuring transactions as permitted under Article 5 of the Plan or as otherwise expressly provided in the Plan, each of the Debtors shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership or other form, as the case may be, pursuant to applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed, and pursuant to the respective certificate of incorporation and bylaws (or other formation documents in the case of a limited liability company, partnership or other form) in effect prior to the Effective Date, except to the extent such certificate of incorporation or bylaws (or other formation documents in the case of a limited liability company, partnership or other form) are amended by, or in connection with the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions or consents.

2. Organizational Documents

The Reorganized Kodak Certificate of Incorporation shall be filed with the Secretary of State of New Jersey on the Effective Date. The amended and restated bylaws of Reorganized Kodak and certificate of incorporation and bylaws of the other Reorganized Debtors (or other formation documents relating to limited liability companies, partnerships or other forms) shall be in the form set forth in the Plan Supplement and filed with the applicable state officers or entities on or as soon as reasonably practicable after the Effective Date.

3. Indemnification Provisions in Organizational Documents

As of the Effective Date, each Reorganized Debtor's bylaws shall provide for the indemnification, defense, reimbursement, exculpation and/or limitation of liability of, and advancement of fees and expenses to, directors or officers of such Debtor who served in such capacity after the Petition Date, at least to the same extent as the bylaws of each of the respective Debtors did on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and none of the Reorganized Debtors shall amend and/or restate their certificate of incorporation or bylaws before or after the Effective Date to terminate or materially adversely affect any of these obligations of the Reorganized Debtors' or such directors', officers', employees' or agents' rights.

4. Directors and Officers of the Reorganized Debtors

The identity and affiliations of each individual proposed to serve as a director, officer or voting trustee of any Reorganized Debtor after the Effective Date, as well as the nature of any compensation of such individual who is an insider of a Debtor, will be disclosed in the Plan Supplement no later than the Confirmation Hearing. No director, officer, manager or voting trustee of a Debtor who continues to serve a Reorganized Debtor in any capacity after the Effective Date shall be liable to any Person for any Claim that arose prior to the Effective Date in connection with service as a director, officer, manager or voting trustee of a Debtor.

~~Certain members of the New Board of Directors will be appointed from candidates identified by an independent search firm jointly engaged by the Debtors, the Creditors' Committee and the Second Lien Committee.~~ The New Board of Directors shall consist of seven members selected as follows: ~~(a) one of which shall be~~ be composed of nine (9) directors consisting of: (i) the chief executive officer of Reorganized Kodak, (b) five; (ii) six (6) directors designated by the Backstop Parties (one of which shall be selected by holders of a majority in principal amount of the outstanding Second Lien Notes, James Continenza, as long as he is able and (e) willing to serve and one of which shall be selected in consultation with the Creditors' Committee); and (iii) two (2) directors to be designated by the Creditors' Committee in consultation with the Requisite Backstop Parties; provided, that (x) not less than five of the directors selected under (b) identified or (e) shall designated pursuant to clause (ii) and (y) the directors identified or designated pursuant to clause (iii) shall, in each case, be "independent directors" under applicable corporate governance" (as defined in the rules and regulations.

governing the requirements of companies listing on the New York Stock Exchange) with respect to Reorganized Kodak.

F.E. Compensation and Benefits Programs

1. New Compensation and Benefits Programs

a. Management Arrangements

On the Effective Date, Reorganized Kodak shall enter into the New Management Agreements.²⁸

On the Effective Date, Reorganized Kodak shall adopt the New Equity Plan authorizing the grant, from time to time, of stock- and cash-based awards to eligible officers, directors and employees of Reorganized Kodak. The New Board of Directors will establish a management incentive program that is in form and substance reasonably satisfactory to the Requisite Backstop Parties providing for the grant of stock-based awards under the New Equity Plan.

b. Other Arrangements

On the Effective Date, and as more fully set forth in the Plan Supplement, the Reorganized Debtors shall enter into the New Non-Qualified Employee Compensation Plan.

2. Compensation and Benefits Programs

On the Effective Date, with respect to all Compensation and Benefits Programs (including, for the avoidance of doubt, the Qualified Plans), each Reorganized Debtor shall assume and continue to honor in accordance with their terms and applicable laws (including, as applicable, ERISA and the Internal Revenue Code) and perform all Compensation and Benefits Programs to which the applicable Debtor is party, subject to any rights to terminate or modify such plans. As of the Effective Date, all Non-Qualified Plans will be deemed terminated and any accruals thereunder will be frozen and, other than any Non-Qualified Plan Accrual Claims, treated as General Unsecured Claims; ~~provided that Non-Qualified Plan Accrual Claims will be paid to Active Employees as and when due in accordance with the terms of the applicable Non-Qualified Plan.~~

The Debtors' or Reorganized Debtors' performance under any employment agreement will not entitle any person to any benefit or alleged entitlement under any contract,

²⁸ The Debtors intend that the Plan will authorize and implement a New Equity Plan and New Management Agreements with certain members of the Reorganized Debtors' senior management team (the material terms or form of which will be included in the Plan Supplement), each of which will be binding on the Reorganized Debtors only after the occurrence of the Effective Date. The terms and conditions of each of the foregoing, as well as the identity of any individual who will be a party to a New Management Agreement, must be reasonably satisfactory to the Requisite Backstop Parties (the likely majority owners of Reorganized Kodak) and the Creditors' Committee. The Debtors do not believe that these arrangements violate section 503(c) of the Bankruptcy Code.

agreement, policy, program or plan that has expired or been terminated before the Effective Date, or restore, reinstate or revive any such benefit or alleged entitlement under any such contract, agreement, policy program or plan, and any assumed Compensation and Benefits Programs shall be subject to modification in accordance with their terms. Nothing in the Plan shall limit, diminish or otherwise alter the Debtors' or the Reorganized Debtors' defenses, claims, Causes of Action or other rights with respect to any such contracts, agreements, policies, programs and plans, including the Reorganized Debtors' rights to modify unvested benefits pursuant to their terms, nor shall confirmation of the Plan and/or consummation of any restructuring transactions constitute a change in control or change in ownership under any such contracts, agreements, policies, programs and plans.

~~3.~~ ~~Continuation of Qualified Plans~~

~~The Reorganized Debtors shall continue the Qualified Plans in accordance with their terms and applicable laws (including ERISA and the Internal Revenue Code), subject to any contractual or statutory rights to terminate or modify such plans. All Proofs of Claim filed on account of obligations owed under any Qualified Plan shall be deemed withdrawn as of the Effective Date, and any portion of a Proof of Claim related to such obligations shall be deemed withdrawn as of the Effective Date solely to the extent of such obligations, without any further action of the Debtors or the Reorganized Debtors and without any further action, order, or approval of the Bankruptcy Court.~~

~~4.~~ Workers' Compensation Program

On the Effective Date, except as set forth in the Plan or the Disclosure Statement, the Reorganized Debtors shall assume and continue to honor the Debtors' obligations under (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate and (b) the Debtors' written contracts, agreements, agreements of indemnity, self-insured workers' compensation bonds, policies, programs, and plans for workers' compensation and workers' compensation insurance. As of the Effective Date, all Proofs of Claim on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; ~~provided, however,~~ that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans; provided, further, that nothing in the Plan shall be deemed to impose any obligations on the Debtors or the Reorganized Debtors in addition to what is provided for under applicable state law.

~~5.~~ Compensation Arrangements with APS

On the Effective Date, Reorganized Kodak shall assume, and continue to honor and perform any compensation agreements with APS in connection with its role as crisis managers and specifically in connection with its provision of a chief restructuring officer and interim chief financial officer.

G.F. Treatment of Executory Contracts and Unexpired Leases

1. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, all Executory Contracts and Unexpired Leases will be rejected by the Plan on the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code, other than (a) Executory Contracts or Unexpired Leases previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) Executory Contracts or Unexpired Leases that are the subject of a motion to assume that is pending on the Effective Date and (c) Specified Contracts that EKC elects to assume pursuant to the Plan. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejection of such Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code.

2. Claims Against the Debtors Upon Rejection

No Executory Contract or Unexpired Lease rejected by the Debtors on or prior to the Effective Date shall create any obligation or liability of the Debtors or the Reorganized Debtors that is not a Claim. Any Proof of Claim arising from or relating to the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan must be filed with the Bankruptcy Court within 30 days after the Effective Date, unless rejected at a later date as a result of a disputed assumption, assignment or cure amount as set forth in Article 8.5 of the Plan. Any Claim arising from or relating to the rejection of an Executory Contract or Unexpired Lease that is not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors or any of their property. Any Allowed Claim arising from the rejection of an Executory Contract or Unexpired Lease shall be classified as an Unsecured Claim, and shall be treated in accordance with Article 4.2 of the Plan. Nothing in the Plan shall compromise the rights of any non-Debtor counterparty who is a licensee of a right to intellectual property to exercise its rights under section 365(n) of the Bankruptcy Code or any other similar rights.

3. Cure and Assumption of Specified Contracts

Any counterparty to a Specified Contract that fails to object timely to the proposed assumption of such Specified Contract or the related cure amount will be deemed to have consented to the assumption and cure on the terms provided in the notice, and entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of assumption and amount required to cure a default (if any) under such Specified Contract and/or a determination of the cure amount, as applicable, pursuant to sections 365 and 1123 of the Bankruptcy Code. Any payment required to cure a default under a Specified Contract shall be paid in Cash promptly after the Effective Date or, if there is a dispute regarding the assumption or cure of such Specified Contract, the entry of a Final Order or orders resolving such dispute.

4. Effect of Assumption

Assumption of any Executory Contract or Unexpired Lease, pursuant to the Plan or otherwise, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, and the deemed waiver of any termination right or remedial provision

arising under any such Executory Contract or Unexpired Lease at any time prior to the effective date of its assumption, or as a result of such assumption, the transactions contemplated by the Plan or any changes in control or ownership of any Debtors during the Chapter 11 Cases as a result of the implementation of the Plan. Notwithstanding the foregoing, with respect to Executory Contracts with customers of the Debtors that are assumed pursuant to the Plan, the Reorganized Debtors shall remain obligated to honor any obligations set forth in such contracts to provide rebates or discounts, to the extent such rebates or discounts accrued but are not yet due under the terms of such contracts, in the ordinary course of business. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged without further notice to, or action, order or approval of, the Bankruptcy Court, except in the event that the applicable Debtor and the counterparty to an Executory Contract or Unexpired Lease have separately agreed to a waiver or reduction of obligations that would otherwise constitute cure obligations, subject to the counterparties' explicit retention of their rights to assert any such amounts as Unsecured Claims.

Each Executory Contract and Unexpired Lease assumed pursuant to Article 8 of the Plan or any order of the Bankruptcy Court, which has not been assigned to a third party on or prior to the Effective Date, shall vest in, and be fully enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court.

5. Assumption or Rejection of Disputed Contracts

Except as otherwise provided by order of the Bankruptcy Court, if there is a dispute as of the Effective Date regarding any of the terms or conditions for the assumption, assignment or cure of an Executory Contract or Unexpired Lease (whether or not a Specified Contract) proposed by the Debtors to be assumed by the Reorganized Debtors or assumed and assigned to any other Person, the Reorganized Debtors shall have until 30 days after entry of a Final Order resolving such dispute to determine whether to (a) proceed with assumption (or assumption and assignment, as applicable) in a manner consistent with such Final Order or (b) reject the Executory Contract or Unexpired Lease. If the Reorganized Debtors elect to reject the applicable Executory Contract or Unexpired Lease, the Reorganized Debtors shall send written notice of rejection to the applicable counterparty within such 30-day period and the counterparty may file a Proof of Claim arising out of rejection within 30 days after receipt of notice of rejection.

6. Modification, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed or rejected shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or are rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to Prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the Prepetition nature of such Executory Contract or Unexpired Lease or the validity, priority or amount of any Claims that may arise in connection therewith.

7. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease as a Specified Contract, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease, or that any Reorganized Debtor has any liability thereunder.

8. Contracts and Leases Entered Into After the Petition Date

~~Contracts~~ Each Reorganized Debtor will perform its obligations under each contract and leases entered into by such Reorganized Debtor after the Petition Date ~~by any Debtor~~, including any Executory Contract and Unexpired Lease assumed by such Debtor, ~~will be performed by Reorganized Debtor, in each case, in accordance with and subject to the Reorganized Debtor liable thereunder in the ordinary course of its business then applicable terms.~~ Accordingly, such contracts and leases (including any assumed Executory Contracts or Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

9. Directors and Officers Insurance Policies and Agreements

To the extent that the D&O Liability Insurance Policies issued to, or entered into by, the Debtors prior to the Petition Date constitute executory contracts, notwithstanding anything in the Plan to the contrary, the Reorganized Debtors shall be deemed to have assumed all of the Debtors' unexpired D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code effective as of the Effective Date. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan shall not discharge, impair or otherwise modify any advancement, indemnity or other obligations of the D&O Liability Insurance Policies.

In addition, after the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any of the D&O Liability Insurance Policies with respect to conduct occurring prior thereto, and all directors and officers of the Debtors who served in such capacity at any time prior to the Effective Date shall be entitled from the insurers to the full benefits of any such policy for the full term of such policy regardless of whether such directors and officers remain in such positions after the Effective Date.

10. Indemnification and Reimbursement Obligations

On and from the Effective Date, except as prohibited by applicable law and subject to the limitations set forth in the Plan, the Reorganized Debtors shall assume all (i) contractual indemnification obligations set forth in the Plan Supplement and the Backstop Commitment Agreement and (ii) indemnification obligations currently in place in the Debtors'

bylaws, certificates of incorporation (or other formation documents), board resolutions, and in Compensation and Benefits Programs or other agreements with the Indemnified Parties, including any agreements with APS. Without limiting the foregoing and except as prohibited by applicable law, the Debtors shall indemnify and hold harmless each of the Indemnified Parties for all costs, expenses, loss, damage or liability incurred by any such Indemnified Party arising from or related in any way to any and all Causes of Action whether known or unknown, whether for tort, contract, violations of federal or state securities laws or otherwise, including any claims or causes of action, whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, based in whole or in part upon any act or omission, transaction or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including those arising from or related in any way to: (a) any action or omission of any such Indemnified Party with respect to any indebtedness of or any Equity Interest in the Debtors (including any action or omission of any such Indemnified Party with respect to the acquisition, holding, voting or disposition of any such investment); (b) any action or omission of any such Indemnified Party in such Indemnified Party's capacity as an officer, director, member, employee, partner or agent of, or advisor to any Debtor; (c) any disclosure made or not made by any Indemnified Party to any current or former Holder of any such indebtedness of or any such Equity Interest in the Debtors; (d) any consideration paid to any such Indemnified Party by any of the Debtors in respect of any services provided by any such Indemnified Party to any Debtor; and (e) any action taken or not taken in connection with the Chapter 11 Cases or the Plan, other than costs, expenses, loss, damage or liability arising out of or relating to any act or omission that is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud or a criminal act. In the event that any such Indemnified Party becomes involved in any action, proceeding or investigation brought by or against any Indemnified Party, as a result of matters to which the foregoing "Indemnification" may be related, the Reorganized Debtors shall promptly reimburse any such Indemnified Party for its reasonable and documented legal and other expenses (including advancing the costs of any investigation and preparation prior to final adjudication) incurred in connection therewith as such expenses are incurred and after a request for indemnification is made in writing, with reasonable documentation in support thereof; ~~provided, however,~~ that, with respect to those individuals who were directors or officers of any of the Debtors at any time prior to the Effective Date (other than the chief restructuring officer, the interim chief financial officer, and other temporary staff provided by APS), but who, as of the Effective Date, no longer are directors or officers of such Debtor, the Debtors' obligation to make advancements to and indemnify such individuals shall be limited to the extent of available coverage under their D&O Liability Insurance Policies (and payable from the proceeds of such D&O Liability Insurance Policies).

H.G. Provisions Governing Distributions

1. Initial Distributions

On the Initial Distribution Date, the Distribution Agent shall make Distributions under the Plan on account of each Claim that is Allowed on or prior to the Effective Date.

2. Subsequent Distributions

a. Subsequent Distribution Dates

Reorganized Kodak shall (in consultation with the Kodak GUC Trustee) identify periodic dates after the Initial Distribution Date to be Subsequent Distribution Dates for purposes of making additional Distributions under the Plan. Each Subsequent Distribution Date shall be a Business Day and the period between any Subsequent Distribution Date and the prior Distribution Date shall not exceed 180 days.

b. Distributions on Disputed Claims

The Distribution Agent shall make Distributions with respect to a Claim that becomes an Allowed Claim after the Effective Date on the first Subsequent Distribution Date after such Claim is Allowed. Unless Reorganized Kodak otherwise agrees, no partial Distributions shall be made with respect to a Disputed Claim until all disputes in connection with such Disputed Claim have been resolved by Final Order of the Bankruptcy Court.

c. Distributions on Allowed Claims from Disputed Claims Reserve

If there is Excess Property in the Disputed Claims Reserve on any Distribution Date and Reorganized Kodak so directs, the Distribution Agent shall make an additional Distribution to each Holder of an Allowed General Unsecured Claim in an amount equal to such Holder's Pro Rata share of such Excess Property.

3. Record Date and Delivery of Distributions

a. Record Date for Distributions

On the Distributions Record Date, the Claims Register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distributions Record Date. If a Claim, other than one based on a publicly traded security, is transferred 20 or fewer days before the Distributions Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical, and in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

b. Delivery of Distributions in General

Except as otherwise provided in the Plan, the Distribution Agent shall make all Distributions required under the Plan to Holders of Allowed Claims, except that distributions to Holders of Allowed Claims governed by a separate agreement and administered by a Servicer shall be deposited with the appropriate Servicer, at which time such distributions shall be deemed complete, and the Servicer shall deliver such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, Distributions to Holders of Allowed Claims shall be made to Holders of record as of the Distributions Record Date by the Distribution Agent or a

Servicer as appropriate: (a) to the signatory set forth on any of the Proofs of Claim filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is filed or if the Debtors, the Reorganized Debtors or the Distribution Agent have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of change of address delivered to the Notice and Claims Agent; or (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Notice and Claims Agent has not received a written notice of a change of address. The Debtors, the Reorganized Debtors, the Distribution Agent and the Notice and Claims Agent shall not incur any liability whatsoever on account of the delivery of any Distributions under the Plan.

c. Foreign Currency Exchange Rate

Except as otherwise provided in the Plan, an order of the Bankruptcy Court, or as agreed to by the Holder and the Debtors or the Reorganized Debtors, as applicable, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollars at the Exchange Rate.

4. Distribution Agents

The Debtors and the Reorganized Debtors, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the Distributions required hereunder. To the extent the Debtors and the Reorganized Debtors, as applicable, do determine to utilize a Distribution Agent to facilitate the Distributions, such Distribution Agent would first be required to: (a) affirm its obligation to facilitate the prompt distribution of any documents; (b) affirm its obligation to facilitate the prompt distribution of any recoveries or Distributions required under the Plan; and (c) waive any right or ability to set off, deduct from or assert any Lien or other encumbrance against the Distributions required under the Plan to be distributed by such Distribution Agent.

The Debtors or the Reorganized Debtors, as applicable, shall pay to the Distribution Agents all of their reasonable and documented fees and expenses without the need for any approvals, authorizations, actions or consents of the Bankruptcy Court or otherwise. The Distribution Agents shall submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agents seek reimbursement and the Debtors or the Reorganized Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. In the event that the Debtors or the Reorganized Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtors or the Reorganized Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Debtors or the Reorganized Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

5. *Delivery of Distributions to DIP Facility Claims*

For purposes of Distributions hereunder, the DIP ABL Agent shall be deemed to be the Holder of all DIP ABL Claims, and the DIP Term Loan Agent shall be the Holder of all DIP Term Loan Claims, and all Distributions on account of the DIP Facility Claims shall be made to the applicable DIP Facility Agent. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the DIP Facility Agents shall arrange to deliver or direct the delivery of such Distributions to the applicable holders of Allowed DIP Facility Claims. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Facility Agents shall not have any liability to any person with respect to Distributions made or directed to be made by the DIP Facility Agents.

6. *Delivery of Distributions to Second Lien Notes Claims*

The Second Lien Indenture Trustee shall be deemed to be the Holder of all Second Lien Notes Claims for purposes of Distributions hereunder, and all Distributions on account of Second Lien Notes Claims shall be made to or on behalf of the Second Lien Indenture Trustee. The Second Lien Indenture Trustee shall hold or direct such Distributions for the benefit of the holders of Allowed Second Lien Notes Claims. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the Second Lien Indenture Trustee shall arrange to deliver such Distributions to, or on behalf of, such holders of Allowed Second Lien Notes Claims. For the avoidance of doubt, the Second Lien Indenture Trustee shall only be required to act to make Distributions in accordance with the terms of the Plan. The Debtors' obligations to make Distributions to the Holders of the Second Lien Notes Claims in accordance with Article 4 of the Plan above shall be deemed satisfied upon delivery of Distributions to the Second Lien Indenture Trustee or, if consent of the Second Lien Indenture Trustee is given, to the Distribution Agent on behalf of the Second Lien Indenture Trustee, as provided for in the Plan.

7. *Delivery of Distributions to the Unsecured Notes Claims*

The Unsecured Notes Trustee shall be deemed to be the Holder of all Unsecured Notes Claims for purposes of Distributions hereunder, and all Distributions on account of Unsecured Notes Claims shall be made to or on behalf of the Unsecured Notes Trustee. The Unsecured Notes Trustee shall hold or direct such Distributions for the benefit of holders of Allowed Unsecured Notes Claims. As soon as practicable following compliance with the other requirements set forth in Article 9 of the Plan, the Unsecured Notes Trustee shall arrange to deliver such Distributions to, or on behalf of, such holders of Allowed Unsecured Notes Claims. For the avoidance of doubt, the Unsecured Notes Trustee shall only be required to act to make Distributions in accordance with the terms of the Plan. The Debtors' obligations to make Distributions to the Holders of Unsecured Notes Claims in accordance with Article 4 of the Plan shall be deemed satisfied upon delivery of Distributions to the Unsecured Notes Trustee or, if consent of the Unsecured Notes Trustee is given, to the Distribution Agent on behalf of the Unsecured Notes Trustee, as provided for in the Plan.

8. Fractional and De Minimis Distributions

Notwithstanding anything ~~in the Plan~~[herein](#) to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make Distributions or payments of less than ~~\$75~~[\\$50.00, or such other amount as the Reorganized Debtors and the Kodak GUC Trustee reasonably agree, which amount shall be set forth in the Plan Supplement](#) (whether Cash or otherwise) and shall not be required to make partial Distributions or Distributions of fractional shares of New Common Stock. Whenever any payment or Distribution of a fractional share of New Common Stock under the Plan would otherwise be called for, the actual payment or Distribution will reflect a rounding of such fraction to the nearest number of shares of New Common Stock (up or down), with half shares of New Common Stock or less being rounded down.

In addition, the Distribution Agent may, but shall not have any obligation to, make a Distribution on account of an Allowed Claim on a Subsequent Distribution Date if the aggregate amount of all Distributions authorized to be made on the Distribution Date has an economic value less than \$250,000, unless such Subsequent Distribution Date would be the final Distribution Date.

9. Undeliverable Distributions

In the event that any Distribution to any Holder is returned as undeliverable, or no address for such Holder is found in the Debtors' records, no further Distribution to such Holder shall be made unless and until the Reorganized Debtors or the Distribution Agent is notified in writing of the then-current address of such Holder, at which time such Distribution shall be made to such Holder on the first Distribution Date that is not less than 30 days thereafter. Undeliverable Distributions shall remain in the possession of the Reorganized Debtors and the Distribution Agent until such time as such Distribution becomes deliverable or such Distribution reverts to the Reorganized Debtors or is cancelled pursuant to Article 9.10 of the Plan, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

10. Reversion

Any Distribution under the Plan that is an Unclaimed Distribution for a period of six months thereafter shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and such Unclaimed Distribution shall revert in the Reorganized Debtors and, to the extent such Unclaimed Distribution is New Common Stock, such Unclaimed Distribution shall be deemed cancelled. Upon such reversion or cancellation, the Claim of any Holder or its successors and assigns with respect to such property shall be cancelled, discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable Distributions and Unclaimed Distributions shall apply with equal force to Distributions that are issued by the Debtors, the Reorganized Debtors, or the Distribution Agent made pursuant to any indenture or Certificate, notwithstanding any provision in such indenture or Certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned or unclaimed property law.

Nothing contained in the Plan shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim whose Distribution is declared an undeliverable or Unclaimed Distribution.

11. Surrender of Cancelled Instruments or Securities

Except as otherwise provided in the Plan, on the Effective Date, or as soon as reasonably practicable thereafter, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim is administered by a Servicer). Such Certificate shall be cancelled solely as to the Debtors and the Second Lien Notes Indentures and Unsecured Notes Indentures shall remain in effect and govern the rights and obligations of the Indenture Trustees and the beneficial holders of notes issued under such indentures. Subject to the foregoing sentence, regardless of any actual surrender of a Certificate, the deemed surrender shall have the same effect as if its Holder had actually surrendered such Certificate (including the discharge of such Holder's Claim or Equity Interest pursuant to the Plan), and such Holder shall be deemed to have relinquished all rights, Claims and Equity Interests with respect to such Certificate. Notwithstanding the foregoing paragraph, ~~this article~~ [Article 9.11 of the Plan](#) shall not apply to any Claims Reinstated pursuant to the terms of the Plan.

12. Compliance with Tax Requirements and Allocations to Principal and Interest

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any tax law, and all Distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including withholding in kind (including withholding New Common Stock), liquidating a portion of the Distributions to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding Distributions pending receipt of information necessary to facilitate such Distributions or establishing any other mechanisms they believe are reasonable and appropriate. For purposes of the Plan, any withheld amount (or property) shall be treated as if paid to the applicable claimant. The Reorganized Debtors reserve the right to allocate all Distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances. ~~For tax purposes,~~ Distributions in full or partial satisfaction of Allowed Claims shall be allocated first to trust fund-type taxes, then to other taxes and then to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that has accrued on such Claims.

13. Setoffs

Except as otherwise provided in the Plan, a Final Order of the Bankruptcy Court, or as agreed to by the Holder and the Debtors or the Reorganized Debtors, as applicable, each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 thereof), applicable non-bankruptcy law, or such terms as may be agreed to by the Holder and the Debtors

or the Reorganized Debtors, as applicable, may, without any further notice to, or action, order or approval of the Bankruptcy Court, set off against any Allowed Claim and the Distributions to be made on account of such Allowed Claim (before any Distribution is made on account of such Allowed Claim), any claims, rights and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such claims, rights or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); ~~provided, however,~~ that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Debtor or Reorganized Debtor of any such Claims, rights, and Causes of Action that such Debtor or Reorganized Debtor may possess against such Holder. In no event shall any Holder of a Claim be entitled to set off any Claim against any Claim, right, or Cause of Action of a Debtor or a Reorganized Debtor, as applicable, unless such Holder has filed a Proof of Claim in the Chapter 11 Cases by the applicable Claims Bar Date preserving such setoff and a Final Order of the Bankruptcy Court has been entered, authorizing and approving such setoff.

14. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order (including, for the avoidance of doubt, Article 4.2.3 of the Plan), required by applicable law, or agreed to by the Debtors or the Reorganized Debtors, as applicable, postpetition interest shall not accrue or be paid on any Claim, and no Holder of a Claim against the Debtors shall be entitled to interest accruing on, or after the Petition Date, on any such Claim. For the avoidance of doubt, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date an initial or final Distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

15. No Payment Over the Full Amount

In no event shall a Holder of a Claim receive more than the full payment of such Claim. To the extent any Holder has received payment in full with respect to a Claim, such Claim shall be disallowed and expunged without an objection to such Claim having been filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

16. Claims Paid or Payable by Third Parties

a. Claims Paid by Third Parties

If the Debtors become aware of the payment by a third party which causes the Holder of an Allowed Claim to receive more than payment in full, the Debtors or the Reorganized Debtors, as applicable, shall send a notice of wrongful payment to the applicable Holder requesting return of any excess payments and advising the recipient of the provisions of the Plan requiring turnover of excess funds. The failure of such Holder to timely repay or return such Distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period until the amount is repaid.

b. Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim shall be disallowed and expunged without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

H. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. Objections to Claims

Any objections to Claims (other than Administrative Claims) shall be filed on or before the Claims Objection Bar Date.

2. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not yet been the subject of a Final Order, shall be deemed to be estimated at zero dollars unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including, ~~but not limited to,~~ for purposes of Distributions).

Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court or under the Plan. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation of such Claim unless the Holder of such Claim has filed a motion with the Bankruptcy Court requesting the right to seek such reconsideration on or before 20 calendar days after the date such Claim is estimated by the Bankruptcy Court.

3. Expungement and Disallowance of Claims

a. Paid, Satisfied, Amended, Duplicate or Superseded Claims

Any Claim that has been paid, satisfied, amended, duplicated (by virtue of the substantive consolidation provided for under ~~this~~^{the} Plan, or otherwise) or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors on or after 14 calendar days after the date on which notice of such adjustment or expungement has been filed with the

Bankruptcy Court, without an objection to such Claim having to be filed, and without any further action, order or approval of the Bankruptcy Court.

b. Retiree Benefit Claims

Consistent with the Retiree Settlement, any Claims filed by Retirees on account of Retiree Benefits modified by the Retiree Settlement are expunged and disallowed without an objection to such Claim having to be filed, and without any further notice to or action, order or approval of the Bankruptcy Court.

c. Claims by Persons ~~from which~~ From Which Property Is Recoverable

Unless otherwise agreed to by the Reorganized Debtors or ordered by the Bankruptcy Court, any Claims held by any Person or Entity from which property is recoverable under sections 542, 543, 550 or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and any Holder of such Claim may not receive any Distributions on account of such Claim until such time as such Cause of Action against that Person or Entity has been resolved.

d. Indemnification Claims

All Claims filed on account of an indemnification obligation to a director, officer or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date, to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order or approval of the Bankruptcy Court.

e. Employee Benefit Claims

All Claims filed on account of ~~an employee benefit or a~~ obligations owed under any Compensation and Benefits Program (including, for the avoidance for doubt, the Qualified Plans) shall be deemed satisfied, withdrawn and expunged from the Claims Register as of the Effective Date, to the extent the Reorganized Debtors elect to assume or continue to honor such ~~employee benefit or~~ Compensation and Benefits Program, without any further action of the Debtors or Reorganized Debtors and without further notice to, or action, order or approval of, the Bankruptcy Court.

f. Claims Filed After the Applicable Claims Bar Date

Except as otherwise specifically provided in the Plan or in a Final Order of the Bankruptcy Court, any and all Proofs of Claim filed after the applicable Claims Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order or approval of the Bankruptcy Court, and any and all Holders of such Claims shall not receive any Distributions on account of such Claims, unless such late-filed Proof of Claim has been deemed timely filed by a Final Order of the Bankruptcy Court.

g. Amendments to Proofs of Claim

On or after the Effective Date, a Proof of Claim may not be amended (other than solely to update or correct the name or address of the Holder of such Claim) without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such amended Proof of Claim filed without such prior authorization shall be deemed disallowed in full and expunged without any further notice to or action, order or approval of the Bankruptcy Court.

4. No Distributions Pending Allowance

If an objection to a Claim or a portion thereof is filed as set forth in Article 10 of the Plan or the Claim otherwise remains a Disputed Claim, except as otherwise provided in a Final Order of the Bankruptcy Court, no payment or Distribution provided under the Plan shall be made on account of such Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

5. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the applicable provisions of the Plan.

6. Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date the Reorganized Debtors shall have the sole authority to (a) file, withdraw or litigate to judgment objections to Claims, (b) settle or compromise any Disputed Claim without any further notice to or action, order or approval of the Bankruptcy Court, and (c) administer and adjust, or cause to be administered and adjusted, the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court; provided that nothing in Article 10.7 of the Plan shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claim Objection Bar Date unless otherwise ordered by the Bankruptcy Court.

7. Disputed Claims Reserve

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Reorganized Debtors (after consultation with the Kodak GUC Trustee) shall set aside in the Disputed Claims Reserve the amount of New Common Stock or Cash that Reorganized Kodak determines would likely have been distributed to the Holders of all Disputed Claims as if such Disputed Claims had been Allowed on the Effective Date, with the amount of such Allowed Claims to be determined, solely for the purposes of establishing reserves and for maximum Distribution purposes, to be the lesser of (a) the asserted amount of the Disputed Claim filed with the Bankruptcy Court as set forth in the non-duplicative Proof of Claim, or (if no proof of such Claim was filed) listed by the Debtors in the Schedules, (b) the amount, if any, estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code or ordered by other order of the Bankruptcy Court, or (c) the amount otherwise agreed to by the Debtors or the Reorganized Debtors, in consultation with the Requisite Backstop Parties, as applicable, and the

Holder of such Disputed Claim for Distribution purposes. With respect to all Disputed Claims that are General Unsecured Claims and are unliquidated or contingent and for which no dollar amount is asserted on a Proof of Claim, the Debtors will reserve an aggregate number of shares of New Common Stock ~~equal to the lesser of: (a) the amount, if any, estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code or ordered by other order of the Bankruptcy Court or (b) [●] shares of New Common Stock.~~ adjusted from time to time equal to the amount reasonably determined by the Debtors.

The Distribution Agent may, at the direction of the Debtors or the Reorganized Debtors, adjust the Disputed Claims Reserve to reflect all earnings thereon (net of any expenses relating thereto, such expenses including any taxes imposed thereon or otherwise payable by the reserve), to be distributed on the Distribution Dates, as required by this Plan. The Distribution Agent shall hold in the Disputed Claims Reserve all dividends, payments and other distributions made on account of, as well as any obligations arising from, the property held in the Disputed Claims Reserve, to the extent that such property continues to be so held at the time such distributions are made or such obligations arise. The taxes imposed on the Disputed Claims Reserve (if any) shall be paid by the Distribution Agent from the property held in the Disputed Claims Reserve, and the Reorganized Debtors shall have no liability for such taxes.

To the extent that a Disputed Claim becomes an Allowed Claim after the Effective Date, the Distribution Agent will, out of the Disputed Claims Reserve, distribute to the Holder thereof the Distribution, if any, to which such Holder is entitled in accordance with this Plan. Subject to this Plan, all Distributions made under this paragraph on account of Allowed Claims will be made together with any dividends, payments or other Distributions made on account of, as well as any obligations arising from, the distributed property, then held in the Disputed Claims Reserve as if such Allowed Claim had been an Allowed Claim on the dates Distributions were previously made to Allowed Claim Holders included in the applicable Class under this Plan.

The Distribution Agent shall cause all New Common Stock in the Disputed Claims Reserve to be voted in proportion to the votes of all other holders of New Common Stock. After all Disputed Claims have become Allowed Claims or become disallowed and all Distributions required pursuant to this Plan have been made, the Distribution Agent shall, at the direction of Reorganized Debtors, either (a) effect a final distribution of the shares remaining in the Disputed Claims Reserve or (b) effect the orderly sale of the shares remaining in the Disputed Claims Reserve (so long as the aggregate market value of such shares does not exceed \$1,000,000 million) and distribute the actual Cash proceeds, in each case as required by this Plan.

J.I. Conditions Precedent to Effectiveness of the Plan

1. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11 of the Plan.

a. Confirmation Order

The Confirmation Order shall have been entered in a form and substance reasonably satisfactory to ~~EKC~~Kodak, the DIP Facility Agents, the Requisite Backstop Parties, the Creditors' Committee and the administrative agents under the Emergence ~~Review Parties~~ Credit Facilities and there shall not be a stay or injunction in effect with respect thereto.

b. Backstop Commitment Agreement.

The Backstop Commitment Agreement shall be in full force and effect and the transactions contemplated thereunder shall have been consummated and there shall not be a stay or injunction in effect with respect thereto.

~~b.c.~~ New Kodak Charter

The Reorganized Kodak Certificate of Incorporation shall have been duly filed with the Secretary of State of New Jersey.

~~e.d.~~ Emergence Credit Facilities

The Emergence Credit ~~Facilities~~Facility Documents shall have been duly executed and delivered by the Reorganized Debtors ~~and the other~~ parties thereto ~~and shall become effective as, and all conditions precedent to the consummation~~ of the ~~Effective Date~~Emergence Credit Facilities shall have been waived or satisfied in accordance with the terms thereof and the closing of the Emergence Credit Facilities shall have occurred.

~~d.e.~~ KPP Global Settlement

The KPP Global Settlement shall have been consummated on or prior to the Effective Date.

f. Kodak GUC Trust.

The Kodak GUC Trust Initial Amount shall have been deposited in the Kodak GUC Trust on or prior to the Effective Date.

~~e.g.~~ Professional Fee Escrow Account

The Debtors shall have established and funded the Professional Fee Escrow Account in accordance with Article 3.4.2 of the Plan.

~~f.h.~~ Necessary Documents

All actions, documents, certificates and agreements necessary to implement the Plan shall have been effected or executed and delivered, as applicable.

~~g.i.~~ Necessary Authorizations

All authorizations, consents, regulatory approvals, rulings or documents that are necessary to implement and effectuate the Plan as of the Effective Date shall have been received, waived or otherwise resolved.

2. Waiver of Conditions

The Debtors may waive conditions to the occurrence of the Effective Date ~~of the Plan~~ set forth in Article 11 of the Plan ~~may be waived~~ at any time ~~by the Debtors (x)~~ in consultation with the ~~Emergency Review~~ Creditors' Committee, and (y) with the consent of the Requisite Backstop Parties; in accordance with section 7.2 of the Backstop Commitment Agreement (which consent shall not be unreasonably withheld, conditioned or delayed).

3. Simultaneous Transactions

Except as otherwise expressly set forth in the Plan, the Confirmation Order or a written agreement by EKC, each action to be taken on the Effective Date shall be deemed to occur simultaneously as part of a single transaction.

4. Effect of Non-Occurrence of the Effective Date

If the Effective Date does not occur by ~~September 30~~ October 2, 2013 or such later date as the Debtors, in consultation with the ~~Emergency Review~~ Requisite Backstop Parties, agree, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors, prejudice in any manner the rights of the Debtors or any other Person, or constitute an admission, acknowledgment, offer or undertaking by the Debtors or any Person.

~~K.J.~~ Settlement, Release, Injunction and Related Provisions

1. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any Distribution to be made on account of such Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors and their Estates and is fair, equitable and reasonable.

2. Subordinated Claims

The allowance, classification and treatment of all Allowed Claims and Equity Interests and the respective Distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, however the Debtors reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal or equitable subordination relating thereto.

3. Discharge of Claims and Termination of Equity Interests

Pursuant to and to the fullest extent permitted by the Bankruptcy Code, except as otherwise specifically provided in the Plan or the Confirmation Order, the treatment of Claims and Equity Interests under the Plan shall be in full and final satisfaction, settlement, release, discharge, and termination, as of the Effective Date, of all Claims of any nature whatsoever, whether known or unknown, against, and Equity Interests in, the Debtors, any property of the Estates, the Reorganized Debtors or any property of the Reorganized Debtors, including all Claims of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Equity Interest based upon such Claim, debt, right, or Equity Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Equity Interest based upon such Claim, liability, obligation or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim, liability, obligation or Equity Interest has accepted the Plan. Except as otherwise provided in the Plan, any default by the Debtors or their Affiliates with respect to any Claim that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date.

4. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged, and all of the rights, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

5. Debtor Release

Except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, the Released Parties are hereby released and discharged by the Debtors, the Reorganized Debtors and the Estates, including any successor to the Debtors or any Estate representative from all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, existing or hereafter arising, in

law, at equity or otherwise, whether for indemnification, tort, contract, violations of federal or state securities laws or otherwise, including those that any of the Debtors, the Reorganized Debtors or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or any other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors and their non-Debtor subsidiaries, the Estates, the conduct of the businesses of the Debtors and their non-Debtor subsidiaries, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Supplement, the Disclosure Statement, the KPP Global Settlement, the Emergence Credit Facility Documents, the Rights Offerings, the Backstop Commitment Agreement or, in each case, related agreements, instruments or other documents, any action or omission with respect to Intercompany Claims, any action or omission as an officer, director, agent, representative, fiduciary, controlling person, affiliate or responsible party, or any transaction entered into or affecting, a non-Debtor subsidiary, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud or a criminal act.

~~Notwithstanding anything to the contrary in the Plan, the foregoing “Debtor Release” shall not operate to waive or release any Causes of Action of any Debtor: (a) arising under any contract, instrument, agreement, release or document delivered pursuant to the Plan, including the Emergence Credit Facility Documents or documents, agreements or instruments executed in connection therewith or (b) expressly set forth in and preserved by the Plan (including as set forth in footnote 6 in the Plan), the Plan Supplement or related documents.~~

6. Release by Holders of Claims

Except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, to the fullest extent permitted by applicable law, the Releasing Parties (regardless of whether a Releasing Party is a Released Party) shall be deemed to conclusively, absolutely, unconditionally, irrevocably and forever release, waive and discharge the Released Parties of any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including: any derivative claims asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, existing or hereafter arising, in law, at equity or otherwise, whether for indemnification, tort, contract, violations of federal or state securities laws or otherwise, including those that any of the Debtors, the Reorganized Debtors or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or

Equity Interest or any other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors and their non-Debtor subsidiaries, the Estates, the conduct of the businesses of the Debtors and their non-Debtor subsidiaries, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Supplement, the Disclosure Statement, the KPP Global Settlement, the Rights Offerings, the Emergence Credit Facility Documents, the Backstop Commitment Agreement or, in each case, related agreements, instruments or other documents, any action or omission with respect to Intercompany Claims, any action or omission as an officer, director, agent, representative, fiduciary, controlling person, affiliate or responsible party, or any transaction entered into or affecting, a non-Debtor subsidiary, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud, or a criminal act.

Each Person providing releases under the Plan, including the Debtors, the Reorganized Debtors, the Estates and the Releasing Parties, shall be deemed to have granted the releases set forth in those sections notwithstanding that such Person may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those claims or causes of action actually known or suspected to exist at the time of execution of such release.

Notwithstanding anything contained in the Plan to the contrary, the foregoing release does not release any post-Effective Date obligations of any party under the Plan or any document, instrument or agreement (including those set forth in the Plan Backstop Commitment Agreement and the Plan Supplement) executed to implement the Plan.

Additionally, nothing in the Debtors' Chapter 11 Cases, the Confirmation Order, the Plan, the Bankruptcy Code (including section 1141 thereof) or any other document filed in the Chapter 11 Cases shall in any way be construed to discharge, release, limit, or relieve the Debtors, the Reorganized Debtors, or any other party, in any capacity, from any liability or responsibility with respect to (a) any post-Effective Date obligation arising under the Internal Revenue Code, the Environmental Laws or any criminal laws of the United States or any state and local authority against the Released Parties or the Exculpated Parties ~~and/or~~ (b) the ~~U.S. Pension Plans~~ KRIP and the Qualex Base Plan. The United States, the ~~PBGC, the U.S. Pension Plans~~ Pension Benefit Guaranty Corporation, the KRIP, the Qualex Base Plan or any state or local authority shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the

Chapter 11 Cases. ~~EKC~~Kodak and its wholly-owned subsidiary, Qualex Inc., sponsor ~~two~~the KRIP and the Qualex Base Plan, respectively, each of which is a defined benefit plans covered by Title IV of ERISA. ~~These two pension plans are the KRIP and the Qualex Inc. Base Pension Plan. EKC Kodak and Qualex, respectively, will satisfy its obligations with respect to these PBGC Covered Pension Plans~~continue KRIP and the Qualex Base Plan in accordance with their terms and the relevant provisions of ERISA and the Internal Revenue Code, subject to any ~~contractual or~~ statutory right to terminate ~~or such plans or any right to~~ modify such plans.

7. Exculpation

Notwithstanding anything in the Plan to the contrary, as of the Effective Date, the Debtors and their directors, officers (including the chief restructuring officer and interim management), employees, attorneys, investment bankers, financial advisors, restructuring advisors and other professional advisors, representatives and agents will be deemed to have solicited acceptances of ~~this~~the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including section 1125(e) of the Bankruptcy Code and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with the solicitation.

Except with respect to any acts or omissions expressly set forth in and preserved by the Plan, the Plan Supplement or related documents, the Exculpated Parties shall neither have nor incur any liability to any Entity for any Prepetition or postpetition act taken or omitted to be taken in connection with, or arising from or relating in any way to, the Chapter 11 Cases, including, (a) the operation of the Debtors' businesses during the pendency of these Chapter 11 Cases; (b) formulating, negotiating, preparing, disseminating, implementing, administering, confirming and/or effecting the issuance of any shares of New Common Stock in connection with the Plan, the DIP Credit Agreements, the Disclosure Statement and the Plan, the Plan Supplement, the Rights Offerings and the issuance of Rights Offerings Shares, the Rights Offerings Procedures, the Backstop Commitment, Backstop Fees and any related contract, instrument, release or other agreement or document created or entered into in connection therewith (including the solicitation of votes for the Plan and other actions taken in furtherance of Confirmation and Consummation of the Plan); (c) the offer and issuance of any ~~Securities under the Plan~~securities under or in connection with the Plan, including pursuant to the Rights Offerings and the Backstop Commitment Agreement; or (d) any other Prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors.

Notwithstanding anything in the Plan to the contrary, nothing in the foregoing "Exculpation" shall exculpate any Person or Entity from any liability resulting from any act or omission that is determined by Final Order to have constituted fraud, willful misconduct, gross negligence, criminal conduct, or limits the liability of the professionals of the Exculpated Parties to their respective clients pursuant to N.Y. Comp. Codes R. & Regs. Tit. 22 § 1200.8 Rule 1.8(h)(1) (2009) and any other statutes, rules or regulations dealing with professional conduct to which such professionals are subject; *provided* that each Exculpated Party shall be entitled to rely upon the advice of counsel

concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement. Nothing in the Plan will effectuate the transfer of the GOT Adversary Patents or rights in the GOT Royalties during the pendency of the GOT Adversary Proceeding.

8. Injunction

Except as otherwise expressly provided in the Plan or Confirmation Order, the satisfaction, release and discharge pursuant to Article 12 of the Plan shall also act as a permanent injunction against any Person who has held, holds or may hold Claims or Equity Interests against commencing or continuing any action, employment of process or act to collect, enforce, offset, recoup or recover any Claim or Cause of Action satisfied, released, or discharged under the Plan or the Confirmation Order to the fullest extent authorized or provided by the Bankruptcy Code, including to the extent provided for or authorized by sections 524 and 1141 thereof.

9. Limitations on Exculpations and Releases

Notwithstanding anything to the contrary herein, none of the releases or exculpations set forth herein shall operate to waive or release any Causes of Action of any Debtor against any Person: (a) arising under any contract, instrument, agreement, release or document delivered pursuant to the Plan or the Rights Offerings, or, in each case, documents, agreements or instruments executed in connection therewith or (b) expressly set forth in and preserved by the Plan, the Plan Supplement or related documents.

~~L.K.~~ Modification, Revocation or Withdrawal of the Plan

1. Modification of Plan

Subject to the limitations contained in the Plan: (a) the Debtors reserve the right, in consultation with the Creditors' Committee and with the consent of the Requisite Backstop Parties (which consent shall not be unreasonably withheld, conditioned or delayed), in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, ~~after~~in consultation with the ~~Emergency Review~~Creditors' Committee and with the consent of the Requisite Backstop Parties, as the case may (which consent shall not be, unreasonably withheld, conditioned or delayed), may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

2. Effect of Confirmation on Modification

Entry of a Confirmation Order shall mean that all modifications and amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code, and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

3. Revocation of Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if the Confirmation Order is not entered or the Effective Date does not occur, then: (a) the Plan shall be null and void in all respects; (provided, the Debtors shall remain obligated to pay the Backstop Fees and Backstop Expense Reimbursement to the extent required under the Backstop Commitment Agreement); (b) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases affected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (c) nothing contained in the Plan shall: (i) constitute a waiver or release of any claims by or Claims against, or any Equity Interests in, any Debtor or any other Entity; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission of any sort by the Debtors or any other Entity.

~~M.L.~~ Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain its existing exclusive jurisdiction over all matters arising in or out of, or related to, the Chapter 11 Cases or the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- (a) allow, disallow, determine, liquidate, classify, estimate or establish the priority, secured or unsecured status, or amount of any Claim or Equity Interest, including the resolution of any request for payment of any General Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;
- (b) decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
- (c) resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including any disputes regarding cure obligations in accordance with Article 8.3 of the Plan; and (ii) any dispute regarding whether a contract or lease is, or was, executory or expired;
- (d) ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the Plan;
- (e) adjudicate, decide or resolve any motions, adversary proceedings, including the GOT Adversary Proceeding, contested or litigated matters,

and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

- (f) adjudicate, decide or resolve any and all matters related to Causes of Action pending before the Bankruptcy Court on the Effective Date;
- (g) adjudicate, decide or resolve any Causes of Action, including any Avoidance Actions;
- (h) adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- (i) adjudicate, decide or resolve any and all matters related to the KPP Claims and the KPP Global Settlement;
- (j) enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, Plan Supplement or ~~this~~the Disclosure Statement;
- (k) enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- (l) adjudicate, decide or resolve any and all disputes as to the ownership of any Claim or Equity Interest;
- (m) resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
- (n) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with enforcement of the Plan;
- (o) resolve any cases, controversies, suits, disputes or Causes of Action with respect to the existence, nature and scope of the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
- (p) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;
- (q) determine any other matters that may arise in connection with or relate to the Plan, the Plan Supplement, ~~this~~the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or

other agreement or document created in connection with the Plan, the Plan Supplement or ~~this~~ Disclosure Statement;

- (r) enter an order or final decree concluding or closing the Chapter 11 Cases;
- (s) adjudicate any and all disputes arising from, or relating to, Distributions under the Plan;
- (t) consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
- (u) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan (other than any dispute arising after the Effective Date under, or directly with respect to, the Emergence Credit Facility Documents and any intercreditor agreement, which disputes shall be adjudicated in accordance with the terms of such agreements);
- (v) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (w) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retirement benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
- (x) enforce all orders previously entered by the Bankruptcy Court; ~~and~~
- (y) hear and resolve any disputes relating to the Kodak GUC Trust or the Kodak GUC Trust Agreement;
- (z) hear and resolve any disputes relating to the Rights Offerings (and the conduct thereof) and the issuances of Rights Offerings Shares;
- (aa) hear and resolve any disputes relating to the Backstop Commitment Agreement; and
- ~~(y)~~(bb) hear any other matter not inconsistent with the Bankruptcy Code.

As of the Effective Date, notwithstanding anything in Article 14 of the Plan to the contrary, the Emergence Credit Facility Documents shall be governed by the jurisdictional provisions therein.

M. Kodak GUC Trust

1. Execution of Kodak GUC Trust Agreement

On or before the Effective Date, the Kodak GUC Trust Agreement shall be executed by the Debtors, the Creditors' Committee and the Kodak GUC Trustee, and all other necessary steps shall be taken to establish the Kodak GUC Trust and allocate the beneficial interests therein to the Holders of Allowed General Unsecured Claims and the Retiree Settlement Unsecured Claim, as provided in Articles 4.2.4 and 4.2.6, respectively, of the Plan, whether their Claims are Allowed on or after the Effective Date. The Kodak GUC Trust Agreement may provide powers, duties and authority in addition to those explicitly stated herein, but only to the extent that such powers, duties and authority do not affect the status of the Kodak GUC Trust as a liquidating trust for United States federal income tax purposes.

2. Purpose of the Kodak GUC Trust

The Kodak GUC Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

3. Kodak GUC Trust Assets

On the Effective Date, (a) the Kodak GUC Trust Avoidance Actions shall be transferred (and deemed transferred) to the Kodak GUC Trust without the need for any person or Entity to take any further action or obtain any approval and (b) the Debtors shall deposit the Kodak GUC Trust Initial Amount into the Kodak GUC Trust by wire transfer in accordance with wire transfer instructions provided by the Kodak GUC Trust to the Debtors prior to the Effective Date. Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax.

4. Governance of the Kodak GUC Trust

The Kodak GUC Trustee shall govern the Kodak GUC Trust.

5. The Kodak GUC Trustee

The Creditors' Committee shall designate the Kodak GUC Trustee. In the event the then appointed Kodak GUC Trustee dies, is terminated or resigns for any reason, the Trust Advisory Board shall promptly designate a successor trustee.

6. Role of the Kodak GUC Trustee

In furtherance of and consistent with the purpose of the Kodak GUC Trust and the Plan, the Kodak GUC Trustee shall (i) have the power and authority to hold, manage, convert to Cash, and distribute the Kodak GUC Trust's assets, including prosecuting and resolving the Kodak GUC Trust Avoidance Actions, (ii) hold the Kodak GUC Trust's assets for the benefit of its beneficiaries, and (iii) have the power and authority to hold, manage, and distribute Cash or non-Cash assets obtained through the exercise of its power and authority. In all circumstances,

the Kodak GUC Trustee shall act in the best interests of all beneficiaries of the Kodak GUC Trust and in furtherance of the purpose of the Kodak GUC Trust.

7. *Non-transferability of Kodak GUC Trust Interests*

The beneficial interests in the Kodak GUC Trust shall not be certificated and shall not be transferable.

8. *Cash*

The Kodak GUC Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code, *provided* that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

9. *Kodak GUC Trust Distributions*

At least annually, the Kodak GUC Trustee shall (in consultation with the Reorganized Debtors) make Distributions to the beneficiaries of the Kodak GUC Trust of all Cash on hand in accordance with the Kodak GUC Trust Agreement (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section any permitted investments under Article 16.8 of the Plan) except such amounts (i) that would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such Distribution (but only until such Claim is resolved), (ii) that are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Kodak GUC Trust during liquidation, (iii) that are necessary to pay reasonable expenses (including any taxes imposed on the Kodak GUC Trust or in respect of its assets), and (iv) that are necessary to satisfy other liabilities incurred by the Kodak GUC Trust in accordance with the Plan or the Kodak GUC Trust Agreement.

10. *Costs and Expenses of the Kodak GUC Trust*

The costs and expenses of the Kodak GUC Trust, including the fees and expenses of the Kodak GUC Trustee and its retained professionals, shall be paid from the Kodak GUC Trust with assets of the Kodak GUC Trust. Reorganized Kodak shall have no liability therefor.

11. *Compensation of the Kodak GUC Trustee*

The Kodak GUC Trustee shall be entitled to reasonable compensation approved by the Trust Advisory Board and paid by the Kodak GUC Trust with assets of the Kodak GUC Trust in an amount consistent with that of similar functionaries in similar roles.

12. *Retention of Professionals by the Kodak GUC Trustee*

The Kodak GUC Trustee may retain and compensate attorneys and other professionals to assist in its duties as Kodak GUC Trustee on such terms as the Kodak GUC Trustee deems appropriate without Bankruptcy Court approval. Without limiting the foregoing,

the Kodak GUC Trustee may retain any professional who represented the Creditors' Committee in the Chapter 11 Cases.

13. Federal Income Tax Treatment of the Kodak GUC Trust

a. Kodak GUC Trust Assets Treated as Owned by Creditors.

For all federal income tax purposes, all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the beneficiaries of the Kodak GUC Trust) shall treat the transfer of assets to the Kodak GUC Trust for the benefit of the beneficiaries thereof, whether their Claims are Allowed on or after the Effective Date, as

- (i) a transfer to the Holders of Allowed Claims receiving Kodak GUC Trust beneficial interests of their proportionate interests in the Kodak GUC Trust's assets (other than to the extent allocable to Disputed Claims), it being understood that the Backstop Party's interests in the Kodak GUC Trust's assets shall be reduced to take into account the Backstop Trust Waiver, followed by
- (ii) the transfer by such Holders to the Kodak GUC Trust of the Kodak GUC Trust's assets in exchange for their beneficial interests in the Kodak GUC Trust (and in respect all remaining assets, as a transfer to the Kodak GUC Trust to hold in reserve pending the resolution of Disputed Claims).

Accordingly, the Holders of Allowed Claims receiving Kodak GUC Trust beneficial interests shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the assets of the Kodak GUC Trust. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

b. Tax Reporting.

- (i) The Kodak GUC Trustee shall file returns for the Kodak GUC Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with Article 16.13.2 of the Plan. The Kodak GUC Trustee shall also annually send to each Holder of a beneficial interest a separate statement setting forth the Holder's share of items of income, gain, loss, deduction or credit and will instruct all such Holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Kodak GUC Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Kodak GUC Trust that are required by any governmental unit.
- (ii) As soon as possible after the Effective Date, the Kodak GUC Trustee shall make a good-faith valuation of the Kodak GUC Trust's assets, and such valuation shall be made available from time to time, to the

extent relevant, and shall be used consistently by all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the beneficiaries of the Kodak GUC Trust), for all federal income tax purposes.

- (iii) Allocations of Kodak GUC Trust taxable income among the Kodak GUC Trust beneficiaries shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein) if, immediately prior to such deemed distribution, the Kodak GUC Trust had distributed all its other assets (valued at their tax book value) to the Holders of the Kodak GUC Trust interests (treating all Disputed Claims as if they were Allowed Claims, in each case up to the tax book value of the assets treated as contributed by such Holders, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Kodak GUC Trust. Similarly, taxable loss of the Kodak GUC Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Kodak GUC Trust's assets. The tax book value of the Kodak GUC Trust's assets for this purpose shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, the applicable tax regulations, and other applicable administrative and judicial authorities and pronouncements.
- (iv) Subject to definitive guidance from the Internal Revenue Service, or a court of competent jurisdiction to the contrary (including the receipt by the Kodak GUC Trustee of a private letter ruling if the Kodak GUC Trustee requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Kodak GUC Trustee), the Kodak GUC Trustee shall (A) timely elect to treat the Kodak GUC Trust Claims Reserve as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, and (B) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All parties (including the Reorganized Debtors, the Kodak GUC Trustee, and the Kodak GUC Trust beneficiaries) shall report for tax purposes consistent with the foregoing.
- (v) The Kodak GUC Trustee shall be responsible for payments, out of the assets of the Kodak GUC Trust, of any taxes imposed on the trust or its assets, including the Kodak GUC Trust Disputed Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Kodak GUC Trust Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on

account of, Disputed Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Kodak GUC Trustee as a result of the resolutions of such Disputed Claims.

- (vi) The Kodak GUC Trustee may request an expedited determination of taxes of the Kodak GUC Trust, including the Kodak GUC Trust Disputed Claims Reserve, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Kodak GUC Trust for all taxable periods through the dissolution of the Kodak GUC Trust.

14. Dissolution

The Kodak GUC Trustee and the Kodak GUC Trust shall be discharged or dissolved, as the case may be, at such time as (a) the Kodak GUC Trustee and the Trust Advisory Board determine that the administration of the Kodak GUC Trust is not likely to yield sufficient additional proceeds to justify further pursuit of the Kodak GUC Trust Avoidance Actions or the Creditors' Committee's Causes of Action and (b) all Distributions required to be made by the Kodak GUC Trustee under the Plan and the Kodak GUC Trust Agreement have been made, provided that in no event shall the Kodak GUC Trust be dissolved later than three years after the Effective Date unless the Bankruptcy Court, upon motion within the six month period prior to the third anniversary (or at least six months prior to the end of any extension period), determines that a fixed period extension (not to exceed three years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that such further extension would not adversely affect the status of the trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Kodak GUC Trust's assets.

15. Indemnification and Exculpation

The Kodak GUC Trustee or the individuals comprising the Kodak GUC Trustee, as the case may be, and the Kodak GUC Trustee's agents and professionals, shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Kodak GUC Trustee, except those acts arising out of its or their own willful misconduct or gross negligence, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Kodak GUC Trustee, except for any actions or inactions involving willful misconduct or gross negligence. Any indemnification claim of the Kodak GUC Trustee (and the other parties entitled to indemnification under this subsection) shall be satisfied solely from the assets of the Kodak GUC Trust. The Kodak GUC Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

The members of the Trust Advisory Board shall be exculpated by the beneficiaries of the Kodak GUC Trust and any other Holders of General Unsecured Claims or the Retiree Settlement Unsecured Claim from any and all claims or causes of action and assertions of liability arising out of their performance of the duties conferred upon them by the Kodak GUC Trust Agreement, or any orders of the Bankruptcy Court, except to the

extent an act constitutes bad faith, gross negligence, willful misconduct, or actual fraud. No Holder of a General Unsecured Claim or the Retiree Settlement Unsecured Claim or representative thereof shall have or pursue any claim or cause of action against any member of the Trust Advisory Board for taking any action in accordance with the Kodak GUC Trust Agreement, or to implement the provisions of an order of the Bankruptcy Court. Nothing in this provision shall be deemed to alter or limit the provisions of the Kodak GUC Trust Agreement.

16. Authority to Prosecute and Settle Actions

Subject to the terms of the Kodak GUC Trust Agreement, after the Effective Date, only the Kodak GUC Trustee shall have the authority to maintain, prosecute, settle, dismiss, abandon or otherwise dispose of the Kodak GUC Trust Avoidance Actions. Subject to the terms of the Kodak GUC Trust Agreement, the Kodak GUC Trustee may enter into and consummate settlements and compromises of the Kodak GUC Trust Avoidance Actions without notice to or approval by the Bankruptcy Court.

17. Reorganized Debtors' Cooperation and Supply of Information and Documentation

Upon written request from the Kodak GUC Trustee, the Reorganized Debtors shall provide commercially reasonable cooperation, and shall supply, at the Kodak GUC Trust's sole expense and subject to confidentiality protections reasonably acceptable to the Reorganized Debtors, all reasonable information, records and documentation, to the Kodak GUC Trustee that is required to promptly, diligently and effectively evaluate, file, prosecute and settle the Kodak GUC Trust Avoidance Actions. Additionally, upon request by the Kodak GUC Trustee, the Reorganized Debtors shall use commercially reasonable efforts to make available personnel with information relevant to the Kodak GUC Trust Avoidance Actions.

18. Preservation of Privilege and Defenses

In connection with the Kodak GUC Trust Avoidance Actions, any applicable privilege or immunity of the Debtors (or Reorganized Debtors), including any attorney-client privilege or work-product privilege attaching to any documents or communications (whether written or oral), and all defenses, claims, counterclaims and rights of setoff or recoupment shall vest in the Kodak GUC Trust and may be asserted by the Kodak GUC Trustee. Nothing in Article 16.18 of the Plan nor any action taken by the Debtors or Reorganized Debtors in connection with the Plan, including any action taken pursuant to the Reorganized Debtors' obligations under Article 16.17 of the Plan, shall be (or be deemed to be) a waiver of any privilege or immunity of the Debtors or Reorganized Debtors, as applicable, including any attorney-client privilege or work-product privilege attaching to any documents or communications (whether written or oral). Notwithstanding the Reorganized Debtors' providing any privileged information to the Kodak GUC Trustee, the Kodak GUC Trust, or any party or person associated with the Kodak GUC Trust, such privileged information shall remain privileged. The GUC Trust shall have no right to waive the attorney-client privilege, work product or other protection or immunity of any information received from the Reorganized

Debtors. The Debtors (or the Reorganized Debtors) retain the right to waive their own privileges or immunities.

6. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the process of confirmation of the Plan. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and/or consult their own attorneys.

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing at which the Debtors will seek confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING ~~FOR ON~~ [●], 2013 AT [●] (EASTERN TIME) ~~ON~~ [●], 2013, BEFORE THE HONORABLE ALLAN L. GROPPER, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ONE BOWLING GREEN, NEW YORK, NEW YORK 10004. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT THEREOF.

OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE [●] (EASTERN TIME) ON [●], 2013, IN ACCORDANCE WITH THE NOTICE OF THE CONFIRMATION HEARING. UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE SOLICITATION PROCEDURES ORDER, THE NOTICE OF THE CONFIRMATION HEARING AND THE VOTING PROCEDURES, THEY WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Confirmation Standards

To confirm the Plan, the Bankruptcy Court must find that the requirements of section 1129 of the Bankruptcy Code have been satisfied. The Debtors believe that section 1129 has been satisfied because, among other things:

- (i) the Plan complies with the applicable provisions of the Bankruptcy Code;
- (ii) the Debtors, as ~~P~~plan proponents, have complied with the applicable provisions of the Bankruptcy Code;
- (iii) the Plan has been proposed in good faith and not by any means forbidden by law;

- (iv) any payment made or promised under the Plan for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable;
- (v) the Debtors will disclose the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer or voting trustee of the Debtors, an affiliate of the Debtors participating in the Plan with the Debtor or a successor to the Debtors under the Plan. The appointment to, or continuance in, such office of such individuals, will be consistent with the interests of Holders of Claims and Equity Interests and with public policy, and the Debtors will have disclosed the identity of any insider that the Reorganized Debtors will employ or retain and the nature of any compensation for such insider;
- (vi) with respect to each class of Impaired Claims or Equity Interests, either each holder of a Claim or Equity Interest in such class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code (see Section 6.C below, "Best Interests Test");
- (vii) each class of Claims or Equity Interests has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such class pursuant to section 1129(b) of the Bankruptcy Code;
- (viii) except to the extent that the holder of a particular General Administrative Claim has agreed or will agree to a different treatment of such Claim, the Plan provides that Allowed General Administrative Claims will be paid in full in Cash on the Effective Date;
- (ix) except to the extent that a holder of an Allowed Other Priority Claim has agreed to a different treatment of such Claim, each such holder shall receive cash in an amount equal to the Allowed amount of such Claim, or treatment in any other manner so that such Claim shall otherwise be rendered Unimpaired, (i) on the Effective Date or as soon as reasonably practicable thereafter; (ii) if an Other Priority Claim is Allowed after the Effective Date, on the date such Other Priority Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as the case may

be; or (iv) at such time and upon such terms as set forth in an order of the Bankruptcy Court;

- (x) except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, as soon as reasonably practicable after the Effective Date, on account of such Claim: (i) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (ii) Cash in an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and such holder; provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim at a later date; or (iii) at the option of the Debtors or the Reorganized Debtors, as applicable, and in lieu of payment in full in Cash of an Allowed Priority Tax Claim, deferred Cash payments on account thereof in the manner and to the extent permitted under section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on or before the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors or the Reorganized Debtors, as applicable, and such holder, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business;
- (xi) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan (see Section 6.D below, “Financial Feasibility”); and
- (xii) all fees payable under section 1930 of title 28 of the United States Code will be paid as of the Effective Date of the Plan.

C. Best Interests Test

1. Explanation of the Best Interests Test

Pursuant to section 1129(a)(7) of the Bankruptcy Code, eConfirmation of the Plan requires that, with respect to each Class of Impaired Claims or Equity Interests, each Holder of a Claim or Equity Interest in such Class either (i) accept the Plan or (ii) receive or retain under the Plan on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code (this latter clause is known as the “**Best Interests Test**”).

To determine the probable distribution to Holders of Claims and Equity Interests in each Impaired Class, if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors assets and properties in the context of a chapter 7 liquidation.

The Debtors' liquidation value would consist primarily of the unencumbered and unrestricted cash held by the Debtors at the time of the conversion to a chapter 7 liquidation and the proceeds resulting from the sale of the Debtors remaining unencumbered assets and properties by a chapter 7 trustee. The gross cash available for distribution would be reduced by the costs and expenses of the chapter 7 liquidation and any additional Administrative Claims that might arise as a result of the chapter 7 cases. Costs and expenses incurred as a result of the chapter 7 liquidation would include, among other things, the fees payable to a trustee in bankruptcy and the fees payable to attorneys and other professionals engaged by such trustee. Additional Administrative Claims could arise by reason of, among other things, the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtors during the pendency of these Chapter 11 Cases. Such Administrative Claims and any other Administrative Claims that might arise in a liquidation case or result from these Chapter 11 Cases, such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition Claims.

To determine if the Plan is in the best interests of each Impaired Class, the present value of the distributions from the proceeds of a liquidation of the Debtors' unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses and Administrative Claims associated with a chapter 7 liquidation, must be compared with the value offered to such Impaired Classes under the Plan. If the hypothetical liquidation distribution to Holders of Claims or Equity Interests in any Impaired Class is greater than the distributions to be received by such parties under the Plan, then the Plan is not in the best interests of the Holders of Claims or Equity Interests in such Impaired Class.

2. *Estimated Valuation, Financial Projections, and Emergence Balance Sheet of the Reorganized Debtors*

The value offered to Holders of Claims in Impaired Classes under the Plan is discussed in the valuation analysis for the Reorganized Debtors attached to this Disclosure Statement as Appendix F (the "Valuation Analysis"). The Valuation Analysis is based, in part, on the financial projections set forth provided in Appendix E hereto G to this Disclosure Statement (the "Financial Projections").

The Financial Projections do not reflect the impact an adoption of "fresh start" reporting in accordance with American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code." Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Attached hereto as Appendix FH is the Debtors' projected fresh start balance sheet for the Reorganized Debtors (the "**Emergence Balance Sheet**"). Fresh start adjustments in the Emergence Balance Sheet are not expected to have a material impact on the projected recoveries for creditors described therein. ~~The value of an operating business is subject to numerous~~

~~uncertainties and contingencies which are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. As a result, the estimated valuation of the Reorganized Debtors upon which the Emergence Balance Sheet is based is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth therein. Because such estimates are inherently subject to uncertainty, neither the Debtors, their advisors, nor any other person assumes responsibility for their accuracy. In addition, the valuation of newly issued securities is subject to additional uncertainty and contingencies, all of which are difficult to predict. The actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received by prepetition creditors, some of whom may prefer to liquidate their investments rather than hold them on a long-term basis, and other factors that generally influence the prices of securities.~~

3. Liquidation Analysis of the ~~Reorganized~~ Debtors

Amounts that a Holder of Claims and Equity Interests in Impaired Classes would receive in a hypothetical chapter 7 liquidation are discussed in the liquidation analysis of the Debtors prepared by the Debtors' management with the assistance of its advisors, attached to this Disclosure Statement as Appendix G (the "**Liquidation Analysis**").

As described in the Liquidation Analysis, underlying this analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management and their financial advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis if the Debtors were, in fact, to undergo a liquidation.

The Liquidation Analysis was developed solely for purposes of the formulation and negotiation of the Plan and to enable Holders of Claims entitled to vote under the Plan to make an informed judgment about the Plan, and should not be used or relied upon for any other purpose, including the purchase or sale of securities of, or Claims or Equity Interests in, the Debtors or any of their affiliates.

Events and circumstances subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The Debtors and the Reorganized Debtors do not intend and do not undertake any obligation to update or otherwise revise the Liquidation Analysis to reflect events or circumstances existing or arising after the date the Liquidation Analysis is initially filed or to reflect the occurrence of unanticipated events. Therefore, the Liquidation Analysis may not be relied upon as a guarantee or other assurance of actual future results.

In deciding whether to vote to accept or reject the Plan, Holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Liquidation Analysis and the reliability of the Liquidation Analysis.

4. Application of the Best Interests Test to the Liquidation Analysis of the Debtors and the Valuation Analysis of the Reorganized Debtors

Notwithstanding the difficulties in quantifying with precision the recoveries to Holders of Claims and Equity Interests, the Debtors believe that, based on [a comparison between the Valuation Analysis and the Liquidation Analysis](#), the Debtors' proposed Plan satisfies the requirements of the Best Interests Test. As ~~Appendix G~~ [the following table](#) indicates, members of each Impaired Class will receive more (or no less) under the Plan than they would through a liquidation of the Debtors in a hypothetical chapter 7 case.

<u>Class</u>	<u>Description</u>	<u>Estimated Recovery</u>	
		<u>Plan</u>	<u>Liquidation</u>
<u>1</u>	<u>Other Priority Claims</u>	<u>100%</u>	<u>0%</u>
<u>3</u>	<u>Second Lien Notes Claims</u>	<u>100%</u>	<u>0%</u>
<u>4</u>	<u>General Unsecured Claims</u>	<u>4%-5%</u>	<u>0%</u>
<u>6</u>	<u>Retiree Settlement Unsecured Claim</u>	<u>4%-5%</u>	<u>0%</u>
<u>7</u>	<u>Convenience Claims</u>	<u>4.5%</u>	<u>0%</u>
<u>8</u>	<u>Subsidiary Convenience Claims</u>	<u>100%</u>	<u>0%</u>
<u>9</u>	<u>Equity Interests</u>	<u>0%</u>	<u>0%</u>
<u>10</u>	<u>Section 510(b) Claims</u>	<u>0%</u>	<u>0%</u>

Accordingly, the Debtors believe that their continued operation as a going concern will allow the realization of greater value for their respective Impaired Classes than their liquidation.

D. Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to confirmation of the Plan, that the Bankruptcy Court find that confirmation is not likely to be followed by the liquidation of the Debtors or the need for further financial reorganization, unless such liquidation is contemplated by the Plan. For purposes of demonstrating that the Plan meets this feasibility standard, the Debtors, with the assistance of their financial advisors, have analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their business, taking into account the Financial Projections for the Reorganized Debtors. The Financial Projections were prepared by the Debtors' management.

~~The Financial Projections were developed solely for purposes of the formulation and negotiation of the Plan and to enable Holders of Claims entitled to vote under the Plan to make an informed judgment about the Plan, and should not be used or relied upon for any other purpose, including the purchase or sale of securities of, or Claims or Equity Interests in, the Debtors or any of their affiliates.~~

In addition to the cautionary notes contained elsewhere in this Disclosure Statement and in the Financial Projections, the Debtors reiterate that they make no representation as to the accuracy of the Financial Projections or their ability to achieve the projected results. The Financial Projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions which, though considered reasonable by the Debtors, may

not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, many of which are beyond the control of the Debtors and the Reorganized Debtors. The Debtors caution that no representations can be made or are made as to the accuracy of the Financial Projections or to the Reorganized Debtors' ability to achieve the projected results. Some assumptions inevitably will have been incorrect. Moreover, events and circumstances occurring subsequent to the date on which the Financial Projections were prepared may be different from those assumed, or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The Debtors and the Reorganized Debtors do not intend and do not undertake any obligation to update or otherwise revise the Financial Projections to reflect events or circumstances existing or arising after the date the Financial Projections are initially filed or to reflect the occurrence of unanticipated events. Therefore, the Financial Projections may not be relied upon as a guarantee or other assurance of actual future results.

In deciding whether to vote to accept or reject the Plan, Holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Financial Projections and the reliability of the Financial Projections.

Based upon the Financial Projections, the Debtors believe they will be able to make all distributions and payments under the Plan (including payment of all cure costs) and that Confirmation of the Plan is not likely to be followed by liquidation of the Reorganized Debtors or the need for further financial reorganization of the Reorganized Debtors.

E. Acceptance by Impaired Classes

Except as described in Section 6.F. below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. A class of claims or equity interests that is unimpaired under the plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Under section 1124 of the Bankruptcy Code, a class is impaired under a plan of reorganization unless (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan of reorganization by an impaired class as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class; only those holders that actually vote to accept or reject the plan are counted for purposes of determining whether these dollar and number thresholds are met. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number that actually vote cast their ballots in favor of acceptance. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted a plan of reorganization if holders of such equity interests holding at least two-thirds in amount have actually voted to accept the plan. Holders of Claims who fail to vote are deemed neither to accept nor to reject the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan will be confirmed in a procedure commonly known as cram-down, so long as the Plan does not “discriminate unfairly” and is “fair and equitable,” for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Equity Interests that is Impaired under, and has not accepted, the Plan. Pursuant to Article 4.65 of the Plan, the Debtors reserve the right to seek confirmation under section 1129(b) of the Bankruptcy Code if necessary.

1. Unfair Discrimination

The Plan does not “discriminate unfairly” for the purposes of section 1129 of the Bankruptcy Code if the Plan gives substantially equivalent treatment to each Class of equal rank; in determining whether a plan discriminates unfairly, courts take into account a number of factors, including the effect of applicable subordination agreements between parties. Accordingly, the Plan may treat two Classes of Holders of Unsecured Claims differently without unfairly discriminating against either Class.

2. Fair and Equitable

The condition that the Plan be fair and equitable includes the following requirement as applicable:

- (i) with respect to a non-accepting Class of Secured Claims, that: (a) the Holders of such Secured Claims retain the liens securing such Claims to the extent of the Allowed amount of the Secured Claims, whether the property subject to the liens is retained by the Debtors or transferred to another entity under the Plan; and (b) each Holder of a Secured Claim in the Class receive deferred cash payments totaling at least the Allowed amount of such Claim with a present value, as of the Effective Date, at least equivalent to the value of such Secured Claim holder’s interest in the Debtors’ property subject to the Liens.
- (ii) with respect to a non-accepting Class of Unsecured Claims, that either: (a) the Plan provide that each Claim Holder in such Class receive or retain, on account of such Claim, property of a value, as of the Effective Date, equal to the Allowed amount of such Claim; or (b) no Holder of any Claim or Equity Interest that is junior to the Claims or Equity Interests of such Class receive or retain any property under the Plan on account of such junior Claim or Equity Interest.
- (iii) with respect to a non-accepting Class of Equity Interests, that either: (a) the Plan provide that each Holder of an Equity Interest in such Class receive or retain under the Plan, on account of such Equity Interest, property of a value, as of the Effective Date, equal to the greater of: (i) the Allowed amount of any fixed liquidation preference

to which such Holder is entitled; (ii) any fixed redemption price to which such Holder is entitled; or (iii) the value of such Equity Interest; or (b) if the Class does not receive property in the amount required under (a), no Class of Equity Interests junior to the non-accepting Class receive a distribution under the Plan.

3. Confirmation of the Plan Pursuant to Section 1129(b)

The Debtors may seek eConfirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any Impaired Class presumed to reject the Plan, and reserve the right to do so with respect to any other rejecting Class of Claims, and/or to modify the Plan. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of confirmation of the Plan by the acceptance of the Plan by at least one Class that is Impaired under the Plan.

The Debtors submit that the Plan does not “discriminate unfairly” for the purposes of section 1129(b) of the Bankruptcy Code because all Classes of equal rank receive substantially equivalent treatment under the Plan.

The Debtors submit that the Plan is “fair and equitable” for the purposes of section 1129(b) of the Bankruptcy Code because, as set forth above and in the Plan, the Holders of Claims in Class 3 may be, and the Holders of Claims in Classes 1 and 2 are, Unimpaired and ~~are~~ therefore deemed to have accepted the Plan. The Holders of Claims in Class 3 may not receive, and the Holders of Claims in Classes ~~34~~ – 8 will not receive, a distribution equal to the Allowed amount of their Claims, but no Holders of Claims or Equity Interests junior to these Classes will receive a distribution under the Plan on account of such junior Claims or Equity Interests.

Holders of Equity Interests and Section 510(b) Claims will receive no distribution under the Plan on account of their Equity Interests or Claims, but there is no junior Claim or Equity Interest that shall receive any distribution under the Plan. Therefore, the requirements of section 1129(b) of the Bankruptcy Code would be satisfied in the event that the Debtors are required to cram down.

7. VOTING PROCEDURES

On June [●], 2013, the Bankruptcy Court entered an order, among other things, approving this Disclosure Statement, approving procedures for soliciting votes on the Plan, approving the form of the solicitation documents and various other notices, setting the Voting Record Date, the Voting Deadline and the date of the Confirmation Hearing, ~~establishing an Initial Administrative Claims Bar Date~~ and establishing the relevant objection deadlines and procedures associated with Confirmation of the Plan (the “**Solicitation Procedures Order**”).²⁹

²⁹ Capitalized terms in this Section 7 not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the Solicitation Procedures Order.

A copy of the Solicitation Procedures Order is hereby incorporated by reference as though fully set forth herein. ~~THE SOLICITATION PROCEDURES ORDER SHOULD BE READ IN CONJUNCTION WITH THIS SECTION 7 OF THIS DISCLOSURE STATEMENT~~The Solicitation Procedures Order should be read in conjunction with this Section 7 of this Disclosure Statement.

If you have any questions about: (a) the procedures for voting your Claim or with respect to materials that you have received or (b) the amount of your Claim or Equity Interest, or wish to obtain (at no charge) an additional copy of the Plan, this Disclosure Statement or other solicitation documents, please contact:

~~Eastman~~-Kodak ~~Ballot Processing~~Balloting Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245
T: 888-249-2721
<http://www.kccllc.net/kodak>

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code and that the disclosure by the Debtors concerning the Plan has been adequate and includes information concerning all payments made or promised by the Debtors in connection with the Plan and these Chapter 11 Cases. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law and, under Bankruptcy Rule 3020(b)(2), it may make such a determination without receiving evidence if no objection is timely filed.

In particular, and as described in more detail below, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that: (a) the Plan has been accepted by the requisite votes of all Classes of Impaired Claims unless approval will be sought under section 1129(b) of the Bankruptcy Code in spite of the nonacceptance by one or more such Classes; (b) the Plan is “feasible,” meaning there is a reasonable probability that the Debtors will be able to perform their obligations under the Plan and continue to operate their businesses without further financial reorganization or liquidation; and (c) the Plan is in the “best interests” of all Holders of Claims and Equity Interests, meaning that all such Holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code.

~~THE BANKRUPTCY COURT MUST FIND THAT ALL CONDITIONS MENTIONED ABOVE ARE MET BEFORE IT CAN CONFIRM THE PLAN. THUS, EVEN IF ALL CLASSES OF IMPAIRED CLAIMS ACCEPT THE PLAN BY THE REQUISITE VOTES, THE BANKRUPTCY COURT MUST STILL MAKE AN INDEPENDENT FINDING THAT THE PLAN SATISFIES THESE REQUIREMENTS OF THE BANKRUPTCY CODE, THAT THE PLAN IS FEASIBLE, AND THAT THE PLAN IS IN THE BEST INTERESTS OF THE HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS.~~The Bankruptcy Court must find that all conditions mentioned above are met before it can confirm the Plan. Thus, even if all classes of Impaired Claims accept the Plan by the requisite votes, the Bankruptcy Court must still make an independent finding that the Plan

satisfies these requirements of the Bankruptcy Code, that the Plan is feasible, and that the Plan is in the best interests of the Holders of Claims against and Equity Interests in the Debtors.

UNLESS THE BALLOT BEING FURNISHED IS TIMELY RECEIVED BY THE NOTICE AND CLAIMS AGENT ON OR PRIOR TO ~~10:00~~ AUGUST 9, 2013 AT 4:00 P.M. (~~PACIFIC~~EASTERN TIME) TOGETHER WITH ANY OTHER DOCUMENTS REQUIRED BY SUCH BALLOT, THE DEBTORS MAY, IN THEIR SOLE DISCRETION, REJECT SUCH BALLOT AS INVALID AND, THEREFORE, DECLINE TO COUNT IT AS AN ACCEPTANCE OR REJECTION OF THE PLAN. BENEFICIAL BALLOTS MUST BE COMPLETED, EXECUTED AND RETURNED TO THE VOTING NOMINEE SO THAT THEY ARE ACTUALLY RECEIVED BY THE VOTING NOMINEE IN SUFFICIENT TIME SO THAT THE VOTING NOMINEE CAN ENSURE THAT YOUR BALLOT IS ACTUALLY COUNTED AND SUBMITTED WITH THE MASTER BALLOT. IN NO CASE SHOULD A BALLOT OR ANY OF THE CERTIFICATES BE DELIVERED TO THE DEBTORS OR ANY OF THEIR ADVISORS.

A. Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “impaired” under a plan of reorganization unless: (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan of reorganization is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan of reorganization is deemed to have accepted the plan, and the plan proponent need not solicit such holder’s vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed description of the treatment of Claims and Equity Interests under the Plan, refer to Section 5 below, entitled “above—Summary of the Plan.”

The Holder of a Claim that is Impaired under the Plan is entitled to vote to accept or reject the Plan if: ~~(a)~~ the Plan provides a distribution in respect of such Claim; and: ~~(b)~~ the Holder has timely filed a Proof of Claim, ~~and~~ such Proof of Claim is not in an amount of \$0.00, and is not subject to an objection as of July 12, 2013, (ii) the Claim has been scheduled by the respective Debtor in the Schedules; in an amount that is not listed in its entirety as contingent, unliquidated or disputed (a claim that is listed as partially liquidated and partially unliquidated shall vote only in the liquidated amount); (iii) ~~the Claim is not subject to an objection as of [●], 2013;~~ ~~(iv)~~ the Holder of a Claim has timely filed a motion pursuant to Bankruptcy Rule 3018(a) seeking temporary allowance of such Claim for voting purposes only and the Debtor has not opposed such motion or objected to the Claim, in which case the Holder’s vote will be counted

only upon order of the Bankruptcy Court at the Confirmation Hearing; or (v) by other Court order.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures Order also sets forth assumptions and procedures for tabulating Ballots, including Ballots that are not completed fully or correctly.

B. Releases under the Plan

The third-party release and injunction language in Article 12 of the Plan is described above in Section 5 of this Disclosure Statement. Each Ballot advises creditors in bold and capitalized print that creditors who (a) vote to accept the Plan or (b) vote to reject the Plan and ~~(b)~~ do not elect to opt out of the release provisions of Article 12 of the Plan shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged the Released Parties from any and all Causes of Action. ~~A creditor who does not cast a Ballot or who is not entitled to cast a Ballot will be deemed to have opted out of the releases described in Article 12 of the Plan.~~

C. Classes under the Plan

1. Voting Impaired Classes of Claims

Classes 3 ~~—~~ 8 are Impaired under, and ~~are~~ entitled to vote to accept or reject, the Plan.

2. Unimpaired Classes of Claims

Classes 1 and 2 are Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to have accepted the Plan.

3. Impaired Classes of Equity Interests Deemed to Reject the Plan

Holders of Equity Interests in Class 9 and Holders of Section 510(b) Claims in Class 10 are not entitled to receive any distribution under the Plan on account of their Claims and Equity Interests.

D. Solicitation Packages for Voting Classes

All Eligible Rights Offerings Participants will receive separate materials regarding the Rights Offerings, including a copy of the Rights Offerings Procedures and Rights Exercise Forms. These materials will not be included in the Solicitation Packages described below.

To be entitled to receive Rights Offerings Consideration in the form of Cash (in addition to 1145 Rights, if eligible), a Holder of a Claim in Class 4 or 6 must certify on its Ballot that it (a) is neither a “qualified institutional buyer” or an “accredited investor”

within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, or (b) did not, as of April 30, 2013 and the 4(2) Certification Date, beneficially own General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a “qualified institutional buyer,” \$100,000 or (y) in the case of an “accredited investor,” \$500,000. A Holder of a Claim in Class 4 or 6 that does not provide such certification will receive no Cash Rights Offerings Consideration.

As set forth in the Solicitation Procedures Order, the Debtors will distribute Solicitation Packages, or cause Solicitation Packages to be distributed, to the eClasses entitled to vote on the Plan ~~Solicitation Packages~~.³⁰ The Solicitation Packages will contain³⁰:

- ~~1.~~(i) a cover letter (a) describing the contents of the Solicitation Package, the contents of any enclosed CD-ROM and instructions for how hard copies of any materials provided on CD-ROM can be obtained at no charge and (b) urging the Holders in each of the voting Classes to vote to accept the Plan;
- ~~2.~~(ii) the Confirmation Hearing Notice;
- ~~3.~~(iii) a Ballot ~~(or Master Ballot and, as appropriate, together with~~ a pre-addressed postage-paid return envelope;
- ~~4.~~(iv) this Disclosure Statement (with the Plan annexed thereto and other exhibits) in electronic format on a CD-ROM;
- ~~5.~~(v) the Solicitation Procedures Order (without exhibits) in electronic format on a CD-ROM;
- ~~6. — the Notice of the Administrative Claims Bar Date and a form to request payment of an Administrative Claim; and~~
- (vi) a letter from the Creditors’ Committee; and
- ~~7.~~(vii) such other materials as the Bankruptcy Court may direct, including, ~~but not limited to,~~ any letters from the various official committees recommending acceptance of the Plan.

E. Solicitation Packages for Non-Voting Classes

1. Unimpaired Classes of Claims Not Eligible to Vote

Under section 1126(f) of the Bankruptcy Code, classes that are not impaired under a plan of reorganization are deemed to accept the plan. The following Classes are Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to accept

³⁰ ~~Subject to further review.~~ The Solicitation Packages will be distributed electronically to certain creditors who were customers of Kodak Gallery.

the Plan: Classes 1 and 2.³¹ Their votes to accept or reject the Plan will not be solicited. Pursuant to the Solicitation Procedures Order, these parties should only receive a notice of non-voting status with respect to Unimpaired Classes deemed to accept the Plan.

2. *Impaired Classes of Claims and Equity Interests Not Eligible to Vote*

Under section 1126(g) of the Bankruptcy Code, classes that are not entitled to receive or retain any property under a plan of reorganization are deemed to reject the plan. The following Classes receive no property under the Plan and deemed under section 1126(g) of the Bankruptcy Code to reject the Plan: Classes 9 and 10. Their vote to accept or reject the Plan will not be solicited. Pursuant to the Solicitation Procedures Order, these parties should only receive a notice of non-voting status with respect to Impaired Classes deemed to reject the Plan.

F. Voting Procedures

~~BALLOTS CAST BY HOLDERS AND MASTER BALLOTS CAST ON BEHALF OF BENEFICIAL HOLDERS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE NOTICE AND CLAIMS AGENT BY THE VOTING DEADLINE AT THE FOLLOWING ADDRESS:~~

Ballots cast by Holders and Master Ballots cast on behalf of beneficial Holders in Classes entitled to vote must be received by the Notice and Claims Agent by the Voting Deadline at the following address:

For Ballots, If by U.S. Mail, courier or hand delivery:

~~Eastman~~-Kodak ~~Ballot Processing~~Balloting Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

For Master Ballots, if by U.S. Mail, courier or hand delivery:

Kurtzman Carson Consultants LLC
Attn: Kodak Balloting Center
599 Lexington Avenue
39th Floor
New York, NY 10022
Telephone: (887) 833-4150

Beneficial Ballots must be completed, executed and returned to your Voting Nominee so that they are actually received by your Voting Nominee in sufficient time so that

³¹ As set forth in Article 4.2.3 of the Plan, if the Second Lien Acceptance is not obtained, Second Lien Notes Claims may be Unimpaired.

[your Voting Nominee can ensure that your Ballot is actually counted and submitted with the Master Ballot.](#)

IF YOU HAVE ANY QUESTIONS ON VOTING PROCEDURES, PLEASE
CALL THE NOTICE AND CLAIMS AGENT AT 888-249-2721.

Ballots received after the Voting Deadline will not be counted by the Debtors in connection with the Debtors' request for confirmation of the Plan. The method of delivery of Ballots to be sent to the Notice and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Plan, such delivery will be deemed made only when the original executed Ballot is actually received by the Notice and Claims Agent. In all cases, sufficient time should be allowed to ensure timely delivery. Ballots must be signed and legible, and must be clearly marked to either except or reject the Plan (but not marked both). If a Ballot is signed by a trustee, executor, administrator, guardian, attorney in fact or other person acting in a fiduciary or representative capacity, such person shall be required to indicate such capacity when signing the Ballot. Original executed Ballots are required. Delivery of a Ballot to the Notice and Claims Agent by facsimile, e-mail or any other electronic means will not be accepted. No Ballot should be sent to the Debtors, their agents (other than the Notice and Claims Agent), any Indenture Trustee (unless specifically instructed to do so) or the Debtors' financial or legal advisors, and if so sent will not be counted.

Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and those restrictions on modifications set forth in the Plan, the Debtors may alter, amend or modify the Plan, without additional disclosure pursuant to section 1125 of the Bankruptcy Code. If the Debtors make changes in the terms of the Plan materially adverse to any Holder of Claims or Equity Interests or if the Debtors waive a material condition [to the effectiveness of the Plan described in Article 11 of the Plan](#), the Debtors will disseminate additional solicitation materials to such affected Class and will extend the solicitation period, in each case to the extent directed by the Bankruptcy Court. After the Confirmation Date and prior to substantial consummation of the Plan, the Debtors may institute proceedings in the Bankruptcy Court pursuant to section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistencies in the Plan, this Disclosure Statement or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of the Plan.

8. **RIGHTS OFFERINGS AND RIGHTS OFFERINGS PROCEDURES**³²

A. **Overview of the Rights Offerings**

Rights (the “**1145 Rights**”) to purchase 1145 Rights Offering Shares at a price per share equal to \$11.94 (the “**Per Share Price**”) are being distributed to the 1145 Eligible Participants as pre-confirmation distributions under the Plan and in conjunction with the Debtors’ solicitation of votes to accept or reject the Plan. The aggregate number of 1145 Rights Offering Shares (the “**Aggregate 1145 Share Amount**”) will be six million.

In addition, Rights (the “**4(2) Rights**” and, together with the 1145 Rights, the “**Rights**”) to purchase 4(2) Rights Offering Shares at the Per Share Price are being distributed to the 4(2) Eligible Participants as pre-confirmation distributions under the Plan and in conjunction with the Debtors’ solicitation of votes to accept or reject the Plan. The aggregate number of 4(2) Rights Offering Shares (the “**Aggregate 4(2) Share Amount**”) will be determined based on the results of the 1145 Rights Offering, and will be equal to the sum of (x) 28 million and (y) the number of 1145 Rights Offering Unsubscribed Shares.

The two Rights Offerings, in conjunction with the Backstop Commitment Agreement, are designed to raise \$406 million of equity capital. In addition to the Debtors’ cash on hand and proceeds that will be made available under the Debtors’ proposed emergence financing, the proceeds from the Rights Offerings will be used to consummate the Plan.

The Debtors have designated Kurtzman Carson Consultants LLC as the “**Subscription Agent**” for the Rights Offerings.

B. **The Rights Offerings Procedures**

On June 19, 2013, the Debtors filed a motion [Docket No. 4082] (the “**Rights Offerings Procedures Motion**”) seeking, among other things, approval of the Debtors’ proposed procedures for the implementation of the Rights Offerings, attached as Exhibits B and C to the Rights Offerings Procedures Motion (the “**Rights Offerings Procedures**”). The Rights Offerings Procedures are attached hereto as Appendix J.

1. *1145 Rights Offering Procedures*

a. *1145 Eligible Participants*

An “**1145 Eligible Participant**” means a Person that satisfies the following criteria: (a) such Person is the beneficial owner of an 1145 Eligible Claim as of July 26, 2013 (or such later date as the Debtors may determine in consultation with the Creditors’ Committee and

³² Capitalized terms in this Section 8 not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the applicable Rights Offerings Procedures. This Section 8 is only intended to provide a summary of the Rights Offerings Procedures. To the extent of any inconsistency between this summary and the applicable Rights Offerings Procedures, the applicable Rights Offerings Procedures shall govern.

the Requisite Backstop Parties, the “1145 Claim Determination Date”) and (b) such Person is the beneficial owner of such 1145 Eligible Claim on the Effective Date.

b. 1145 Rights Exercise Form

In order to exercise 1145 Rights, an 1145 Eligible Participant must duly complete and timely deliver the rights exercise form (the “1145 Rights Exercise Form”), along with its Subscription Purchase Price in accordance with the 1145 Rights Offering Procedures. The 1145 Rights Exercise Form indicates the Per Share Price payable in connection with the exercise of the 1145 Rights.

c. Determination of an 1145 Eligible Participant’s 1145 Available Shares

Each 1145 Eligible Participant shall be entitled to subscribe for that number of 1145 Rights Offering Shares equal to the product (rounded down to the nearest whole share) of: (a) the resulting quotient of (x) the aggregate amount of such holder’s 1145 Eligible Claims to (y) \$2.8 billion,³³ multiplied by (b) the Aggregate 1145 Share Amount (such number of shares, the “1145 Available Shares”; and any remaining unsubscribed and unpaid for shares being the “1145 Rights Offering Unsubscribed Shares”).

An “1145 Eligible Claim” means (a) a Retiree Settlement Unsecured Claim, (b) an Unsecured Notes Claim equal to or greater than \$10,000 in principal amount or (c) any other General Unsecured Claim (x) equal to the amount, as of the 1145 Claim Determination Date, that such Claim has been (i) stipulated to by the Debtors in writing (including on its Schedules, provided that if such 1145 Eligible Claim is stipulated to on the Schedules in an amount greater than the amount given on the Proof of Claim relating to such 1145 Eligible Claim, the amount of such 1145 Eligible Claim for the purposes of the 1145 Rights Offering Procedures shall be the amount given on such Proof of Claim) or (ii) allowed by the Bankruptcy Court by Final Order, in each case, on or before the 1145 Claim Determination Date, or (y) in such other amount as the Debtors, the Creditors’ Committee and the Requisite Backstop Parties may collectively agree. For the avoidance of doubt, (1) contingent, unliquidated and disputed Claims set forth on the Schedules shall not be deemed “stipulated,” and (2) the Unsecured Notes Claims and the Non-Qualified Pension Unsecured Claims (solely to the extent the Non-Qualified Pension Stipulation is entered by the Bankruptcy Court prior to the 1145 Claim Determination Date) will be deemed stipulated Claims, in each case, for purposes of (a)(i) above.

d. Transfer Restrictions

THE 1145 RIGHTS ARE NOT DETACHABLE FROM 1145 ELIGIBLE CLAIMS.

³³ This amount represents the Debtors’ good faith estimate of the valid amount of Claims represented by General Unsecured Claims and the Retiree Settlement Unsecured Claim, which amount has been determined in consultation with the Requisite Backstop Parties and Creditors’ Committee in order to ensure compliance with section 1145 of the Bankruptcy Code.

THE 1145 RIGHTS ARE NOT TRANSFERABLE AFTER THE 1145 CLAIM DETERMINATION DATE.

IF ANY PORTION OF AN 1145 ELIGIBLE CLAIM IS OR HAS BEEN (AFTER THE 1145 CLAIM DETERMINATION DATE) TRANSFERRED BY AN 1145 ELIGIBLE PARTICIPANT, THE CORRESPONDING 1145 RIGHTS WILL BE CANCELLED, AND NEITHER SUCH 1145 ELIGIBLE PARTICIPANT NOR THE TRANSFEREE OF SUCH 1145 ELIGIBLE CLAIM WILL RECEIVE 1145 RIGHTS OFFERING SHARES IN CONNECTION WITH SUCH TRANSFERRED 1145 ELIGIBLE CLAIM.

e. Duration of the 1145 Rights Offering

The 1145 Rights Offering will commence on the day upon which the 1145 Rights Exercise Form is first mailed or made available to 1145 Eligible Participants (the “1145 Rights Offering Commencement Date”), which the Debtors estimate to be no later than July 8, 2013.

The 1145 Rights Offering will expire at 5:00 p.m. (Eastern Time) on August 9, 2013 (the “1145 Rights Offering Expiration Date”).

Each 1145 Eligible Participant intending to participate in the 1145 Rights Offering must affirmatively make a binding election to exercise its 1145 Rights on or prior to the 1145 Rights Offering Expiration Date, and submit payment by wire transfer of immediately available funds for all duly subscribed for 1145 Rights Offering Shares, so that such payment is actually received by the Subscription Agent on or prior to the 1145 Rights Offering Expiration Date.

To facilitate the exercise of the 1145 Rights, the Debtors will mail or cause to be mailed the 1145 Rights Exercise Form (i) on the 1145 Rights Offering Commencement Date, to each beneficial owner of a General Unsecured Claim or the Retiree Settlement Unsecured Claim as of June 18, 2013, or its intermediary, or (ii) within three Business Days of the 1145 Claim Determination Date, to each 1145 Eligible Participant whose Claim is or became an 1145 Eligible Claim, or whose 1145 Eligible Claim increases, as of the 1145 Claim Determination Date, or its intermediary, together with a copy of the 1145 Rights Offering Procedures and a set of instructions for the proper completion, due execution and timely delivery of the 1145 Rights Exercise Form and payment of the Subscription Purchase Price to the Subscription Agent.

To the extent that an 1145 Eligible Participant holds an Unsecured Notes Claim through the facilities of The Depository Trust Company (“DTC”), the Debtors will furnish or cause to be furnished an 1145 Rights Exercise Form to such 1145 Eligible Participant’s broker, bank, dealer, or other agent or nominee (a “Subscription Nominee”). Each Subscription Nominee will be entitled to receive sufficient copies of the 1145 Rights Exercise Form for distribution to 1145 Eligible Participants that are beneficial owners of Unsecured Notes Claims for whom such Subscription Nominee holds such Claims.

f. Exercise of 1145 Rights

In order to participate in the 1145 Rights Offering, each 1145 Eligible Participant must affirmatively make a binding election to exercise all or a portion of its 1145 Rights on or prior to the 1145 Rights Offering Expiration Date. The exercise of the 1145 Rights shall be irrevocable unless the 1145 Rights Offering is not consummated by November 4, 2013.

Each 1145 Eligible Participant is entitled to participate in the 1145 Rights Offering solely to the extent of its 1145 Eligible Claims.

In order to exercise 1145 Rights, each 1145 Eligible Participant (excluding 1145 Eligible Participants that hold Unsecured Notes Claims (but only with respect to such Unsecured Notes Claims)) must submit an 1145 Rights Exercise Form indicating the whole number of 1145 Available Shares that such 1145 Eligible Participant elects to purchase, along with payment by wire transfer of immediately available funds of a “**Subscription Purchase Price**” equal to the product of (a) the number of 1145 Rights Offering Shares such 1145 Eligible Participant elects to purchase multiplied by (b) the Per Share Price.

For an 1145 Eligible Participant that is the beneficial Holder of an Unsecured Notes Claim to exercise its 1145 Rights, such 1145 Eligible Participant must return a duly completed 1145 Rights Exercise Form to its Subscription Nominee or otherwise instruct its Subscription Nominee as to its 1145 Rights in accordance with the procedures established by its Subscription Nominee, which, in turn, *must* (i) deliver a duly completed 1145 Master Exercise Form so that such information is actually received by the Subscription Agent on or before the 1145 Rights Offering Expiration Date and (ii) pay to the Subscription Agent, by wire transfer of immediately available funds, the Subscription Purchase Price, so that the payment of the Subscription Purchase Price is actually received by the Subscription Agent on or before the 1145 Rights Offering Expiration Date in accordance with the 1145 Rights Offering Procedures.

Any difference between the Subscription Purchase Price actually paid by any 1145 Eligible Participant and the amount duly payable by such 1145 Eligible Participant to purchase 1145 Rights Offering Shares shall be refunded to such 1145 Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, *provided* that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten Business Days after the 1145 Rights Offering Expiration Date.

Unexercised 1145 Rights will be cancelled on the 1145 Rights Offering Expiration Date. An 1145 Eligible Participant shall be deemed to have relinquished and waived all rights to participate in the 1145 Rights Offering to the extent the Subscription Agent for any reason does not receive from an 1145 Eligible Participant or its Subscription Nominee, on or before the 1145 Rights Offering Expiration Date, (i) a duly completed 1145 Rights Exercise Form or equivalent instructions from DTC (if applicable) and (ii) immediately available funds by wire transfer for the Subscription Purchase Price with respect to such 1145 Eligible Participant’s 1145 Rights.

Any attempt to exercise any 1145 Rights after the 1145 Rights Offering Expiration Date shall be null and void and the Debtors shall not honor any 1145 Rights Exercise Form or other documentation received by the Subscription Agent relating to such purported exercise after the 1145 Rights Offering Expiration Date, regardless of when such 1145 Rights Exercise Form or other documentation was sent.

The method of delivery of the 1145 Rights Exercise Form and any other required documents by each 1145 Eligible Participant is at such 1145 Eligible Participant's option and sole risk, and delivery will be considered made only when such 1145 Rights Exercise Form and other documentation are actually received by the Subscription Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the 1145 Rights Offering Expiration Date.

Any and all disputes concerning the timeliness, viability, form and eligibility of any exercise of 1145 Rights shall be addressed in good faith by the Debtors in consultation with the Creditors' Committee. Any determination made by the Debtors with respect to such disputes shall be final and binding.

All 1145 Rights Offering Unsubscribed Shares shall be available for purchase in the 4(2) Rights Offering.

g. 1145 Eligible Participant Release

Upon the Effective Date of the Plan, each 1145 Eligible Participant that elects to exercise 1145 Rights shall be deemed, by virtue of such election, to have waived and released, to the fullest extent permitted under applicable law, all rights, claims or causes of action against the Debtors, Reorganized Debtors, the Creditors' Committee, the Backstop Parties and the Subscription Agent, and each of their respective affiliates, officers, directors, counsel and advisors, arising out of or related to the 1145 Rights Offering and the receipt, delivery, disbursements, calculations, transmission or segregation of cash, 1145 Rights and 1145 Rights Offering Shares, except to the extent such rights, claims or causes of action arise from any act of gross negligence or willful or intentional misconduct or fraud.

h. Exemption From Securities Act Registration

Except with respect to any person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, no registration under Section 5 of the Securities Act of 1933, as amended from time to time (or any State or local law requiring registration for offer or sale of a security) shall be required in connection with the issuance and distribution of the 1145 Rights or the 1145 Rights Offering Shares issued upon the exercise thereof.

Please refer to Section 10.B below and Article 5.8 of the Plan for a more detailed discussion of securities law considerations related to the securities to be issued pursuant to the 1145 Rights Offering.

2. **4(2) Rights Offering Procedures**

a. **4(2) Eligible Participants**

A Holder of a General Unsecured Claim and/or the Retiree Settlement Unsecured Claim (other than the Backstop Parties) that does not duly complete, execute and timely deliver a 4(2) Certification Form to the Subscription Agent on or before July 19, 2013 at 5:00 p.m. (Eastern Time) cannot participate in the 4(2) Rights Offering.

A “**4(2) Eligible Participant**” means a Person that (a)(x) is a Backstop Party or (y) duly completes, executes and timely delivers the 4(2) Certification Form to the Subscription Agent on or before the 4(2) Certification Date and (b) is the beneficial owner of a 4(2) Eligible Claim on the Effective Date.

The “**4(2) Certification Date**” means July 19, 2013 at 5:00 p.m. (Eastern Time), or such later date as the Debtors may determine in consultation with the Creditors’ Committee and the Requisite Backstop Parties.

The “**4(2) Certification Form**” means a certification form executed by a Person confirming that such Person (a) is either a “qualified institutional buyer” or an “accredited investor” within the meaning of Rule 144A or Rule 501(a) of the Securities Act, respectively, and (b) as of April 30, 2013 and on the 4(2) Certification Date, beneficially owned General Unsecured Claims and/or Retiree Settlement Unsecured Claims in an aggregate face amount not less than (x) in the case of a “qualified institutional buyer,” \$100,000 or (y) in the case of an “accredited investor,” \$500,000.

b. **4(2) Rights Exercise Form**

In order to exercise 4(2) Rights, a 4(2) Eligible Participant must duly complete and timely deliver the rights exercise form (the “**4(2) Rights Exercise Form**”), along with its Subscription Purchase Price (as defined below) in accordance with the 4(2) Rights Offering Procedures.

The 4(2) Rights Exercise Form indicates the Per Share Price payable in connection with the exercise of the 4(2) Rights.

c. **Determination of a 4(2) Eligible Participant’s 4(2) Primary Shares**

Prior to the implementation of the Overallotment Procedures, if applicable, each 4(2) Eligible Participant shall be entitled to subscribe for that number of 4(2) Rights Offering Shares equal to the product (rounded down to the nearest whole share) of (a) the resulting quotient of (x) the aggregate amount of 4(2) Eligible Claims beneficially owned by such 4(2)

Eligible Participant divided by (y) \$1.82 billion,³⁴ multiplied by (b) the Aggregate 4(2) Share Amount (such number of shares, the “**4(2) Primary Shares**”).

A “**4(2) Eligible Claim**” means (a) a Retiree Settlement Unsecured Claim, (b) an Unsecured Notes Claim equal to or greater than \$10,000 in principal amount or (c) any other General Unsecured Claim in an amount, determined as of July 26, 2013 (or such later date as the Debtors may determine in consultation with the Creditors’ Committee and the Requisite Backstop Parties, the “**4(2) Claim Determination Date**”), (x) equal to the amount on account of which such Claim is eligible to vote to accept or reject the Plan (as determined in accordance with the Solicitation Procedures Order) or (y) in such other amount as the Debtors, the Creditors’ Committee and the Requisite Backstop Parties may collectively agree.

d. Overallotment Procedures

If any 4(2) Rights Offering Shares remain available for subscription after giving effect to duly subscribed for and purchased 4(2) Primary Shares (such number of remaining shares, the “**Initial Overallotment Shares**”), the Subscription Agent shall employ the overallotment procedures described below (the “**Overallotment Procedures**”).

First, the Backstop Parties that have duly subscribed for and purchased 100 percent of their respective 4(2) Primary Shares shall have the right to purchase, in addition to such Backstop Parties’ 4(2) Primary Shares, 10,000,000 Initial Overallotment Shares, which shall be allocated among such Backstop Parties based upon their (and, without duplication, their affiliates’) respective Backstop Commitment Percentages (as defined in the Backstop Commitment Agreement) or in any other manner as all such Backstop Parties shall agree (such Shares, the “**Backstop Party Overallotment Shares**”); *provided, however*, that if the number of Initial Overallotment Shares is less than 10,000,000, the number of 4(2) Primary Shares duly subscribed for and purchased by each 4(2) Eligible Participant shall be reduced on a pro rata basis such that the number of Initial Overallotment Shares equals 10,000,000 (the “**4(2) Reallocation**”).

Second, if any 4(2) Rights Offering Shares remain available for subscription after giving effect to the aggregate number of duly subscribed for and purchased 4(2) Primary Shares and Backstop Party Overallotment Shares (such number of remaining shares, the “**4(2) Remaining Overallotment Shares**”), each 4(2) Eligible Participant that has duly subscribed for and purchased 100 percent of its 4(2) Primary Shares (each, a “**4(2) Eligible Overallotment Participant**”) also may elect to subscribe for and purchase that number of 4(2) Remaining Overallotment Shares equal to the product (rounded down to the nearest whole share) of (a) the resulting quotient of (x) the aggregate amount of 4(2) Eligible Claims beneficially owned by such 4(2) Eligible Overallotment Participant divided by (y) \$1.82 billion,³⁵ multiplied by (b) the

³⁴ This amount represents the Debtors’ good faith estimate, as reasonably consented to by the Creditors’ Committee and the Requisite Backstop Parties, of the amount of 4(2) Eligible Claims held by 4(2) Eligible Holders (as determined without regard to whether a Person has duly completed and submitted a 4(2) Certification Form).

³⁵ This amount represents the Debtors’ good faith estimate, as reasonably consented to by the Creditors’ Committee and the Requisite Backstop Parties, of the amount of 4(2) Eligible Claims held by 4(2) Eligible

aggregate number of 4(2) Remaining Overallotment Shares (such number of shares being the “4(2) Overallotment Shares”; and any remaining unsubscribed and unpaid for shares being the “4(2) Rights Offering Unsubscribed Shares”).

Notwithstanding any contrary provision in the Plan, the 4(2) Rights Offering Procedures or the Backstop Commitment Agreement, the Debtors shall not be required to accept the exercise of 4(2) Rights to purchase any Backstop Party Overallotment Shares or 4(2) Overallotment Shares if the Debtors have requested, but not received, reasonable assurances that such exercise will not result in any Person becoming the “beneficial owner,” for purposes of Rule 13d-3 under the Securities Exchange Act (as amended from time to time) of 50 percent or more of the issued and outstanding New Common Stock on the Effective Date after giving effect to the Plan.

e. Transfer Restrictions

THE 4(2) RIGHTS ARE NOT TRANSFERABLE OR DETACHABLE FROM 4(2) ELIGIBLE CLAIMS.

IF ANY PORTION OF A 4(2) ELIGIBLE CLAIM IS OR HAS BEEN TRANSFERRED AFTER THE 4(2) CERTIFICATION DATE, THE CORRESPONDING 4(2) RIGHTS WILL BE CANCELLED, AND NEITHER THE TRANSFEROR NOR THE TRANSFEREE OF SUCH 4(2) ELIGIBLE CLAIM WILL RECEIVE 4(2) RIGHTS OFFERING SHARES IN CONNECTION WITH SUCH TRANSFERRED 4(2) ELIGIBLE CLAIM.

f. Duration of the 4(2) Rights Offering

The 4(2) Rights Offering will commence on the day upon which the 4(2) Rights Exercise Form is first mailed or made available to 4(2) Eligible Participants (the “4(2) Rights Offering Commencement Date”), which the Debtors estimate to be no later than July 23, 2013.

The 4(2) Rights Offering will expire at 5:00 p.m. (Eastern Time) on August 9, 2013 (the “4(2) Rights Offering Expiration Date”).

Each 4(2) Eligible Participant intending to participate in the 4(2) Rights Offering must affirmatively make a binding election to exercise its 4(2) Rights on or prior to the 4(2) Rights Offering Expiration Date, and submit payment by wire transfer of immediately available funds for all duly subscribed for 4(2) Rights Offering Shares, including any Backstop Party Overallotment Shares and 4(2) Overallotment Shares, so that such payment is actually received by the Subscription Agent on or prior to the 4(2) Rights Offering Expiration Date.

To facilitate the exercise of the 4(2) Rights, the Debtors will mail or cause to be mailed the 4(2) Rights Exercise Form (i) on the 4(2) Rights Offering Commencement Date, to each 4(2) Eligible Participant or (ii) within three Business Days of the 4(2) Claim Determination

Holders (as determined without regard to whether a Person has duly completed and submitted a 4(2) Certification Form).

Date, to each 4(2) Eligible Participant whose 4(2) Eligible Claim increases prior to the 4(2) Claim Determination Date, together with a copy of the 4(2) Rights Offering Procedures and a set of instructions for the proper completion, due execution and timely delivery of the 4(2) Rights Exercise Form and payment of the Subscription Purchase Price to the Subscription Agent.

g. Unsubscribed Shares

The Backstop Parties have agreed to purchase all Unsubscribed Shares pursuant to and in accordance with the Backstop Commitment Agreement.

h. Exercise of 4(2) Rights

In order to participate in the 4(2) Rights Offering, each 4(2) Eligible Participant must affirmatively make a binding election to exercise all or a portion of its 4(2) Rights on or prior to the 4(2) Rights Offering Expiration Date. The exercise of the 4(2) Rights shall be irrevocable unless the 4(2) Rights Offering is not consummated by November 4, 2013.

Each 4(2) Eligible Participant (other than the Backstop Parties) is entitled to participate in the 4(2) Rights Offering solely to the extent of its 4(2) Eligible Claims.

In order to exercise 4(2) Rights, each 4(2) Eligible Participant must submit a 4(2) Rights Exercise Form indicating the whole number of 4(2) Primary Shares and, if applicable, Backstop Party Overallotment Shares and 4(2) Overallotment Shares, that such 4(2) Eligible Participant elects to purchase, along with payment by wire transfer of immediately available funds of a Subscription Purchase Price equal to the product of (a) the number of 4(2) Rights Offering Shares such 4(2) Eligible Participant elects to purchase multiplied by (b) the Per Share Price, so that the 4(2) Rights Exercise Form and the payment of the Subscription Purchase Price are actually received by the Subscription Agent on or before the 4(2) Rights Offering Expiration Date in accordance with the 4(2) Rights Offering Procedures.

To the extent a 4(2) Eligible Participant duly elects to purchase more than its number of 4(2) Primary Shares, such 4(2) Eligible Participant will be deemed to have elected to purchase all of its 4(2) Primary Shares and an additional number of Backstop Party Overallotment Shares and/or 4(2) Overallotment Shares, as applicable, equal to the difference between (a) the number of 4(2) Rights Offering Shares duly subscribed by such 4(2) Eligible Participant *minus* (b) such 4(2) Eligible Participant's number of 4(2) Primary Shares.

Any difference between the Subscription Purchase Price actually paid by any 4(2) Eligible Participant and the amount duly payable by such 4(2) Eligible Participant to purchase 4(2) Rights Offering Shares shall be refunded to such 4(2) Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, provided that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten (10) Business Days after the 4(2) Rights Offering Expiration Date.

Unexercised 4(2) Rights will be cancelled on the 4(2) Rights Offering Expiration Date. A 4(2) Eligible Participant shall be deemed to have relinquished and waived all rights to participate in the 4(2) Rights Offering to the extent the Subscription Agent for any

reason does not receive from a 4(2) Eligible Participant, on or before the 4(2) Rights Offering Expiration Date, (i) a duly completed 4(2) Rights Exercise Form and (ii) immediately available funds by wire transfer for the Subscription Purchase Price with respect to such 4(2) Eligible Participant's 4(2) Rights.

Any attempt to exercise any 4(2) Rights after the 4(2) Rights Offering Expiration Date shall be null and void and the Debtors shall not honor any 4(2) Rights Exercise Form or other documentation received by the Subscription Agent relating to such purported exercise after the 4(2) Rights Offering Expiration Date, regardless of when such 4(2) Rights Exercise Form or other documentation was sent.

The method of delivery of the 4(2) Rights Exercise Form and any other required documents by each 4(2) Eligible Participant is at such 4(2) Eligible Participant's option and sole risk, and delivery will be considered made only when such 4(2) Rights Exercise Form and other documentation are actually received by the Subscription Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the 4(2) Rights Offering Expiration Date.

Any and all disputes concerning the timeliness, viability, form and eligibility of any exercise of 4(2) Rights shall be addressed in good faith by the Debtors in consultation with the Creditors' Committee. Any determination made by the Debtors with respect to such disputes shall be final and binding.

i. 4(2) Eligible Participant Release

Upon the Effective Date of the Plan, each 4(2) Eligible Participant that elects to exercise 4(2) Rights shall be deemed, by virtue of such election, to have waived and released, to the fullest extent permitted under applicable law, all rights, claims or causes of action against the Debtors, Reorganized Debtors, the Creditors' Committee, the Backstop Parties and the Subscription Agent, and each of their respective affiliates, officers, directors, counsel and advisors, arising out of or related to the 4(2) Rights Offering and the receipt, delivery, disbursements, calculations, transmission or segregation of cash, 4(2) Rights and 4(2) Rights Offering Shares, except to the extent such rights, claims or causes of action arise from any act of gross negligence or willful or intentional misconduct or fraud.

j. Exemption From Securities Act Registration

Each 4(2) Right and 4(2) Rights Offering Share is being distributed and issued by the Debtors without registration under the Securities Act, in reliance upon the exemption provided in section 4(2) thereof and/or Regulation D promulgated thereunder.

None of the 4(2) Rights distributed in connection with the 4(2) Rights Offering Procedures have been or, except with respect to the Backstop Parties, will be registered under the Securities Act, nor any State or local law requiring registration for offer or sale of a security, and, as described in Section 8.B.2.e. above, no 4(2) Rights may be sold or transferred.

None of the 4(2) Rights Offering Shares have been registered or (except with respect to the Backstop Parties) will be registered under the Securities Act, nor any State or local law requiring registration for offer or sale of a security, and, except with respect to the Backstop Parties, no 4(2) Rights Offering Shares may be sold or transferred except pursuant to the exemption from registration under the Securities Act provided by Rule 144 thereunder, when available.

All 4(2) Rights Offering Shares will be issued in certificated form. Except with respect to the Backstop Parties, each certificate representing or issued in exchange for or upon the transfer, sale or assignment of any 4(2) Rights Offering Share, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], AND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE ACT PROVIDED BY RULE 144 THEREUNDER, WHEN AVAILABLE.”

Please refer to Section 10.C below and Article 5.8 of the Plan for a more detailed discussion of securities law considerations related to the securities to be issued pursuant to the 4(2) Rights Offering.

k. Subsequent Adjustments

If, prior to the 4(2) Claim Determination Date, the amount of a 4(2) Eligible Participant’s 4(2) Eligible Claim increases, such holder will receive additional 4(2) Rights which may be exercised prior to the 4(2) Rights Offering Expiration Date, entitling such 4(2) Eligible Participant to purchase additional 4(2) Rights Offering Shares.

If more than the total number of 4(2) Rights Offering Shares is duly subscribed for pursuant to the 4(2) Rights Offering Procedures, the number of 4(2) Primary Shares each 4(2) Eligible Participant may duly subscribe to purchase shall be reduced *pro rata* such that the total number of shares duly subscribed for equals the Aggregate 4(2) Share Amount.

Any difference between the Subscription Purchase Price actually paid by any 4(2) Eligible Participant and the amount duly payable by such 4(2) Eligible Participant to purchase 4(2) Rights Offering Shares pursuant to the exercise of 4(2) Rights shall be refunded to such 4(2) Eligible Participant, without interest, as soon as reasonably practicable after refund amounts are determined by the Subscription Agent, provided that the Subscription Agent shall use commercially reasonable efforts to refund such amounts no later than ten (10) Business Days after the 4(2) Rights Offering Expiration Date.

8.9. ADDITIONAL FACTORS TO BE CONSIDERED PRIOR TO VOTING

HOLDERS OF CLAIMS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HERewith, REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN OR ITS IMPLEMENTATION.

A. Plan Risks

1. ~~The Plan Confirmation~~ May Not Be Confirmed.

The Debtors can make no assurances that they will receive the requisite acceptances to confirm the Plan. Even if the Debtors receive the requisite acceptances, there is no assurance that the Bankruptcy Court will confirm the Plan.

Even if the Bankruptcy Court determines that this Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court may still decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met, including that the Plan does not discriminate unfairly and is fair and equitable with respect to non-accepting Classes. Moreover, there can be no assurance that modifications to the Plan will not be required for confirmation or that such modifications will not necessitate the re-solicitation of votes. If the Plan is not confirmed, it is unclear what distributions Holders of Claims or Equity Interests would ultimately receive with respect to their Claims or Equity Interests in a subsequent plan of reorganization.

2. Objections to Classifications of Claims

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe the Plan classifies all Claims and Equity Interests in accordance with section 1122 of the Bankruptcy Code, but a Holder of a Claim or Equity Interest may challenge the classification of Claims and Equity Interests, and it is possible that the Bankruptcy Court may find a different classification to be required for the Plan to be confirmed. In such event, the Debtors intend, to the extent permitted by the Bankruptcy Court and the Plan, to make such reasonable modifications of classifications under the Plan to permit confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

3. *The Plan May Not Become Effective.*

Although the Debtors believe that the Effective Date of the Plan will occur soon after the Confirmation Date, there can be no assurance as to the occurrence of the Effective Date. If the Effective Date does not occur by ~~September 30~~October 2, 2013 or such later date as the Debtors, in consultation with the ~~Emergence Review~~Requisite Backstop Parties, agree, ~~then:~~ ~~(a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests); assumption or rejection of executory contracts or leases effected by the Plan or any document or agreement executed pursuant thereto, shall be deemed null and void and (c) nothing contained in the Plan~~ or this Disclosure Statement shall: ~~(i) constitute a waiver or release of any~~ Claims ~~by or~~ Claims ~~against;~~ or ~~any Equity Interests in, such the~~ Debtors ~~or any other Person (as defined in section 101(41) of the Bankruptcy Code); (ii),~~ prejudice in any manner the rights of such the Debtors or any other Person; or (iii) constitute an admission of any kind, acknowledgment, offer or undertaking by the Debtors or any ~~other~~ Person.

4. *There Can Be No Assurance that the Debtors Will Be Able to Meet the Requirements under the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement and the Emergence Credit Facilities.*

A breach of any of the covenants (including financial covenants) or other terms contained in the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement, the Emergence Credit Facilities or, as applicable, of the related orders, could result in an event of default under the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement or the Emergence Credit Facilities, subject, in certain cases, to applicable grace and cure periods. If any event of default occurs and Kodak or Reorganized Kodak is not able either to cure such event of default or obtain the requisite waiver under such facility, then, automatically or upon acceleration by the required lenders under such facility, as applicable, all of the outstanding obligations under such facility, together with accrued and unpaid interest and fees, will become immediately due and payable, all outstanding commitments will terminate, and the agent may take certain other enforcement actions, including foreclosing on the pledged assets. Any event of default, regardless of whether enforcement action is taken, would materially and adversely affect Kodak's financial condition and its ability to satisfy its obligations as they come due.

5. *There Can Be No Assurance That Reorganized Kodak Will Be Able to Meet the Requirements to Convert Certain Loans into an ~~Exit~~ Emergence Facility.*

The DIP Term Loan Credit Agreement provides for the conversion of up to \$653.7 million of the loans thereunder into term loans under the Emergence Rollover Credit Agreement, subject to certain conditions. The following conditions must be satisfied or waived to effectuate the conversion: (i) as of the Effective Date, EKC will have met the minimum requirements set forth in the Emergence Rollover Credit Agreement with respect to the Debtors' U.S. liquidity, EKC's Conversion Secured Leverage Ratio and EKC's Conversion Adjusted EBITDA; (ii) the Bankruptcy Court will have entered an order confirming the Plan and authorizing the credit facilities under the Emergence Rollover Credit Agreement and such order

is in full force and effect on the date of the conversion; (iii) the Effective Date must occur no later than September 30, 2013; (iii) no default or event of default shall have occurred and be continuing under the DIP Term Loan Credit Agreement or would result from the conversion; (iv) the sale of certain specified assets that are not part of the Commercial Imaging business must have occurred for a minimum aggregate gross cash purchase price of \$600 million; (v) \$200 million of the New Money Loans must have been repaid in full in cash; (vi) there shall have been an additional repayment of loans in an amount equal to 75% of U.S. liquidity above \$200 million on the Effective Date; (vii) no Material Adverse Effect (as defined in the DIP Term Loan Credit Agreement) will have occurred since the date of approval of the Disclosure Statement by the Bankruptcy Court; (viii) the holders of New Money Loans will have received a fee of 2% of the New Money Loans being converted into loans under the Emergence Rollover Credit Agreement, fee to be paid in kind; (ix) all liability in respect of the KPP will have been resolved on terms reasonably satisfactory to the Required Lead Lenders (as defined in the DIP Term Loan Credit Agreement) and (x) entry of the Confirmation Order.

On April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities signed a settlement agreement at the same time EKC, the KPP and certain other Kodak entities signed a stock and asset purchase agreement. Pursuant to the stock and asset purchase agreement, EKC agreed to sell to KPP (or its designee) the Personalized Imaging and Document Imaging businesses for \$650 million in cash and notes. As a result, EKC ~~may~~will be required to seek a waiver to condition specified in subclause (iv) above.

If the conditions to conversion are not satisfied or waived (including potentially in connection with the transactions with the KPP), EKC will be required to pay in cash all of the loans under the DIP Term Loan Credit Agreement at emergence. In such case, there is no assurance that EKC will have sufficient cash on hand to repay the loans or be able to obtain alternative financing, on favorable terms or at all, to repay the loans. Even if EKC was able to obtain an alternative financing to emerge, such financing may have terms not as favorable as those contained in the Emergence Rollover Credit Agreement and could further restrict EKC's operations post-emergence. In any event, if EKC is unable to pay the loans in full, it will be unable to consummate the Plan.

6. Undue Delay in Confirmation May Disrupt the Debtors' Operations.

The continuation of these Chapter 11 Cases, particularly if the Plan is not approved or confirmed in the time frame currently contemplated, could adversely affect the Debtors' operations and the Debtors' relationships with their customers, vendors, employees and other constituents. If confirmation and consummation of the Plan do not occur expeditiously, these Chapter 11 Cases could result in, among other things, increased costs for professional fees and similar expenses. In addition, prolonged continuation of these Chapter 11 Cases may hinder the Debtors' efforts to attract and retain management and other key personnel and would require senior management to spend significant time and effort attending to the Debtors' financial reorganization rather than the operation of the Debtors' businesses.

7. Plan Releases May Not Be Approved.

There can be no assurance that the Plan releases, as provided in Article 12 of the Plan, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of reorganization that differs from the Plan.

8. Failure to Satisfy the Terms ~~And~~ Conditions in the KPP Global Settlement May Prevent Kodak's Successful Reorganization.

On April 26, 2013, EKC, the KPP, Kodak Limited and certain other Kodak entities entered into the KPP Global Settlement that resolves current and future liabilities of the Kodak group with respect to the KPP. The KPP Global Settlement is subject to terms and conditions described in more detail in Section 3.D.3.b above. Consummation of the KPP Global Settlement on or prior to the Effective Date is a condition precedent to effectiveness of the Plan. If the KPP Global Settlement has been terminated prior to the Plan becoming effective, the KPP Trustee will, and the Pension Protection Fund and the U.K. Pensions Regulator may, have claims against Kodak Limited and potentially other Kodak companies in addition to the claims filed by the KPP against the Debtors. Prosecution of these claims could lead to the insolvent liquidation of Kodak Limited, its subsidiary Kodak International Finance Limited and other non-U.S. subsidiaries of EKC. The insolvent liquidation of non-U.S. subsidiaries could result in the loss of control of those subsidiaries by EKC, may disrupt global cash management, and may delay or prevent the successful restructuring of Kodak as a going concern. In addition, in the event a non-Debtor subsidiary of EKC becomes insolvent or enter insolvency proceedings, any outstanding amount under the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, principal and interest, could become immediately due and payable. These events could render the Debtors unable to ~~satisfy the conditions to effectiveness of the Plan.~~ reorganize successfully.

9. Failure to Satisfy the Terms and Conditions in the Backstop Commitment Agreement May Prevent Kodak's Successful Reorganization.

On June 18, 2013, EKC and the Backstop Parties entered into the Backstop Commitment Agreement, pursuant to which, among other things, the Backstop Parties have committed to purchase any shares offered but unsubscribed in the 4(2) Rights Offering. The Backstop Commitment Agreement is subject to certain conditions described in more detail in Section 3.E. above. Consummation of the transactions contemplated under the Backstop Commitment Agreement is a condition precedent to effectiveness of the Plan. If the Backstop Commitment Agreement is terminated prior to the Plan becoming effective, the Debtors may not have sufficient funds to satisfy the Claims of Holders of Claims, which may delay or prevent the successful restructuring of Kodak as a going concern.

B. Risks Relating to the Securities to Be Issued under the Plan

1. ~~The~~ Reorganized Kodak May Not Be Able to Achieve Projected Financial Results.

Actual financial results may differ materially from the Financial Projections set forth in Appendix E hereto. If ~~the~~ Reorganized Kodak does not achieve projected revenue or cash flow levels, ~~the~~ Reorganized Kodak may lack sufficient liquidity to continue operating its

business consistent with the Financial Projections after the Effective Date. The Financial Projections represent the view of Kodak's management based on currently known facts and assumptions about their future operations, and do not guarantee ~~the~~ Reorganized Kodak's future financial performance.

2. ~~The~~ Reorganized Kodak's Financial Projections are Inherently Subject to Uncertainty Due to the Assumptions on Which They are Based.

The Financial Projections are based on numerous assumptions, including, ~~without limitation~~ the confirmation and consummation of the Plan in accordance with its terms and within the time frame projected by the Debtors; the anticipated future performance of ~~the~~ Reorganized Kodak; the performance of the industries in which ~~the~~ Reorganized Kodak operates; general business and economic conditions; and other matters, many of which are beyond the control of ~~the~~ Reorganized Kodak and some or all of which may not materialize. The Financial Projections assume, for instance, improved profitability as well as the achievement of specific targets in cost reduction, including SG&A costs, business unit sales and marketing costs and procurement operating cost. There can be no assurance that these targets will be met. In addition, unanticipated events and circumstances occurring subsequent to the approval of this Disclosure Statement by the Bankruptcy Court, including, ~~without limitation~~, any natural disasters, terrorism or health epidemics, may affect the actual financial results of the Reorganized Kodak's operations. Because the actual results achieved throughout the periods covered by the Financial Projections may vary from the projected results, the Financial Projections should not be relied upon as an assurance of the actual results that will occur.

Except with respect to the Financial Projections and except as otherwise specifically and expressly stated herein, this Disclosure Statement does not account for any events that might occur subsequent to the date hereof. Such events could have a material impact on the information contained in this Disclosure Statement. Neither the Debtors nor ~~the~~ Reorganized Kodak intend to update the Financial Projections. The Financial Projections will therefore not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Financial Projections. For more information on the risks related to the Financial Projections, see Section 1.D. of Appendix E hereto.

3. ~~The Plan Exchanges Senior Securities for Junior Securities.~~

~~If the Plan is confirmed and becomes effective, certain Holders of Claims will receive shares of New Common Stock. Thus, in agreeing to the Plan, such Holders are consenting to the exchange of their interests in debt for shares of New Common Stock, which will be subordinate to all claims of creditors of the Reorganized Kodak that accrue after the Effective Date.~~

3. The Price of the Shares of New Common Stock Offered in the Rights Offerings Does Not Necessarily Reflect the Value of the Debtors or Reorganized Kodak or the Future Trading Price of the New Common Stock.

The Per Share Price for shares of New Common Stock offered pursuant to the Rights Offerings is \$11.94 per share. This price reflects the result of negotiations between the Debtors, the Backstop Parties, the Creditors' Committee and Holders of the Second Lien Notes, is based on certain assumptions, and does not necessarily reflect the Debtors' past operations, cash flows, net income or current financial condition, the book value of the Debtors' assets, the projected operations, cash flows, net income or financial condition of the Reorganized Debtors, the book value of the Reorganized Debtors' assets, or other established criteria for value. As a result, the Per Share Price should not be relied upon as an indication of the actual value of Reorganized Kodak or the future trading price of the shares of New Common Stock or the Warrants.

4. If Eligible Rights Offerings Participants (Other Than the Backstop Parties) Do Not Participate in the Rights Offerings, the Percentage Ownership Interest in Reorganized Kodak that Such Eligible Rights Offerings Participants Will Receive Pursuant to the Plan Will Be Significantly Diluted.

Reorganized Kodak will issue up to 34 million shares of New Common Stock pursuant to the Rights Offerings. As part of the transactions contemplated by the Plan, the Backstop Parties are obligated to purchase any shares of New Common Stock that are not purchased by Eligible Rights Offerings Participants (other than the Backstop Parties) as part of the Rights Offerings. If Eligible Rights Offerings Participants (other than the Backstop Parties) choose not to participate in the Rights Offerings, their relative ownership interest in Reorganized Kodak will be diluted. Eligible Rights Offerings Participants (other than the Backstop Parties) who do not fully participate in the Rights Offerings will own a smaller proportional interest in Reorganized Kodak than would be the case had they fully participated in the Rights Offerings.

4.5. A Liquid Trading Market for the Shares of New Common Stock or Warrants May Not Develop.

Although the Debtors intend to apply to list the New Common Stock on the New York Stock Exchange, the Debtors make no assurance that they will be able to obtain this listing or, even if the Debtors do, that liquid trading markets for shares of New Common Stock will develop. The liquidity of any market for shares of New Common Stock or the ~~New Common Stock~~ Warrants will depend upon, among other things, the number of Holders of shares of New Common Stock, ~~the~~ Reorganized Kodak's financial performance and the market for similar securities, none of which can be determined or predicted. The Debtors therefore cannot make assurances as to the development of an active trading market or, if a market develops, the liquidity or pricing characteristics of that market.

~~5.6.~~ The Trading Price for the Shares of New Common Stock May be Depressed Following the Effective Date.

Assuming that the Plan becomes effective, shares of New Common Stock and Warrants will be issued to Holders of certain Classes of Claims. Additional shares will be distributed from the Disputed Claims Reserves periodically as Disputed Claims become Allowed Claims. Following the Effective Date of the Plan, shares may be sold to satisfy withholding tax requirements. In addition, Holders of Claims that receive shares of New Common Stock or Warrants may seek to sell such ~~shares~~securities in an effort to obtain liquidity. These sales and the volume of New Common Stock available for trading could cause the ~~initial~~-trading price for the shares of New Common Stock or the Warrants to be depressed, particularly in the absence of an established trading market for the stock.

7. Restricted Securities Issued under the Plan May Not Be Resold or Otherwise Transferred Unless They Are Registered under the Securities Act or an Exemption from Registration Applies.

The 4(2) Securities will be deemed “restricted securities” that may not be sold, exchanged, assigned or otherwise transferred unless they are registered, or an exemption from registration applies, under the Securities Act. Except with regard to the Backstop Parties, Holders of 4(2) Securities will not be entitled to have their 4(2) Securities registered and will be required to agree not to resell them except in accordance with the exemption from registration provided by Rule 144 under the Securities Act, when available. Rule 144 permits the public resale of restricted securities if certain conditions are met, and these conditions vary depending on whether the holder of the restricted securities is an “affiliate” of the issuer, as defined in Rule 144. A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period unless certain current public information regarding the issuer is not available at the time of sale, in which case the non-affiliate may resell after a one-year holding period. An affiliate may resell restricted securities after a six-month holding period but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. While the Debtors currently expect that the current public information requirement will be met when the six-month holding period expires, they cannot guarantee that resales of the restricted securities will qualify for an exemption from registration under Rule 144. In any event, Holders of 4(2) Securities should expect to be required to hold their 4(2) Securities for at least six months.

Holders of 1145 Securities who are deemed to be “underwriters” under Section 1145(b) of the Bankruptcy Code will also be subject to restrictions under the Securities Act on their ability to resell those securities. Resale restrictions are discussed in more detail in Section 10 below.

8. *Certain Significant Holders of Shares of New Common Stock May Have Interests and Positions that Present Potential Conflicts with the Interests of the Reorganized Debtors and of Other Holders of Shares of New Common Stock.*

The Backstop Parties make investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or directly with the Reorganized Debtors. One or more of the Backstop Parties may, on its own account, pursue acquisition opportunities that may be complementary to the Reorganized Debtors' businesses, and as a result, such acquisition opportunities may be unavailable to the Reorganized Debtors. Such actions by the Backstop Parties may have a material adverse impact on the Reorganized Debtors' businesses, financial condition and operating results.

~~6.9.~~ *Allowance of Claims May Substantially Dilute the Recovery to Holders of Claims under the Plan.*

There can be no assurance that the estimated Claim amounts set forth in this Disclosure Statement are correct, and the actual Allowed amounts of Claims may differ from these estimates. These estimated amounts are based on certain assumptions with respect to a variety of factors. Should these underlying assumptions prove incorrect, the actual Allowed amounts of Claims may vary from those estimated herein. Because distributions to Holders of Unsecured Claims under the Plan are linked to the amount and value of Allowed Unsecured Claims, any material increase in the amount of Allowed Unsecured Claims over the amounts estimated by the Debtors would materially reduce the recovery to Holders of Unsecured Claims under the Plan.

~~7.10.~~ *The Results of an Actual Chapter 7 Liquidation May Be Different From the Liquidation Analysis.*

Conversion to Chapter 7 liquidation would, in the view of the Debtors, produce a less favorable outcome for Holders of Claims than would the Plan. However, underlying the Liquidation Analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management and their financial advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis if the Debtors were, in fact, to undergo a liquidation. Events and circumstances subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated.

~~11. *The*~~ *Certain Significant Holders of Shares of New Common Stock May Have Substantial Influence Over the Reorganized Debtors Following the Effective Date.*

Assuming that the Plan becomes effective, the Backstop Parties, pursuant to the Backstop Commitment Agreement, will receive a substantial percentage of the outstanding

shares of New Common Stock. As a result, the Backstop Parties, as well as any other Holders of Claims who receive distributions representing a substantial percentage of the outstanding shares of the New Common Stock, may be in a position to influence matters requiring approval by the holders of shares of New Common Stock, including, among other things, the election of directors and the approval of a change of control of the Reorganized Debtors. The Backstop Parties, or other Holders, may have interests that differ from those of the other holders of shares of New Common Stock and may vote in a manner adverse to the interests of the other holders of shares of New Common Stock. This concentration of ownership may facilitate or may delay, prevent or deter a change of control of the Reorganized Debtors and, consequently, impact the value of the shares of New Common Stock or the Warrants. In addition, one or more of the Backstop Parties or other holders of a significant number of shares of New Common Stock may sell all or a large portion of its shares of New Common Stock within a short period of time, which sale may adversely affect the trading price of the shares of New Common Stock.

~~8.12.~~ *Reorganized Kodak Does Not Expect to Pay Cash Dividends on its Common Stock for the Foreseeable Future.*

The terms of the new debt may limit, among other things, ~~the~~ Reorganized Kodak's ability to pay dividends, and it is not anticipated that any cash dividends will be paid on ~~the~~ shares of New Common Stock in the near future.

~~9.13.~~ *An Ownership Change Could Limit the Availability of the Reorganized Kodak's Ability to Use its Pre-Ownership Change Emergence Tax Attributes is Expected to be Severely Limited Under the United States Federal Income Tax Rules; Limitations May Also Apply to Tax Attributes Created After the Effective Time.*

As of December 31, 2012, the Debtors estimate that they had approximately \$2.6 billion of United States federal net operating loss carryforwards and approximately \$535 million in United States federal foreign tax credit carryforwards and \$19 million of federal research and development credits. (These estimates may be subject to adjustments.) ~~The~~ Reorganized Kodak's ability to use their United States ~~federal net operating loss carryforwards, and United States federal foreign tax credit carryforwards~~ ("Tax Attributes") to offset future taxable income may be significantly limited if the Debtors experience an "ownership change" as defined in section 382 of the Internal Revenue Code. An entity that experiences an ownership change generally will be subject to an annual limitation on its use of its pre-ownership change Tax Attributes equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate posted by the Internal Revenue Service (the "IRS") (subject to certain adjustments). The annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The Debtors anticipate that they will experience an ownership change as a result of the Plan, in which case the availability of ~~the~~ Reorganized Kodak's substantial pre-ownership change Tax Attributes to offset future income and taxes may be significantly limited or possibly eliminated.

~~However, if~~ If the Plan is approved, the Debtors do not expect to qualify for ~~a~~ the special rule under section 382(l)(5) of the Internal Revenue Code ~~for corporations in bankruptcy,~~ ~~the Reorganized Kodak's ability to utilize its pre-ownership change Tax Attributes would~~

~~generally not be limited as described in the previous paragraph. The determination of the application of (section 382(l)(5) of the Internal Revenue Code is highly fact-specific and dependent on circumstances that are difficult to assess accurately at this time. Thus, the Debtors are not certain at this time whether they will qualify under section 382(l)(5) of the Internal Revenue Code. In addition, even if the anticipated ownership change as a result of the Plan qualified under section 382(l)(5) of the Internal Revenue Code, a second ownership change within two years from the date of the ownership change as a result of the Plan would eliminate completely the Reorganized Kodak's ability to utilize Tax Attributes from periods prior to such second ownership change to offset taxable income in any taxable period ending after the date of such second ownership change. There are other special rules under materially alleviates the restrictions described above). However, section 382(l)(6) of the Internal Revenue Code that may provide some relief from the limitations imposed by section 382 of the Internal Revenue Code in the event that section 382(l)(5) of the Internal Revenue Code does not apply or the because it will allow the Reorganized Debtors to calculate their limitation, in general, by reference to their equity value immediately after the ownership change (rather than the equity value of the Debtors elect not to apply it immediately before the ownership change, as is the case under the general rule for non-bankruptcy ownership changes and thus reflecting the increase in the value of the stock due to the cancellation of debt resulting from the Plan).~~

The Financial Projections ~~assume~~have been prepared on the basis that ~~after the Effective Date~~ the Debtors will ~~not~~ experience an ownership change ~~and are able to as a result of Distributions pursuant to the Plan, that section 382(l)(6) of the Internal Revenue Code will apply in determining the amount of the limitation imposed by section 382 of the Internal Revenue Code on the Reorganized Debtors' use their post-emergence net operating losses and other tax attributes without any of the restrictions imposed by section 382 of the Internal Revenue Code. If the of their pre-ownership change Tax Attributes, and that the Reorganized Debtors will not experience a second ownership change thereafter. If the Reorganized Debtors experience a second ownership change after the Effective Date, the Debtor's Reorganized Debtors' ability to use some or all of their post-emergence net operating losses and other tax attributes Tax Attributes may be severely limited and affect may render the Financial Projections inaccurate.~~

10.14. Certain Tax Consequences of the Plan Raise Unsettled and Complex Legal Issues and Involve Various Factual Determinations.

Certain United States federal income tax consequences of the Plan are summarized in Section 10.11 below. Many of these consequences are dependent in part upon facts that are uncertain at this time (such as valuations) and legal questions that are complex and unsettled. The Debtors cannot ensure that the IRS will not take views contrary to those expressed in Section 10.11 below and no ruling from the IRS has been or will be sought regarding the tax consequences described therein. In addition, the Debtors cannot ensure that the IRS will not challenge the various positions the Debtors have taken, or intend to take, with respect to the tax treatment of the Plan to the Debtors or the Holders of Claims or Equity Interests, or that a court would not sustain such a challenge. Holders of Claims and Equity Interests should consult their own tax advisors regarding the consequences of distributions to them and the tax positions taken by the Debtors in implementing the Plan.

~~11.15.~~ Certain Holders of ~~the~~Shares of New Common Stock May Be Restricted under Applicable Securities Laws in their Ability to Transfer or Sell Their Securities.

Holders of ~~the~~shares of New Common Stock who are deemed to be “underwriters” for the purposes of section 1145(b) of the Bankruptcy Code will be restricted in their ability to transfer or sell their securities. These ~~P~~persons will be permitted to transfer or sell such securities only pursuant to: (i) ordinary trading transactions by a holder that is not an issuer within the meaning of section 1145(b); (ii) the provisions of Rule 144 under the Securities Act, if available, or another available exemption from the registration requirements of the Securities Act; or (iii) an effective registration statement under the Securities Act. Moreover, although the Debtors currently expect that Reorganized Kodak ~~currently intends to will~~ make publicly available the information required by Rule 144, there is no assurance that ~~it~~Reorganized Kodak will do so, which would limit the ability of holders of securities to avail themselves of Rule 144.

~~12.16.~~ Reorganized Kodak May Impose Trading Restrictions ~~To and/or Adopt a Rights Plan to Preserve its Tax Attributes and Section 382(l)(5) Election~~

~~Reorganized Kodak may~~The Debtors intend to include provisions in the Reorganized Kodak Certificate of Incorporation or other organizational documents that impose certain restrictions on the purchase and disposition of ~~the~~shares of New Common Stock and rights with respect thereto in order to protect its net ~~operating losses~~Tax Attributes. Likewise, the Board of Reorganized Kodak may also adopt a rights plan intended to deter certain purchases and other tax attributesdispositions of Reorganized Kodak’s New Common Stock and rights with respect thereto. Such restrictions may include disregarding transfers in violations of such restrictions and treating them as being void *ab initio*; or, in the case of a rights plan, diluting certain persons that participate in prohibited transactions. It is anticipated that the New Board of Directors will have authority to exempt certain transfers from such restrictions. ~~Reorganized Kodak may alternatively adopt a rights plan to help protect its net operating losses and other tax attributes under which certain purchasers of New Common Stock may be diluted in certain circumstances; or rights plan.~~ If adopted, the transfer restrictions or rights plan may restrict the ability of ~~Claim~~ Holders that receive 5% (or a pre-determined lower percentage) or more of the shares of New Common Stock as part of the Plan from disposing of their shares, unless they get prior approval from the New Board of Directors. Despite the intentions of such restrictions or rights plan to deter and prevent an ownership change that would restrict Reorganized Kodak’s use of its ~~net operating losses and other tax attributes~~Tax Attributes, such an event may still occur. In addition, such restrictions or rights plan may make it more difficult and more expensive to acquire Reorganized Kodak, and may discourage open market purchases of ~~the~~shares of New Common Stock or a non-negotiated tender or exchange offer for ~~the~~shares of New Common Stock. Accordingly, such restrictions or rights plan may limit a shareholder’s ability to realize a premium over the market price of the shares of New Common Stock in connection with any stock transaction. ~~The Debtors may decide to apply the special rule under section 382(l)(5), but no final decision in this regard has been reached at this time. If the Debtors decide to apply section 382(l)(5), they may ask the Bankruptcy Court to issue a sell down order (as defined in the Bankruptcy Court’s order, entered on February 15, 2012, authorizing restriction on certain transfers of interests in the Debtors [Docket No. 369]) requiring certain substantial securityholders to sell some of their securities in excess of a certain amount.~~

~~13.17.~~ Due to Fresh Start Accounting Rules, the Reorganized Kodak's Financial Statements Will Not Be Comparable to the Financial Projections Contained in Appendix ~~EG~~ to this Disclosure Statement.

Due to fresh start accounting rules, the Reorganized Kodak's Financial Projections will not be comparable to the financial statements contained in the Debtors' SEC filings. As a result of the consummation of the Plan and the transactions contemplated thereby, ~~the~~ Reorganized Kodak will be subject to the fresh start accounting rules in accordance with Accounting Standards Codification 852, "Reorganizations." Accordingly, the financial condition and results of operations of ~~the~~ Reorganized Kodak from and after the Effective Date of the Plan will not be comparable to the financial condition or results of operations reflected in the consolidated historical financial statements of the Debtors contained in Kodak's filings with the SEC.

In addition, the Financial Projections contained in Appendix ~~EG~~ hereto do not currently reflect the impact of fresh start reporting, which may have a material impact on the Financial Projections.

C. Business Risks

1. Kodak May not Be Able to Generate the Cash Necessary to Finance Investment, Capital Needs, and Service of its Debt, which Could Adversely Affect its Business, Operating Results and Financial Condition.

Kodak's business may not generate cash flow in an amount sufficient to enable it to pay the principal of, or interest on its indebtedness, or to fund its other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements.

Kodak's ability to generate cash is subject to general economic, financial, competitive, litigation, regulatory and other factors that are beyond its control. It is not certain that:

- Kodak's businesses will generate sufficient cash flow from operations;
- Kodak will be able to generate sufficient cash proceeds through the disposition of the Personalized Imaging, Document Imaging and other businesses;
- Kodak will be able to repatriate or move cash to locations where and when it is needed;
- Kodak will realize cost savings, earnings growth and operating improvements resulting from the execution of its business plan; or
- future sources of funding will be available to Kodak in amounts sufficient to enable it to fund its liquidity needs.

If Kodak cannot fund its liquidity needs, Kodak 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 their debt; or seeking additional equity capital. These actions may be restricted as a result of the terms of the DIP ABL Credit Agreement, the DIP Term Loan Credit Agreement and the Emergence Credit Facilities. Such actions could increase Kodak's debt, negatively impact customer confidence in its ability to provide products and services, reduce Kodak's ability to raise additional capital, and delay sustained profitability. It is not certain that any of these remedies could, if necessary, be affected on commercially reasonable terms, or at all, or that they would permit Kodak to meet its scheduled debt service obligations. In addition, if Kodak incurs additional debt, the risks associated with Kodak's substantial leverage, including the risk that Kodak will be unable to service its debt or generate enough cash flow to fund its liquidity needs, could intensify.

2. *If Kodak is Unsuccessful with its Strategic Investment Decisions, Financial Performance Could be Adversely Affected.*

Kodak has focused its emergence business plan and investments on commercial businesses in large growth markets that are positioned for technology and business model transformation, specifically, commercial inkjet, packaging and functional printing solutions, and enterprise services. While Kodak believes each of these businesses has significant growth potential, they may also require additional investment and the business plan may not be successful even if implemented. The introduction of successful innovative products and the achievement of scale are necessary for Kodak to grow these businesses, improve margins and achieve its financial objectives. The introduction of products requires great precision in forecasting demand and understanding commercial business requirements in a rapidly moving marketplace. If Kodak is unsuccessful in growing its investment businesses as planned, its financial performance could be adversely affected.

3. *Kodak's Failure to Implement Plans, or Delays in Implementing Plans to Reduce its Cost Structure Could Negatively Affect its Consolidated Results of Operations, Financial Position and Liquidity.*

Kodak recognizes and has communicated the need to rationalize its workforce and streamline operations to a leaner more focused organization aligned with its identified emerging businesses and operations. Kodak has started implementing cost rationalization plans including a restructuring of resources, manufacturing, supply chain, marketing, sales and administrative resources. There are no assurances that such implementation will be successful or that the results Kodak will achieve will be consistent with its expectations. Additionally, if restructuring plans are not effectively managed, Kodak may experience lost customer sales, product delays and other unanticipated effects, causing harm to their business and customer relationships. Kodak's reorganization business plan is subject to a number of assumptions, projections, and analysis. If these assumptions prove to be incorrect, Kodak may be unsuccessful in executing its business plan or achieving the projected results, which could adversely impact its financial results and liquidity. 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 that could adversely affect Kodak's businesses.

4. Kodak's Inability to Effectively Complete and Manage Divestitures and Other Significant Transactions Could Adversely Impact its Business Performance, Including its Financial Results.

As part of its strategy, Kodak is engaged in discussions with third parties regarding possible divestitures, asset sales, investments, acquisitions, strategic alliances, joint ventures, and outsourcing transactions and enter into agreements relating to such transactions in order to further Kodak's business objectives. In order to pursue this strategy successfully, Kodak must identify suitable buyers, sellers and partners and successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the elimination of any post sale cost overhang related to divested businesses. Risks of transactions can be more pronounced for larger and more complicated transactions, or if multiple transactions are pursued simultaneously. If Kodak fails to identify and successfully complete transactions that further its strategic objectives, Kodak may be required to expend resources to develop products and technology internally, Kodak may be at a competitive disadvantage or Kodak may be adversely affected by negative market perceptions, any of which may have an adverse effect on ~~the~~ its revenue, gross margins and profitability. In addition, unpredictability surrounding the timing of such transactions could adversely affect Kodak's financial results.

5. Kodak'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 Reorganized Kodak's Financial Position, Results of Operations, and Cash Flow.

Kodak has significant defined benefit pension obligations. The funded status of Kodak's U.S. and non-U.S. defined benefit pension plans and other postretirement benefit plans, and the related cost reflected in Kodak'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, 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 Kodak's plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on Kodak's consolidated results of operations, financial position or liquidity.

6. If Kodak Cannot Continue to License or Enforce the Intellectual Property Rights on Which Its Business Depends, or If Third Parties Assert That Kodak Violates Their Intellectual Property Rights, ~~the~~ Reorganized Kodak's Revenue, Earnings, Expenses and Liquidity May Be Adversely Impacted.

Kodak relies 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 their employees, customers, suppliers and other parties, to establish, maintain and enforce their intellectual property rights. Despite these measures, any of Kodak'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 Kodak 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, Kodak may be unable to protect its proprietary technology adequately against unauthorized third party copying, or infringement or use, which could adversely affect Kodak's competitive position. Also, because of the rapid pace of technological change in the information technology industry, much of Kodak's business and products rely on key technologies developed or licensed by third parties, and Kodak may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

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

In addition, third parties may claim that Kodak's customers, licensees or other parties indemnified by Kodak are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit Kodak'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 Kodak. Even if Kodak believes 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 Kodak to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting Kodak from marketing or selling certain of their products. Even if Kodak has an agreement to indemnify it against such costs, the indemnifying party may be unable to uphold its contractual obligations. If Kodak cannot or does not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source, Kodak's revenue and earnings could be adversely impacted.

Finally, Kodak uses open source software in connection with its 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, Kodak could be subject to suits by parties claiming ownership of what Kodak believes to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose Kodak's source code or pay damages for breach

of contract could be harmful to ~~the~~ Reorganized Kodak's business results of operations and financial condition.

7. *The Competitive Pressures Kodak Faces Could Harm its Revenue, Gross Margins and Market Share.*

The markets in which Kodak does business are highly competitive with large, entrenched, and well financed industry participants. In addition, Kodak encounters aggressive price competition for all Kodak's products and services from numerous companies globally. Kodak's results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures. If Kodak's products, services and pricing are not sufficiently competitive with current and future competitors, Kodak could also lose market share, adversely affecting its revenue and gross margins.

8. *If Kodak's Commercialization and Manufacturing Processes Fail to Prevent Product Reliability and Quality Issues, its Product Launch Plans May Be Delayed, Financial Results May Be Adversely Impacted, and Kodak's Reputation May Be Harmed.*

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

9. *If Kodak Cannot Effectively Anticipate Technology Trends and Develop and Market New Products to Respond to Changing Customer Preferences, ~~the~~ Reorganized Kodak's Revenue, Earnings and Cash Flow, Could Be Adversely Affected.*

Kodak must develop and introduce new products and services in a timely manner to keep pace with technological developments and achieve customer acceptance. If Kodak is unable to anticipate new technology trends and develop improvements to their current technology to address changing customer preferences, this could adversely affect its revenue, earnings and cash flow. Due to changes in technology and customer preferences, the market for traditional film is in decline. Kodak's success depends in part on its ability to manage the

decline of the market for these traditional products by continuing to reduce Kodak's cost structure to maintain profitability.

10. Continued Weakness or Worsening of Economic Conditions Could Continue to Adversely Affect ~~the~~ Reorganized Kodak's Financial Performance and Liquidity.

The global economic environment and declines in consumption in Kodak's end markets have adversely affected sales of Kodak's products and profitability. This environment and decline was a factor leading to these Chapter 11 Cases. Further, global financial markets have been experiencing volatility. Economic conditions could accelerate the continuing decline in demand for Kodak's products, which could also place pressure on ~~the~~ its results of operations and liquidity. There is no guarantee that anticipated economic growth levels in markets that have experienced some economic recovery will continue in the future, or that Kodak will succeed in expanding sales in these markets. In addition, accounts receivable and past due accounts could increase due to a decline in Kodak's customers' ability to pay as a result of the economic downturn, and Kodak's liquidity, including its ability to use credit lines, could be negatively impacted by failures of financial instrument counterparties, including banks and other financial institutions. If the global economic weakness and tightness in the credit markets continue for a greater period of time than anticipated or worsen, Kodak's profitability and related cash generation capability could be adversely affected and, therefore, affect Kodak's ability to meet its anticipated cash needs, impair its liquidity or increase its costs of borrowing.

11. If Kodak Cannot Attract, Retain and Motivate Key Employees, its Revenue and Earnings Could Be Harmed.

To be successful, Kodak must continue to attract, retain and motivate executives and other key employees, including technical, managerial, marketing, sales, research and support positions. Hiring and retaining qualified executives, research and engineering professionals, and qualified sales representatives, particularly in Kodak's targeted growth markets, is critical to Kodak's future. If Kodak cannot attract qualified individuals, retain key executives and employees or motivate their employees, its business could be harmed.

12. Due to the Nature of the Products Kodak Sells and Their Worldwide Distribution, Kodak Is Subject to Changes in Currency Exchange Rates, Interest Rates and Commodity Costs That May Adversely Impact its Results of Operations and Financial Position.

As a result of Kodak's global operating and financing activities, Kodak is exposed to changes in currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Exchange rates and interest rates in markets in which Kodak does business tend to be volatile and at times its sales can be negatively impacted across all of Kodak's segments depending upon the value of the U.S. dollar, the Euro and other major currencies. In addition, Kodak'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 Kodak's revenue and earnings.

13. *If Kodak Is Unable to Provide Competitive Financing Arrangements to Its Customers or If It Extends Credit to Customers Whose Creditworthiness Deteriorates, This Could Adversely Impact Kodak's Revenues, Profitability and Financial Position.*

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

14. *Kodak Has Outsourced a Significant Portion of Its Overall Worldwide Manufacturing, Logistics and Back Office Operations and Faces the Risks Associated with Reliance on Third-Party Suppliers.*

Kodak has outsourced a significant portion of its overall worldwide manufacturing, logistics, customer support and administrative operations to third parties. To the extent that Kodak relies on third-party service providers, it faces the risk that those third parties may not be able to:

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

Further, even if Kodak honors its payment and other obligations to its 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, Kodak may be unable to meet its customer commitments, its costs could be higher than planned, and its cash flows and the reliability of its products could be negatively impacted. Kodak will vigorously enforce its contractual rights under such circumstances, but there is no guarantee it will be successful in preventing or mitigating the effects of unilateral actions by its suppliers. Other supplier problems that Kodak could face include electronic component

shortages, excess supply, risks related to favorable terms, the duration of Kodak'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, Kodak could experience interruptions in supply or increases in costs that might result in Kodak's inability to meet customer demand for Kodak's products, damage to Kodak's relationships with Kodak's customers, and reduced market share, all of which could adversely affect ~~the~~ Reorganized Kodak's results of operations and financial condition.

15. *Business Disruptions Could Seriously Harm Kodak's Future Revenue and Financial Condition and Increase its Costs and Expenses.*

Kodak's worldwide operations could be subject to earthquakes, power shortages, telecommunications failures, cyber-attacks, terrorism, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics, political or economic instability, and other natural or manmade disasters or business interruptions, for which they are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm Kodak's revenue and financial condition and increase its costs and expenses. In addition, some areas, including parts of the East and West coasts of the United States, have previously experienced, and may experience in the future, major power shortages and blackouts. These blackouts could cause disruptions to Kodak's operations or the operations of its suppliers, distributors and resellers, or customers. The impact of these risks is greater in areas where products are manufactured at a sole location or limited number of locations, and where the sourcing of materials is limited to a sole or limited base of suppliers since any material interruption in operations in such locations or suppliers could impact Kodak's ability to provide a particular product or service for a period of time. These events could seriously harm Kodak's revenue and financial condition, and increase Kodak's costs and expenses.

16. *Kodak'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 Kodak's Results of Operations.*

Kodak has 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 Kodak's products, an internal systems failure, increases in materials costs, or failure of or performance problems with one of Kodak's key logistics, components supply, or manufacturing partners, could have a material adverse impact on Kodak's financial condition and operating results, particularly if such developments occur late in the third quarter or during the fourth fiscal quarter. 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. These external developments are often unpredictable and may have an adverse impact on Kodak's business and results of operations.

17. *If Kodak Fails to Manage Distribution of Its Products and Services Properly, Its Revenue, Gross Margins and Earnings Could Be Adversely Impacted.*

Kodak uses a variety of different distribution methods to sell and deliver its 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 Kodak's products and services is a complex process. Moreover, since each distribution method has distinct risks and costs, Kodak's failure to implement the most advantageous balance in the delivery model for Kodak's products and services could adversely affect Kodak's revenue, gross margins and earnings. This has concentrated Kodak's credit and operational risk and could result in an adverse impact on ~~the~~ Reorganized Kodak's financial performance.

18. *Kodak May Be Required to Recognize Additional Impairments in the Value of its Goodwill and/or Other Long-Lived Assets, Which Would Increase Expenses and Reduce Profitability.*

Goodwill represents the excess of the amount paid to acquire businesses over the fair value of their net assets at the date of the acquisition. Kodak tests 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, Kodak'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 flows. Kodak will 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 Kodak's reporting units decline, silver prices increase significantly, or if reporting unit carrying values change materially compared with changes in respective fair values. On February 1, 2013, EKC closed the sale of its Digital Imaging Patent Portfolio. The cash flows related to the intellectual property goodwill reporting unit from patent licensing activity will significantly change and the fair value of the reporting unit may be materially impacted as a result of the sale.

19. *Kodak's Future Results Could Be Harmed If Kodak is Unsuccessful in Their Efforts to Expand Sales in Emerging Markets.*

Because Kodak is seeking to expand its sales and customer relationships outside the United States, and specifically in emerging markets in Asia, Latin America and Eastern Europe, Kodak'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 Kodak'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 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 Kodak will be able to market and sell Kodak's products in all targeted markets. If Kodak's efforts are unsuccessful, its business growth and results of operations could be harmed.

20. *Kodak Is and Will Be 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 Kodak's Business, Results of Operations and Financial Condition.*

Kodak is and will be subject to environmental laws and regulations in the jurisdictions in which it conducts 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 Kodak's products and the recycling and treatment and disposal of those products. If Kodak does not comply with applicable laws and regulations in connection with the use and management of hazardous substances, then Kodak could be subject to liability and/or could be prohibited from operating certain facilities, which could have a material adverse effect on Kodak's business, results of operations and financial condition.

21. *New Regulations Related to Conflict Minerals Will Require Kodak to Incur Additional Expenses and Could Limit the Supply and Increase the Cost of Certain Metals Used in Manufacturing their Products.*

In August 2012, the SEC adopted rules requiring disclosure related to sourcing of specified minerals, known as “conflict minerals,” that are necessary to the functionality or production of products manufactured or contracted to be manufactured by public companies. The new rules, effective in 2013, require a report to be filed by May 31, 2014, and if applicable, require companies to undertake due diligence, and disclose whether or not such minerals originated from the Democratic Republic of the Congo or an adjoining country. As a result, additional expenses will be incurred in complying and performing due diligence in complying with the new rules. In addition, the implementation of the new rules could adversely affect Kodak’s sourcing, supply and pricing of materials used in their products. There may only be a limited number of suppliers offering “conflict free” conflict minerals, and Kodak cannot be certain that they will be able to obtain necessary “conflict free” conflict minerals from such suppliers in sufficient quantities or at competitive prices. Because Kodak’s supply chain is complex, Kodak may also not be able to sufficiently verify the origins of the relevant minerals used in Kodak’s products through the due diligence procedures that it implement, which may harm its reputation.

9.10. U.S. SECURITIES LAW CONSIDERATIONS

A. Issuance of New Securities

A. Rights

The Rights to purchase shares of New Common Stock in the Rights Offerings will not be listed or quoted on any public or over-the-counter exchange or quotation system.

The 1145 Rights and 4(2) Rights, and any 1145 Rights Offering Shares or 4(2) Rights Offering Shares issuable upon the Effective Date pursuant to the exercise thereof, will be distributed and issued only to 1145 Eligible Participants and 4(2) Eligible Participants, respectively.

The 1145 Rights are not detachable from 1145 Eligible Claims. The 1145 Rights are not transferable after the 1145 Claim Determination Date. In addition, if any portion of an 1145 Eligible Claim is or has been (after the 1145 Claim Determination Date) transferred by an 1145 Eligible Participant, the corresponding 1145 Rights will be cancelled, and neither such 1145 Eligible Participant nor the transferee of such 1145 Eligible Claim will receive 1145 Rights Offering Shares in connection with such transferred 1145 Eligible Claim.

The 4(2) Rights are not transferable or detachable from 4(2) Eligible Claims. In addition, if any portion of a 4(2) Eligible Claim is or has been transferred after the 4(2) Certification Date, the corresponding 4(2) Rights will be cancelled, and neither the transferor nor the transferee of such 4(2) Eligible Claim will receive 4(2) Rights Offering

Shares in connection with such transferred 4(2) Eligible Claim. 4(2) Rights are not exercisable other than by a 4(2) Eligible Participant.

B. 1145 Securities

1. Issuance

The Plan provides for the offer, issuance, sale or distribution of the Unsecured Creditor New Common Stock Pool, the 1145 Rights Offering Shares, the Warrants and the shares of New Common Stock underlying the Warrants (collectively, the “1145 Securities”). Except with respect to any person that is an underwriter as defined in section 1145(b) of the Bankruptcy Code, the 1145 Securities will be exempt from registration under section 5 of the Securities Act (or any State or local law requiring registration for offer or sale of a security) under section 1145 of the Bankruptcy Code.

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act, and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient’s claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property. ~~Except as noted below, the Debtors believe that the offer and sale of New Common Stock to the Holders of Second Lien Notes Claims and General Unsecured Claims satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws.~~

~~B. Subsequent Transfers of New Common Stock~~

~~The New Common Stock to be issued pursuant to the Plan~~For example, without regard to the value of the Rights, an 1145 Eligible Participant that owns an 1145 Eligible Claim in the amount of \$1 million will receive, in exchange for such 1145 Eligible Claim, (i) shares of New Common Stock from the Unsecured Creditor New Common Stock Pool with an estimated value of at least \$25,575;³⁶ (ii) 125% Warrants with an estimated value of at least \$1,700; (iii) 135% Warrants with an estimated value of at least \$1,400; (iv) net proceeds from the Kodak GUC Trust with an estimated value of at least \$3,900, and (v) if such 1145 Eligible Participant is not a 4(2) Eligible Participant, an additional cash distribution as part of the Rights Offerings Consideration. An 1145 Eligible Claim of the same amount entitles an 1145 Eligible Participant to purchase up to 2,142 1145 Rights Offering Shares for a total cash purchase price of \$25,575. Because the total value of such an 1145 Eligible Claim, as implied by the value of such

³⁶ This calculation assumes that the total amount of Claims in Class 4 and Class 6 equals \$2.8 billion. Kodak currently expects that the total amount of Claims in Class 4 and Class 6 will be between \$2.2 billion and \$2.8 billion.

distributions under the Plan, is equal to at least \$32,000, and thus significantly exceeds the cash value payable on account of such Claim pursuant to the 1145 Rights Offering, the Debtors submit that all 1145 Securities issued pursuant to the Plan will be issued principally in exchange for the corresponding 1145 Eligible Claims, and only partly in exchange for the cash purchase price to be paid pursuant to the 1145 Rights Offering, and that the 1145 Securities therefore satisfy all the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws (except with respect to an underwriter as described above).³⁷

The Debtors believe that the value of the direct distributions being made to 1145 Eligible Participants pursuant to the Plan on account of their 1145 Eligible Claims (excluding the 1145 Rights and, if applicable, 4(2) Rights), and thus the value of the interests in any such 1145 Eligible Claim to be exchanged pursuant to the 1145 Rights Offering, exceeds the value of the capital being raised pursuant to the exercise of the 1145 Rights.

2. Subsequent Transfers

The 1145 Securities may be freely transferred by most recipients following the initial issuance under the Plan, and all resales and subsequent transfers of the ~~New Common Stock~~ 1145 Securities are exempt from registration under the Securities Act and state securities laws, unless the holder is an “underwriter” with respect to such securities. Section 1145(b) of the Bankruptcy Code defines four types of “underwriters”:

- (i) persons who purchase a claim against, an interest in, or a claim for an administrative expense against the debtor with a view to distributing any security received in exchange for such claim or interest;
- (ii) persons who offer to sell securities offered under a plan for the holders of such securities;
- (iii) persons who offer to buy such securities from the holders of such securities, if the offer to buy is:
 - (A) with a view to distributing such securities; and
 - (B) under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or
- (iv) a person who is an “issuer” with respect to the securities as the term “issuer” is defined in section 2(a)(11) of the Securities Act.

³⁷ The amounts given in this paragraph are estimates based on certain assumptions. Actual values may vary based on several factors, including, but not limited to, the outcome of Avoidance Actions and the volatility of the price of the New Common Stock.

Under section 2(a)(11) of the Securities Act, an “issuer” includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer.

To the extent that persons who receive ~~New Common Stock~~ 1145 Securities pursuant to the Plan are deemed to be “underwriters,”² resales by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Persons deemed to be underwriters may, however, be permitted to resell such ~~New Common Stock~~ 1145 Securities without registration pursuant to the provisions of Rule 144 under the Securities Act. ~~These rules permit~~ As described in further detail below, Rule 144 provides an exemption for the public resale of securities ~~received by “underwriters”, such as 1145 Securities, if certain conditions are met.~~ These conditions depend on whether the holder of the securities is considered to be an “affiliate” of the issuer. An affiliate is defined as “a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer.” An 1145 underwriter who is an affiliate of Reorganized Kodak may resell 1145 Securities after the six-month holding period only if, at the time of the sale, certain current public information regarding the issuer is available and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. An 1145 underwriter who is not, and has not been for at least three months, an affiliate of Reorganized Kodak or its predecessor, may resell 1145 Securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 12 months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain company information is made publicly available ~~and if volume limitations and certain other conditions are met.~~ The Debtors currently expect that Reorganized Kodak will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the Effective Date).

Whether or not any particular person would be deemed to be an “underwriter” with respect to the ~~New Common Stock~~ 1145 Securities or other security to be issued pursuant to the Plan would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any particular person receiving ~~New Common Stock~~ 1145 Securities or other securities under the Plan would be an “underwriter” with respect to such ~~New Common Stock~~ 1145 Securities or other securities.

C. 4(2) Securities

1. Issuance

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor from registration promulgated by the SEC under section 4(2) of the Securities Act.

The Debtors believe that the 4(2) Rights Offering Shares and the shares of New Common Stock to be reserved for issuance in connection with the Backstop Fees (together, the “4(2) Securities”) are issuable without registration under the Securities Act in reliance upon the exemption from registration provided under section 4(2) of the Securities Act and/or Regulation D promulgated thereunder. These shares will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration, under the Securities Act and other applicable law, as described below.

2. Subsequent Transfers

Because the 4(2) Securities will not be issued pursuant to section 1145(a)(1) of the Bankruptcy Code, they will be deemed “restricted securities” that may not be offered, sold, exchanged, assigned or otherwise transferred unless they are registered under the Securities Act, or an exemption from registration under the Securities Act is available.

The Debtors do not plan to register the 4(2) Securities held by persons other than the Backstop Parties. Thus, persons who receive 4(2) Securities (other than the Backstop Parties) will not be permitted to offer, sell or otherwise transfer their 4(2) Securities except pursuant to an available exemption from registration.

All persons (other than Backstop Parties) who purchase 4(2) Securities will be required to agree that they will not offer, sell or otherwise transfer any 4(2) Securities except in accordance with the exemption from registration provided by Rule 144 under the Securities Act, if and when available.

Rule 144 provides an exemption for the public resale of “restricted securities” if certain conditions are met. These conditions vary depending on whether the holder of the restricted securities is an affiliate of the issuer. An affiliate is defined as “a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer.”

A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the twelve months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain information about the issuer is made publicly available. The Debtors currently expect that Reorganized Kodak will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the emergence date).

An affiliate may resell restricted securities after the six-month holding period if at the time of the sale certain current public information regarding the issuer is available. As noted

above, the Debtors currently expect that this information requirement will be satisfied. The affiliate must also comply with the volume, manner of sale and notice requirements of Rule 144. First, the rule limits the number of restricted securities (plus any unrestricted securities) sold for the account of an affiliate (and related persons) in any three-month period to the greater of 1% of the outstanding securities of the same class being sold, or, if the class is listed on a stock exchange, the greater of 1% of the average weekly reported volume of trading in such restricted securities during the four weeks preceding the filing of a notice of proposed sale on Form 144. Second, the manner of sale requirement provides that the restricted securities must be sold in a broker's transaction, which generally means they must be sold through a broker and handled as a routine trading transaction. The broker must receive no more than the usual commission and cannot solicit orders for the sale of the restricted securities except in certain situations. Third, if the sale exceeds 5,000 restricted securities or has an aggregate sale price greater than \$50,000, an affiliate must file with the SEC three copies of a notice of proposed sale on Form 144. The sale must occur within three months of filing the notice unless an amended notice is filed.

The Debtors believe that the Rule 144 exemption will not be available with respect to any 4(2) Securities (whether held by non-affiliates or affiliates) until at least six months after the Effective Date. Accordingly, holders of 4(2) Securities will be required to hold their 4(2) Securities for at least six months and, thereafter, to sell them only in accordance with the applicable requirements of Rule 144.

All 4(2) Securities will be issued in certificated form and will bear a restrictive legend. Except with respect to the Backstop Parties, each certificate representing, or issued in exchange for or upon the transfer, sale or assignment of, any 4(2) Security shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], AND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE ACT PROVIDED BY RULE 144 THEREUNDER, WHEN AVAILABLE.”

Reorganized Kodak will reserve the right to require certification or other evidence of compliance with Rule 144 as a condition to the removal of such legend or to any resale of the 4(2) Securities. Reorganized Kodak will also reserve the right to stop the transfer of any 4(2) Securities if such transfer is not in compliance with Rule 144. Any person who purchases 4(2) Securities pursuant to the 4(2) Rights Offering will be required to acknowledge and agree not to resell such securities except in accordance with Rule 144, when available, and that the securities will be subject to the other restrictions described above.

Any persons receiving “restricted securities” under the Plan should consult with their own counsel concerning the availability of an exemption from registration for resale of these securities under the Securities Act and other applicable law.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE AND THE HIGHLY FACT-SPECIFIC NATURE OF THE AVAILABILITY OF EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, INCLUDING THE EXEMPTIONS AVAILABLE UNDER SECTION 1145 OF THE BANKRUPTCY CODE AND RULE 144 UNDER THE SECURITIES ACT, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF THE ~~New Common Stock~~ SECURITIES TO BE ISSUED UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE ~~New Common Stock~~ SUCH SECURITIES.

10.11. MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

This section describes the material United States federal income tax consequences of the Plan to the Debtors, to Holders of Claims that are entitled to vote to accept or reject the Plan, and to the current Holders of Equity Interests. No rulings or determinations of the IRS or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. Events occurring after the date of this Disclosure Statement and prior to the Consummation of the Plan, including changes in law and changes in administrative positions, could affect the United States federal income tax consequences of the Plan. A substantial amount of time may elapse between the date of this Disclosure Statement and the Consummation of the Plan. This discussion does not take into account the particular circumstances of each Holder of Claims or Equity Interests and no assurance is given that the tax consequences discussed below will in fact apply to any such Holder.

This discussion is based on the Internal Revenue Code, its legislative history, existing and proposed regulations under the Internal Revenue Code, published IRS rulings and court decisions, all as currently in effect. These laws are subject to change, possibly with retroactive effect.

The following discussion does not address any ~~U.S.~~ United States state or local or non-~~U.S.~~ United States tax consequences of the Plan.

The consequences of the Plan may be complex. Please consult your own tax advisor concerning the consequences of the transactions pursuant to the Plan in your particular circumstances under the Internal Revenue Code and the laws of any other tax jurisdiction.

A. United States Federal Income Tax Consequences of the Plan to the Debtors and the Reorganized Debtors

The discussion below assumes that ~~the reorganized Company~~ Reorganized Kodak will be a continuation of ~~the Company~~ EKC for United States federal income tax purposes.

1. Cancellation of Indebtedness Income

The satisfaction of the ~~Second Lien Notes Claims and the General~~ Unsecured Claims pursuant to the Plan and the conversion of the convertible DIP Term Loans into the Emergence Rollover Term Loans, if it occurs, may result in the cancellation of a portion of the Debtors' outstanding indebtedness. In general, the discharge of a debt obligation in exchange for an amount of cash and other property having a fair market value less than the "adjusted issue price" of the debt that is discharged gives rise to cancellation of indebtedness income ("**COD Income**") to the debtor. However, COD Income is not taxable to the debtor if the debt discharge occurs in a title 11 bankruptcy case. Rather, such COD Income instead will reduce certain of the Debtors' tax attributes, generally in the following order: (a) net operating losses and carryforwards of net operating losses; (b) general business credit carryforwards; (c) minimum tax credit carryforwards; (d) capital loss carryforwards; (e) the tax basis of the Debtors' property (but not below the amount of its liabilities immediately after the discharge); (f) passive activity loss and credit carryforwards; and (g) foreign tax credit carryforwards. A debtor may elect to alter the preceding order of attribute reduction and, instead, first reduce the tax basis of its depreciable assets (which may also include the depreciable assets of its subsidiaries). The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined (*i.e.*, such attributes may be available to offset taxable income that accrues between the date of discharge and the end of the Reorganized Debtors' taxable year). If the total COD Income exceeds the amount of available tax attributes, that excess is not subject to United States federal income tax and has no other United States federal income tax impact (but may trigger a recognition of other unrelated deferred items of income).

Because some of the Debtors' outstanding indebtedness will be satisfied in exchange for shares of New Common Stock, the amount of COD Income the Debtors will have, and accordingly the amount of their tax attributes required to be reduced, will depend in part on the fair market value of the shares of New Common Stock. This value cannot be known with certainty until after the Effective Date.

2. Post-Ownership Change Limitation on Use of Pre-Ownership Change Tax Attributes

As of December 31, 2012, the Debtors had approximately \$2.6 billion of United States federal net operating loss carryforwards, approximately \$535 million in United States federal foreign tax credit carryforwards, and approximately \$19 million of federal research and development credits. Based on current projections, which may change, the Debtors expect to incur approximately \$279 million of additional net operating losses during the first four years after the Effective Date. The amount of Tax Attributes that will be available to the Debtors at the Effective Date is based on a number of factors and is difficult to calculate with any precision at this time. Some of the factors that will affect the amount of available Tax Attributes include: the amount of additional tax losses, if any, incurred by the Debtors prior to the Effective Date and the amount of additional foreign tax credits to which the Debtors become entitled prior to the Effective Date, the value of the shares of New Common Stock issued pursuant to the Plan, and the amount of COD Income realized by the Debtors in connection with the Consummation of the Plan.

The Debtors anticipate that they will experience an “ownership change” (within the meaning of section 382 of the Internal Revenue Code) as a result of Distributions pursuant to the Plan. Sections 382 and 383 of the Internal Revenue Code generally apply if a corporation undergoes an ownership change and they limit the corporation’s use, after its ownership change, of its pre-ownership change Tax Attributes (the “**Section 382 Limitation**”). The Section 382 Limitation on a corporation’s use of pre-ownership change Tax Attributes in any post-ownership change year is generally equal to the product of the fair market value of the corporation’s outstanding stock immediately before the ownership change and the long-term tax-exempt rate posted by the IRS (2.7080% for ~~May~~July 2013) in effect for the month in which the ownership change occurs. Generally, if the corporation experiencing an ownership change has a net unrealized built-in gain (generally, the excess, if any, of the aggregate fair market value of the corporation’s assets over the aggregate tax basis of such assets) at the time of the ownership change, the Section 382 Limitation which would otherwise apply in each of the first five post-change taxable years will be increased by the amount of such built-in gains that are recognized. Section 382 may also limit the Debtors’ ability to use “net unrealized built-in losses” to offset future taxable income. The Debtors currently anticipate that Kodak is in a net unrealized built-in loss position. Moreover, the Reorganized Debtors’ pre-ownership change Tax Attributes will be subject to further limitations if the Reorganized Debtors do not continue their business enterprise for at least two years following the ownership change or if they experience additional future ownership changes.

~~However, if the Debtors qualify under section 382(l)(5) of the Internal Revenue Code, the Reorganized Debtors’ ability to utilize their pre-ownership change Tax Attributes would generally not be limited as described in the previous paragraph. However, several other limitations would apply to the Reorganized Debtors under section 382(l)(5) of the Internal Revenue Code, including (a) the Debtors’ pre-ownership change Tax Attributes would be recalculated so as to not take into account any deductions for interest paid or accrued in the portion of the tax year ending on the date of the ownership change and all other tax years ending during the preceding three-year period with respect to all of the Claims that are exchanged for New Common Stock pursuant to the Plan, and (b) if the Reorganized Debtors undergo a second ownership change within two years after the ownership change described above, the Section 382 Limitation applicable to the second ownership change will be zero (thus eliminating completely the Reorganized Debtors’ ability to utilize Tax Attributes from periods prior to such second ownership change to offset taxable income in any taxable period ending after the second ownership change). The determination of the eligibility of the Debtors to benefit from the rules in section 382(l)(5) of the Internal Revenue Code is highly fact-specific and dependent on circumstances that are difficult to assess accurately at this time. The Debtors may decide to apply the special rule under section 382(l)(5), but no final decision in this regard has been reached at this time. If the Debtors decide to apply section 382(l)(5), they may ask the Bankruptcy Court to issue a sell-down order (as defined in the Bankruptcy Court’s order, entered on February 15, 2012, authorizing restriction on certain transfers of interests in the Debtors [Docket No. 369]) requiring certain substantial securityholders to sell some of their securities in excess of a certain amount.~~

~~If the Debtors do not qualify for, or elect not to apply, the special rule under section 382(l)(5) of the Internal Revenue Code described above, a different rule under section 382(l)(6) of the Internal Revenue Code applicable to corporations under the jurisdiction of a~~

~~bankruptcy court will apply in calculating the Section 382 Limitation. Under this rule, the Section 382 Limitation will generally be determined by reference to the equity value of Reorganized Kodak immediately after the ownership change has occurred (rather than~~If the Plan is approved, the Debtors do not expect to qualify for the special rule under section 382(l)(5) of the Internal Revenue Code (section 382(l)(5) of the Internal Revenue Code materially alleviates the restrictions described above). However, section 382(l)(6) of the Internal Revenue Code may provide some relief from the Section 382 Limitation because it will allow the Reorganized Debtors to calculate their limitation, in general, by reference to their equity value immediately after the ownership change (rather than the equity value of the Debtors immediately before the ownership change, as is the case under the general rule for non-bankruptcy ownership changes and thus reflecting the increase in the value of the stock due to the cancellation of debt resulting from the Plan).~~Although the application of this rule may substantially increase the Section 382 Limitation, the Debtors' use of any pre-ownership change Tax Attributes remaining may still be substantially limited.~~

~~Whether or not section 382(l)(5) or section 382(l)(6) of the Internal Revenue Code applies to the ownership change anticipated as a result of Distributions pursuant to the Plan, future transactions in the~~Future transactions in the shares of New Common Stock could give rise to additional ownership changes with respect to the Reorganized Debtors to which the regular rules of section 382 of the Internal Revenue Code would ~~generally~~ apply.

B. United States Federal Income Tax Consequences of the Plan to Holders of Claims and Equity Interests

This section applies only to Holders that hold their Claims or Equity Interests in EKC as capital assets for United States federal income tax purposes and will hold the shares of New Common Stock, Rights and Warrants as capital assets for United States federal income tax purposes, as applicable. Except as specifically set forth below, this section does not apply to a member of a class of Holders subject to special rules, such as:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings;

- a bank;
- a life-insurance company;
- a tax-exempt organization;
- a person who holds Claims, Equity Interests ~~or~~, shares of New Common Stock, Rights or Warrants that are a hedge or that are hedged against interest rate risks;
- a person who owns Claims, Equity Interests ~~or~~, shares of New Common Stock, Rights or Warrants as part of a straddle or conversion transaction for United States federal income tax purposes;
- a person who disposes of Claims, Equity Interests ~~or~~, shares of New Common Stock, Rights or Warrants as part of a wash sale for United States federal income tax purposes; or
- a United States Holder ~~(as defined below)~~ whose functional currency is not the U.S. dollar for United States federal income tax purposes.

If a partnership holds Claims, Equity Interests ~~or~~, shares of New Common Stock, Rights or Warrants, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Claims, Equity Interests, ~~or~~ shares of New Common Stock, Rights or Warrants should consult its tax advisor with regard to the United States federal, state, local, and foreign income tax treatment of the transactions described herein and in the Plan.

1. Tax Treatment of the Kodak GUC Trust and Transfers Thereto

As discussed above in Section 5.N.13, “Federal Income Tax Treatment of the Kodak GUC Trust,” each Holder that is a beneficiary of the Kodak GUC Trust agrees to treat the Kodak GUC Trust as a grantor trust for United States federal income tax purposes and to be treated as the owner of the assets of the Kodak GUC Trust in accordance with its beneficial interest (such interest, a Holder’s “Kodak GUC Trust Asset Interest”). The discussion below assumes that the Kodak GUC Trust and the owners of beneficial interests therein are properly characterized in this manner for United States federal income tax purposes. Consequently, transfers to the Kodak GUC Trust of assets are treated as transfers of such assets (other than to the extent allocable to Disputed Claims) to the Holders receiving Kodak GUC Trust Asset Interests (in accordance with such Holders’ beneficial interests in the Kodak GUC Trust Disputed Claims Reserve), followed by the transfer by such assets to the Kodak GUC Trust in exchange for their Kodak GUC Trust Asset Interests.

According to the Plan, as soon as possible after the Effective Date, the Kodak GUC Trustee shall make a good-faith valuation of the Kodak GUC Trust’s assets, and such valuation shall be made available from time to time, to the extent relevant, and shall be used

consistently by all parties (including the Reorganized Debtors, the Kodak GUC Trustee and the beneficiaries of the Kodak GUC Trust), for all federal income tax purposes.

The Kodak GUC Trust is intended to be treated as a liquidating trust, as defined in Treasury Regulations section 301.7701-4(d) and has been structured in a way to conform to the requirements set forth in Revenue Procedure 94-45, 1994-2 C.B. 684, in which the IRS set forth general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. At this time, it is not clear whether the Kodak GUC Trustee or the Debtors will file a request for such a ruling with the IRS. Therefore, there can be no assurance as to whether the IRS or the courts would agree with the characterization of the Kodak GUC Trust described herein. Holders are urged to consult their tax advisors regarding the proper characterization of the Kodak GUC Trust.

~~2.~~ United States Holders

This subsection describes tax consequences to a United States Holder. A “**United States Holder**” is a beneficial owner of a Claim, Equity Interest ~~or~~ in EKC, Rights, Warrants, or shares of New Common Stock if the Holder is:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust, if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This subsection does not apply to a Holder that is not a United States Holder; such Holders should refer to “— United States Alien Holders” below.

a. Consequences of the Plan to United States Holders of ~~Second Lien Notes Claims~~ General Unsecured Claims, and Convenience Claims

The United States federal income tax consequences to United States Holders of ~~Second Lien Notes Claims and~~ General Unsecured Claims depend on whether such Claims constitute “securities” of ~~the Company~~ EKC for United States federal income tax purposes. Whether an instrument constitutes a security for United States federal income tax purposes is determined based on all the facts and circumstances, but most authorities have held that the term of a debt instrument at the time of its issuance is an important factor in determining whether such instrument is a security for United States federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security. Holders of ~~Second Lien Notes Claims and~~ General Unsecured Claims are urged to consult their

tax advisors to determine whether, given their particular circumstances, their Claim constitutes a security of ~~the Company~~ EKC.

With respect to the ~~Second Lien Notes Claims and~~ General Unsecured Claims that are treated as securities of EKC, the Plan pursuant to which the Holders of such Claims are exchanged for shares of New Common Stock, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash, if any, should be treated as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. In such case, Holders of such Claims should not recognize any gain or loss upon the exchange, except that (i) to the extent that the ~~New Common Stock or cash~~ consideration received in exchange for such Claims is treated as attributable to accrued but untaxed interest on such Claims, Holders of such Claims will be required to include such amount in ordinary income; and (ii) Holders of such Claims should recognize any gain, but not loss, realized upon the exchange to the extent they receive Kodak GUC Trust Asset Interests and cash, if any, other than Kodak GUC Trust Asset Interests and cash described in (i). In that case, Holders should include an amount equal to the lesser of the gain realized and the sum of the fair market value of such Kodak GUC Trust Asset Interests and cash, if any, received in income as capital gain, except with respect to Claims that were acquired with market discount, where such gain should be treated as ordinary to the extent of the market discount that accrued while such Claims were considered held by such Holder and was not previously included in income by such Holder. Under the Plan, other than with respect to the Second Lien Notes Debtors and all Holders of Allowed Claims, are required to treat Distributions in full or partial satisfaction of Allowed Claims are generally allocated as allocable first to the principal amount of Allowed Claims (except with respect to certain accrued and unpaid interest), with any excess allocated to unpaid interest that has accrued on such Claims. However, the extent to which consideration distributable under the Plan whether this method of allocating Distributions will be treated as attributable to accrued but untaxed interest respected for United States federal income tax purposes is not clear, and the IRS could assert that another a different method of attribution should be used. Holders of such Claims are advised to consult their own tax advisors to determine the amount, if any, of consideration received under the Plan that is treated as as to the allocation rules and the potential tax consequences to them if the IRS were to make such an assertion. A Holder receiving a Kodak GUC Trust Asset Interest should obtain a tax basis in such share equal to its fair market value at the time of the receipt. A Holder of a General Unsecured Claim that is treated as a security of EKC should generally obtain an aggregate tax basis in the shares of New Common Stock, Warrants, and Rights received in exchange for such Claim equal to its tax basis in such Claim increased by any gain it recognized and reduced by the amount of cash, if any, received upon the exchange. Notwithstanding the previous sentence, such a Holder should receive a basis in any shares of New Common Stock, Warrants, and Rights which it receives as consideration that is attributable to accrued but untaxed interest on its Claim equal to the fair market value of such shares of New Common Stock, Warrants, and Rights. Such a Holder should allocate its aggregate tax basis in the shares of New Common Stock, Warrants, and Rights received (other than to the extent such consideration is attributable to accrued but untaxed interest on such Claim) among the shares of New Common Stock, Warrants, and Rights so received in proportion to their respective fair market values at the time received. Such a Holder should have a holding period in the shares of New Common Stock, Warrants, and Rights received in exchange for its Claim equal to its holding period in such Claim, except to the extent such Holder receives such shares of New Common Stock, Warrants, and Rights as consideration that is attributable to accrued but untaxed interest. Except with respect to New

~~Common Stock attributable to accrued but untaxed interest, Holders of Second Lien Notes Claims should obtain a tax basis in the New Common Stock equal to their tax basis of the Second Lien Notes Claims and should have a holding period for the New Common Stock that includes their holding period for the Prepetition Second Lien Notes that are exchanged therefor. Except with respect to New Common Stock attributable to accrued but untaxed interest, Holders of Unsecured Claims should obtain a tax basis in the New Common Stock equal to the tax basis of the Claims surrendered therefor and on its Claim with respect to which such Holder should have a holding period ~~for~~ that begins on the day following the receipt of such consideration.~~

The discussion above generally assumes that the exchange of General Unsecured Claims for shares of New Common Stock ~~that includes the holding period for the, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash, if any,~~ is treated as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. However, it is possible that the IRS may assert that the exchange should be treated as part of a transaction governed by section 351 of the Internal Revenue Code and that section 368(a)(1)(E) of the Internal Revenue Code should not apply to the exchange. Holders of General Unsecured Claims ~~exchanged therefor.~~ are urged to consult their tax advisors regarding the proper characterization of the exchange and the resulting United States federal income tax consequences to them.

With respect to General Unsecured Claims that are not treated as securities of EKC (such as claims against any Debtor subsidiary of EKC), and with respect to Convenience Claims, a Holder of such Claims generally will be treated as exchanging its Claims for the consideration received for such Claims pursuant to the Plan in a taxable exchange. Accordingly, such a Holder generally should recognize capital gain or loss equal to the difference between (i) the fair market value of the shares of New Common Stock, Warrants, Rights, if any, Kodak GUC Trust Asset Interests, and the amount of cash, if any, received (excluding shares of New Common Stock, Warrants, Rights, Kodak GUC Trust Asset Interests, and cash treated as attributable to accrued but untaxed interest on such Claims), ~~or the amount of cash, if any, received~~ and (ii) the Holder's adjusted basis in such Claims, except that any gain recognized with respect to Claims that were acquired with market discount that is attributable to the market discount that accrued while such Claims were considered held by such Holder and ~~were~~ was not previously included in income by such Holder should be treated as ordinary income. To the extent that the shares of New Common Stock, Warrants, and Rights or cash is treated as attributable to accrued but untaxed interest on such Claims, Holders of such Claims will be required to include such amount as ordinary income. ~~A Holder of Second Lien Notes Claims should obtain a tax basis in the New Common Stock received that is equal to the New Common Stock's fair market value at the time of the Distribution to such Holder and should have a holding period in the New Common Stock starting on the day following the date of the Distribution to such Holder.~~

Holders receiving Distributions of Excess Property from the Disputed Claims Reserve or the Kodak GUC Trust Disputed Claims Reserve are urged to consult their tax advisors regarding the particular United States federal income tax consequences of such receipt to them.

b. Consequences of the Plan to United States Holders of Equity Interests

Holders of Equity Interests, which are being cancelled under the Plan, will be entitled to claim a worthless stock deduction (assuming that the taxable year that includes the Plan is the same taxable year in which such stock first became worthless and that such Holder did not previously claim a worthless stock deduction with respect to any Equity Interests) in an amount equal to the Holder's adjusted basis in the Equity Interests. A worthless stock deduction is a deduction allowed to a Holder of a corporation's stock for the taxable year in which such stock becomes worthless, for the amount of the loss resulting therefrom. The loss will be treated as a loss from the sale or exchange of such capital asset, the deductibility of which is limited.

c. Consequences of the Plan to United States Holders of ~~Holding New Common Stock~~ Second Lien Notes Claims

~~Distributions. The gross amount of any distribution of cash or property made to a Holder with respect to~~ A Holder of a Second Lien Notes Claim will generally recognize capital gain or loss upon the receipt of cash in exchange for its Claim equal to the difference between the amount of such cash (excluding amounts treated as attributable to accrued but untaxed interest on such Claim which such Holder will be required to include in ordinary income) and its adjusted tax basis in its Claim, except that any gain recognized with respect to such Claim that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued while such Claim was considered held by such Holder and was not previously included in income by such Holder. The deductibility of capital losses is subject to limitations. Under the Plan, the Debtors and all Holders of Allowed Claims are required to treat Distributions in full or partial satisfaction of Allowed Claims as allocable first to the principal amount of Allowed Claims, with any excess allocable to unpaid interest that has accrued on such Claims. However, whether this method of allocating Distributions will be respected for United States federal income tax purposes is not clear, and the IRS could assert that a different method should be used. Holders of such Claims are advised to consult their own tax advisors as to the allocation rules and the potential tax consequences to them if the IRS were to make such an assertion.

d. Consequences of the Plan to United States Holders of Rights

A Holder of Rights should generally not recognize gain or loss upon its exercise of such Rights. Such a Holder's tax basis in shares of New Common Stock received upon exercise of such Rights should equal the aggregate amount of such Holder's tax basis in such Rights, if any, and the amount paid for such shares of New Common Stock. Such a Holder should have a holding period in such stock that begins on the day following the acquisition thereof. Upon the lapse of such Rights, such a Holder should generally recognize a short-term capital loss equal to its tax basis in such Rights.

e. Consequences of the Plan to United States Holders of Warrants

(i) Exercise

The tax consequences of the cashless exercise of a Warrant are not clear. The exercise of the Warrants may be treated for United States federal income tax purposes either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code. Under such treatment, in either case, a United States Holder generally will not recognize gain or loss upon exercise of a Warrant except that, if the Warrant Agreement (when finalized) provides for the payment of cash in lieu of a fractional share of New Common Stock (and the discussion below so assumes), the receipt of such cash will generally be treated as if the United States Holder received the fractional share and then received such cash in redemption of such fractional share. Such redemption will generally result in capital gain or loss equal to the difference between the amount of cash received and the United States Holder's adjusted tax basis in the shares of New Common Stock that is allocable to the fractional share. A United States Holder will have a tax basis in the shares of New Common Stock received upon the exercise of a Warrant equal to its tax basis in the Warrant, less any amount attributable to any fractional share. If the Warrant is treated as an option to receive a variable number of shares of shares of New Common Stock, the holding period of shares of New Common Stock received upon the exercise of a Warrant will commence on the day the Warrant is exercised (or possibly on the day following the day the Warrant is exercised). If the exercise is treated as a recapitalization, the holding period of shares of New Common Stock received upon the exercise of a Warrant will include the holder's holding period of the Warrants, as discussed above under "— Consequences of the Plan to United States Holders of General Unsecured Claims and Convenience Claims".

However, the IRS could take the position that the exercise of the Warrants results in a taxable exchange resulting in gain or loss. The amount of gain or loss recognized on such deemed exchange and its character would depend on the position taken by the Internal Revenue Service regarding the nature of that exchange. If the United States Holder is treated as exchanging the Warrants for the shares of New Common Stock received on exercise, the amount of gain or loss will be the difference between the fair market value of the shares of New Common Stock and cash in lieu of fractional shares received on exercise and the United States Holder's basis in the Warrants. In that case, the United States Holder will have long-term capital gain or loss if its holding period in the Warrant exceeds one year.

Alternatively, the IRS could take the position that the United States Holder is treated as selling a portion of the Warrants or underlying shares of New Common Stock for cash that is used to pay the exercise price for the Warrant, in which case the amount of gain or loss will be the difference between that exercise price and the United States Holder's basis attributable to the Warrants or shares of New Common Stock deemed to have been sold. If the United States Holder is treated as selling Warrants, the holder will have long-term capital gain or loss if its holding period in the Warrants exceeds one year. If the United States Holder is treated as selling shares of New Common Stock, the holder will have short-term capital gain or loss. In either case, a United States Holder of a Warrant will also recognize gain or loss in respect of the cash received in lieu of a fractional share of New Common Stock in an amount equal to the difference between the amount of cash received and the portion of the United States Holder's tax basis attributable to such fractional share.

Holders of Warrants are urged to consult their tax advisors regarding these and other possible characterizations of the cashless exercise of their Warrants for United States federal, state, local and foreign tax purposes.

(ii) Sale, Exchange, Lapse, or Other Disposition

Upon the sale, exchange, lapse, or other disposition of a Warrant (other than its exercise), a Holder should generally recognize capital gain or loss equal to the difference between the amount realized and such Holder's adjusted tax basis in such Warrant. Such gain or loss should generally be long-term capital gain or loss if the Holder has held its Warrant for more than one year at the time of the sale, exchange, or other disposition, and short-term capital gain or loss otherwise. Depending on the particular circumstances in which the Claim for which the Warrant was exchanged had been acquired and the treatment of the United States Holder's exchange of its Claim for its Warrant, the sale, exchange or other disposition of the Warrant might result in the recognition of market discount. Holders of Warrants are urged to consult their tax advisors regarding the application of the market discount rules to any gain recognized upon the exercise, sale, exchange, or other disposition of a Warrant.

(iii) Adjustments

A Holder of Warrants might be treated as receiving a constructive dividend distribution from Reorganized Kodak if (i) the exercise price is adjusted and as a result of such adjustment such Holder's proportionate interest in Reorganized Kodak's assets or earnings and profits is increased and (ii) the adjustment is not made pursuant to a *bona fide*, reasonable anti-dilution formula, as determined under applicable Treasury Regulations. An adjustment in the exercise price would not be considered made pursuant to such a formula if the adjustment were made to compensate the Holder of a Warrant for certain taxable distributions with respect to the shares of New Common Stock. Thus, under certain circumstances, a reduction in the exercise price might give rise to a taxable dividend to a Holder of Warrants even though such Holder would not receive any cash related thereto.

f. Consequences to United States Holders of Holding Shares of New Common Stock

(i) Distributions

The gross amount of any distribution of cash or property made to a Holder with respect to shares of New Common Stock generally will be includible in gross income by a Holder as dividend income to the extent such ~~distributions are~~ distribution is paid out of the current or accumulated earnings and profits of the Reorganized Debtors as determined under United States federal income tax principles. Dividends received by non-corporate Holders may qualify for reduced rates of taxation. A distribution which is treated as a dividend for United States federal income tax purposes may qualify for the 70% dividends-received deduction if such amount is distributed to a Holder that is a corporation and certain holding period and ~~taxable income~~ certain other requirements are satisfied. Any dividend received by a Holder that is a corporation may be subject to the "extraordinary dividend" provisions of the Internal Revenue Code.

A distribution in excess of the Reorganized Debtors' current and accumulated earnings and profits will first be treated as a return of capital to the extent of the Holder's adjusted tax basis in its shares of New Common Stock and will be applied against and reduce such basis dollar-for-dollar (thereby increasing the amount of gain and decreasing the amount of loss recognized on a subsequent taxable disposition of the shares of New Common Stock). To the extent that such distribution exceeds the Holder's adjusted tax basis in its shares of New Common Stock, the distribution will be treated as capital gain, which will be treated as long-term capital gain if such Holder's holding period in its shares of New Common Stock exceeds one year as of the date of the distribution.

(ii) Sale, Exchange, ~~Or~~ Other Taxable Disposition.

Subject to the discussion of market discount below, for United States federal income tax purposes, a Holder generally will recognize capital gain or loss on the sale, exchange, or other taxable disposition of any of its shares of New Common Stock in an amount equal to the difference, if any, between the amount realized for the shares of New Common Stock and the Holder's adjusted tax basis in the shares of New Common Stock. Capital gains of non-corporate Holders derived with respect to a sale, exchange, or other disposition of shares of New Common Stock held for more than one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Holders are urged to consult their own tax advisors regarding such limitations.

Any gain recognized upon the sale, exchange or other disposition of shares of New Common Stock by a Holder that received such stock in exchange for a Claim (or as a result of the exercise of a Right or Warrant received in exchange for a Claim) with respect to which such Holder had accrued but untaxed market discount at the time of ~~the exchange and which was treated as received in a recapitalization of EKC~~ such exchange should be included in the Holder's ordinary income to the extent of such ~~accrued but untaxed~~ portion of such market discount ~~that was allocable to such shares of New Common Stock at the time of the exchange (or at the time of the exercise of such Right or Warrant as a result of such market discount having been allocated to such Right or Warrant), except if previously so included.~~ In addition, if such a Holder of ~~an~~ a General Unsecured Claim was required under the market discount rules of the Internal Revenue Code to defer its deduction of all or a portion of the interest in indebtedness incurred or maintained to acquire or carry such Claim, continued deferral of the deduction for interest on such indebtedness may be required. Any such deferred interest expense attributable to the shares of New Common Stock received in exchange for the Claim or received upon exercise of a Right or Warrant received in exchange for such Claim may be treated as interest paid or accrued in the year in which the shares of New Common Stock is sold, exchanged or otherwise disposed of.

Any gain recognized upon the sale, exchange or other disposition of shares of New Common Stock by a Holder that received such stock in exchange for a Claim with respect to which such Holder had accrued but untaxed market discount at the time of the exchange and which was treated as received in a recapitalization of EKC should be included in the Holder's ordinary income to the extent of such accrued but untaxed market discount. In addition, if such a Holder of an Unsecured Claim was required under the market discount rules of the Internal Revenue Code to defer its deduction of all or a portion of the interest in indebtedness incurred or

maintained to acquire or carry such Claim, continued deferral of the deduction for interest on such indebtedness may be required. Any such deferred interest expense would be attributed to the shares of New Common Stock received in exchange for the Claim, and may be treated as interest paid or accrued in the year in which the shares of New Common Stock is sold, exchanged or otherwise disposed of.

g. Consequences to United States Holders of Holding a Beneficial Interest in the Kodak GUC Trust

Each Holder receiving a Kodak GUC Trust Asset Interest as part of the Plan will be treated as owning a proportionate undivided interest in each of the assets of the Kodak GUC Trust to the extent of its interest therein (taking into account the Backstop Trust Waiver) (other than to the extent allocable to Disputed Claims). Accordingly, each such Holder will be required to report on its United States federal income tax return the share of any income, gain, loss, deduction, or credit recognized or incurred by the Kodak GUC Trust that is allocable to its Kodak GUC Trust Asset Interest and should treat such items as derived on its Kodak GUC Trust Asset Interest, not in satisfaction of the Claim for which it received such share. The character of any such items to a beneficiary of the Kodak GUC Trust and the ability of such beneficiary to benefit from any loss, deduction, or credit allocable to its Kodak GUC Trust Asset Interest will depend on the particular circumstances of such beneficiary and the nature of the assets held by the Kodak GUC Trust.

According to the Plan, and unless otherwise determined by any taxing authority, allocations of Kodak GUC Trust taxable income among the Kodak GUC Trust beneficiaries shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein and taking into account the Backstop Trust Waiver) if, immediately prior to such deemed distribution, the Kodak GUC Trust had distributed all its other assets (valued at their tax book value) to the Holders of the Kodak GUC Trust interests (treating all Disputed Claims as if they were Allowed Claims), in each case up to the tax book value of the assets treated as contributed by such Holders, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Kodak GUC Trust. Similarly, taxable loss of the Kodak GUC Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Kodak GUC Trust's assets. The tax book value of the Kodak GUC Trust's assets for this purpose shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, the applicable tax regulations, and other applicable administrative and judicial authorities and pronouncements.

Holders of Kodak GUC Trust Asset Interests may be required to pay tax on the income of the Kodak GUC Trust even if they have not yet received any distributions from the trust. Any distributions a Holder receives on account of its Kodak GUC Trust Asset Interest (other than Distributions allocable to Disputed Claims) should not give rise to gain or loss to such Holder for United States federal income tax consequences.

2.3. United States Alien Holders

This subsection describes tax consequences to a United States Alien Holder. A “**United States Alien Holder**” is a beneficial owner of a Claim, Equity Interest in EKC-~~of~~, Rights, Warrants, or shares of New Common Stock and if the Holder is:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a Claim, Equity Interest or share of New Common Stock.

This subsection does not apply to a Holder that is not a United States Alien Holder; such Holders should refer to “— United States Holders” above.

a. Consequences of the Plan to United States Alien Holders of Second Lien Notes Claims, General Unsecured Claims and Convenience Claims

(i) Capital Gain:

Subject to the discussion of backup withholding below, whether or not the ~~Second Lien Notes Claims and the~~ General Unsecured Claims constitute “securities” of ~~the Debtors~~ EKC, a United States Alien Holder generally should not be subject to United States federal income tax on capital gain recognized as a result of the exchange, as described above under “— Consequences of the Plan to United States Holders of ~~Second Lien Notes Claims, General~~ Unsecured Claims; and Convenience Claims;” unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or
- the gain is effectively connected with the Holder’s conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder’s capital gains allocable to United States sources exceed the Holder’s capital losses allocable to United States sources. If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence, but generally will be subject to United States federal income tax with respect of such gain in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(ii) Amounts Attributable to Accrued ~~B~~ut Unpaid Interest:

Subject to the discussion of backup withholding below, a United States Alien Holder's receipt of any shares of New Common Stock, Rights, Warrants, Kodak GUC Trust Asset Interests, or cash that is treated as attributable to accrued but unpaid interest (including amounts required to be taken into income under the accrual rules applicable to debt instruments with original issue discount under the Internal Revenue Code) on the Claims surrendered therefor should not be subject to United States federal income tax or withholding tax provided that:

- the Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of EKC's capital stock that are entitled to vote within the meaning of section 871(h)(3) of the Internal Revenue Code;
- the Holder is not a "controlled foreign corporation" that is, directly or indirectly, related to EKC through stock ownership;
- the interest is not effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, is not attributable to a permanent establishment in the United States); and
- the Holder (i) provides its name and address and certifies, under penalties of perjury, that it is not a ~~U.S.~~United States person (which certification may be made on IRS Form W-8BEN (or other applicable form)); or (ii) holds its ~~notes~~Claims through certain foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations. Special certification rules apply to Holders that are pass-through entities.

If the requirements described above are not satisfied, a tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) will generally apply to the gross amount of shares of New Common Stock, Rights, Warrants, Kodak GUC Trust Asset Interests, and cash treated as attributable to accrued but unpaid interest received by a United States Alien Holder, which may be satisfied by withholding. If the amount received that is so attributable to accrued but unpaid interest were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, ~~is~~were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such income at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

b. Consequences of the Plan to United States Alien Holders of Equity Interests

There should be no United States federal income tax consequences of the Plan to a United States Alien Holder of Equity Interests, which are being cancelled under the Plan, unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the ~~disposition~~cancellation and certain other conditions are met; or
- the ~~gain~~cancellation is effectively connected with the Holder's conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies to a United States Alien Holder of Equity Interests, the Holder generally will be entitled to reduce the amount of capital gains it has recognized during the taxable year that includes the Plan that are allocable to ~~U.S.~~United States sources and that are subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) by the amount of the loss resulting from the cancellation of the Equity Interests (assuming that the taxable year that includes the Plan is the same taxable year in which such stock first became worthless and only if such Holder had not previously claimed a worthless stock deduction with respect to any Equity Interests). If the second exception applies to a United States Alien Holder of Equity Interests, such Holder will be entitled to claim a worthless stock deduction (assuming that the taxable year that includes the Plan is the same taxable year in which such stock first became worthless and that such Holder did not previously claim a worthless stock deduction with respect to any Equity Interests) as described above under “— Consequences of the Plan to United States Holders of Equity Interests” and will be entitled to allocate such deduction to United States sources.

c. Consequences of the Plan to United States Alien Holders of Rights or Warrants

There should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Rights. If the exercise of the Warrants is treated either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code, as described above in the first paragraph under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” there should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Warrants. However, any gain or loss recognized by such a United States Alien Holder on account of cash received in lieu of fractional shares upon the exercise of its Warrant should give rise to the same United States federal income tax consequences to such Holder as discussed below in this subsection. As noted above in the second and third paragraphs under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” alternative characterization of the cashless exercise of the Warrants for United States federal income tax purposes are possible. United States Alien Holders are urged to consult their tax advisors

regarding the United States federal income tax consequences to them of exercising their Warrants if such exercise is not treated as an exercise of an option or a recapitalization. If the exercise of the Warrants is treated either as the exercise of an option to receive a variable number of shares of New Common Stock on exercise with an exercise price of zero or as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code, as described above in the first paragraph under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” there should be no United States federal income tax consequences to a United States Alien Holder upon the exercise of its Warrants. However, any gain or loss recognized by such a United States Alien Holder on account of cash received in lieu of fractional shares upon the exercise of its Warrant should give rise to the same United States federal income tax consequences to such Holder as discussed below in this subsection. As noted above in the second and third paragraphs under “— Consequences of the Plan to United States Holders of Warrants — Exercise,” alternative characterization of the cashless exercise of the Warrants for United States federal income tax purposes are possible. United States Alien Holders are urged to consult their tax advisors regarding the United States federal income tax consequences to them of exercising their Warrants if such exercise is not treated as an exercise of an option or a recapitalization.

There should be no United States federal income tax consequences to a United States Alien Holder upon the lapse of its Rights or Warrants and, subject to the discussion of backup withholding below, a United States Alien Holder generally should not be subject to United States federal income tax on capital gain recognized as a result of the sale, exchange or other disposition of its Warrants, as described above under “— Consequences of the Plan to United States Holders of Warrants — Sale, Exchange, Lapse, or Other Disposition,” unless

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the lapse of its Rights or Warrants or the sale, exchange or other disposition of its Warrants and certain other conditions are met; or
- the loss from the lapse of its Rights or Warrants or any gain upon the sale, exchange or other disposition of its Warrants is effectively connected with the Holder’s conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder’s capital gains allocable to United States sources exceed the Holder’s capital losses allocable to United States sources and will be entitled to reduce the amount of capital gains it has recognized that are allocable to United States sources by the amount of the capital losses allocable to United States sources for that year (including as a result of the lapse of the Rights or Warrants). If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence but will be required to account for any gain or loss recognized upon the sale, exchange or other disposition of its Warrants and the lapse of its Rights or Warrants in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations

could be subject to a branch profits tax with respect to gain recognized upon the sale, exchange or other disposition of Warrants at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

~~e.~~ *Constructive Dividends.* If a United States Alien Holder of Warrants is treated as constructively receiving a distribution, as described above under “— Consequences of the Plan to United States Holders of Warrants — Adjustments,” the United States federal income tax consequences will be the same as if such United States Alien Holder had received an actual distribution on shares of New Common Stock. The consequences of such a distribution are described below under “— Consequences of the Plan to United States Alien Holders of Holding ~~New Common Stock~~ Shares of New Common Stock”. Reorganized Kodak may withhold such tax from any distribution or payment to such Holder or on such Warrants, including the delivery of shares of New Common Stock upon the exercise of its Warrants, or require such Holder to transfer to Reorganized Kodak sufficient cash to pay for such taxes as a condition to adjusting the exercise price.

d. Consequences to United States Alien Holders of Holding Shares of New Common Stock

(i) Distributions:

Subject to the discussion of withholdable payments to foreign financial entities and other foreign entities and the discussion of backup withholding below, amounts treated as dividends under the Internal Revenue Code that are paid on the shares of New Common Stock to a United States Alien Holder are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if the Holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if the Holder is so eligible, the relevant payor will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to the Holder, unless it has been furnished with:

- a proper IRS Form W-8BEN or an acceptable substitute form upon which it certifies, under penalties of perjury, its status as a non-United States person and its entitlement to the lower treaty rate with respect to such payments; or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by the Holder at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing its entitlement to the lower treaty rate in accordance with ~~U.S.~~ United States Treasury regulations.

If the Holder is eligible for a reduced rate of United States withholding tax under a tax treaty, it may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid on the shares of New Common Stock to the United States Alien Holder were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, ~~is~~were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such income at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(ii) Sale, Exchange, ~~Or~~ Other ~~Taxable~~ Disposition.

Subject to the discussion of withholdable payments to foreign financial entities and other foreign entities and the discussion of backup withholding below, a United States Alien Holder generally will not be subject to United States federal income tax on gain it recognizes on the sale, exchange, or other ~~taxable~~ disposition of shares of New Common Stock, unless:

- the Holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or
- the gain is effectively connected with the Holder's conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If the first exception applies, the Holder generally will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which the Holder's capital gains allocable to United States sources exceed the Holder's capital losses allocable to United States sources. If the second exception applies, the Holder will not be subject to the 30% tax discussed in the previous sentence, but generally will be subject to United States federal income tax with respect of such gain in the same manner as United States Holders, as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

(iii) Withholdable Payments to Foreign Financial Entities and Other Foreign Entities.

A 30% withholding tax will be imposed on certain payments to a United States Alien Holder of shares of New Common Stock or certain foreign financial institutions, investment funds and other non-~~U.S.~~United States persons receiving payments on the Holder's behalf if the Holder or such institutions fail to comply with information reporting requirements. Such payments will include ~~U.S.~~United States source dividends and the gross proceeds from the sale or other disposition of stock that can produce ~~U.S.~~United States source dividends. A United States Alien Holder of shares of New Common Stock could be affected by this withholding if it is subject to the information reporting requirements and fails to comply with them or if it holds the shares of New Common Stock through another person (e.g., a foreign bank

or broker) that is subject to withholding because it fails to comply with these requirements (even if the Holder would not otherwise have been subject to withholding). Under applicable regulations, withholding will not apply to payments of dividends before January 1, 2014, and to payments of gross proceeds from a sale or other disposition of [shares of](#) New Common Stock before January 1, 2017.

e. [Consequences United States Alien Holders of Holding a Beneficial Interest in the Kodak GUC Trust](#)

Each Holder receiving a Kodak GUC Trust Asset Interest as part of the Plan will be treated as owning a proportionate undivided interest in each of the assets of the Kodak GUC Trust (other than to the extent allocable to Disputed Claims). Accordingly, each such Holder will be treated as owning the share of any income or gain recognized or incurred by the Kodak GUC Trust that is allocable to its Kodak GUC Trust Asset Interest, and, depending on the circumstances of the particular Holder and the characterization of such item of income or gain for United States federal income tax purposes, the Kodak GUC Trustee may be required to withhold United States federal income tax on any such allocable share of income or gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty) and may require the Holder to furnish certification for it to determine the proper rate of withholding (or that no withholding applies). United States Alien Holders are urged to consult their tax advisors regarding the United States federal income tax consequences of holding their Kodak GUC Trust Asset Interests.

If any of the items allocable to a United States Alien Holder's GUC Trust Asset Interest were to be effectively connected with the conduct of a trade or business within the United States (or, if certain tax treaties apply, were to be attributable to a permanent establishment in the United States), the United States Alien Holder would not be subject to the 30% withholding tax (assuming it provides proper certification on IRS Form W-8ECI); however, the United States Alien Holder would be subject to United States federal income tax in the same manner as United States Holders as described above, unless an applicable income tax treaty provides otherwise. In addition, foreign corporations could be subject to a branch profits tax with respect to the income allocable to their Kodak GUC Trust Asset Interest at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

~~3.4.~~ [Information Reporting and Backup Withholding](#)

In general, EKC, Reorganized Kodak, and other payors are required to report to the IRS all payments made (including the accrual of original issue discount, if any) to a non-corporate United States Holder on the Second Lien Notes Claims, the [General](#) Unsecured Claims, and the [shares of](#) New Common Stock. In addition, EKC, Reorganized Kodak, and other payors are required to report to the IRS any payment of proceeds of the sale or exchange of the Second Lien Notes Claims, and the [General](#) Unsecured Claims before maturity and of the [shares of](#) New Common Stock within the United States (as well as the proceeds of certain sales outside the United States). Furthermore, backup withholding will apply to any payments made to a non-corporate United States Holder on the Second Lien Notes Claims, the [General](#) Unsecured Claims and the [shares of](#) New Common Stock if the Holder fails to provide an accurate taxpayer identification number or is notified by the IRS that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

In general, EKC, Reorganized Kodak, and other payors are required to report annually to the IRS the amount of interest (including the accrual of original issue discount, if any) and dividends paid to a United States Alien Holder on the Second Lien Notes Claims, the [General](#) Unsecured Claims and the [shares of](#) New Common Stock and the tax withheld with respect to such payments, regardless of whether withholding was required. A United States Alien Holder will generally not be subject to backup withholding regarding payments made to it provided that the payor does not have actual knowledge or reason to know that the Holder is a United States Holder and the Holder complies with certain certification and identification requirements as to its foreign status.

C. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of the material United States federal income tax consequences of the Plan and is not a substitute for consultation with a tax professional. The above discussion is for informational purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Holder's particular circumstances. Accordingly, Holders are strongly urged to consult their own tax advisors about the United States federal, state, local, and applicable foreign income and other tax consequences of the plan, including with respect to tax reporting and record keeping requirements.

~~11.~~[12.](#) ALTERNATIVES TO CONFIRMATION OF THE PLAN

The Debtors believe that the Plan affords Holders of Claims ~~and Equity Interests~~ the potential for the greatest recovery on those Claims and ~~Equity Interests and~~ is therefore in the best interests of such holders. If the Plan is not confirmed, the alternative near-future outcomes for the Debtors include: (a) continuation of these Chapter 11 Cases; (b) an alternative plan or plans of reorganization; or (c) liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Continuation of these Chapter 11 Cases

If the Debtors remain in chapter 11, they will continue to operate their businesses and manage their properties as debtors-in-possession, but would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors can survive as a going concern in protracted Chapter 11 Cases. In particular, the Debtors may have difficulty sustaining the high costs and erosion of customer and market confidence that may result if the Debtors continue to operate as chapter 11 debtors-in-possession.

B. Alternative Plans of Reorganization

~~In order to propose an alternative plan of reorganization, the Debtors would need to: (i) periodically deliver various financial statements set forth in the DIP Credit Agreements and (ii) meet specific milestones by specific target dates. In addition, the Debtors are required to meet the minimum requirements set forth in the DIP Credit Agreements with respect to their U.S. liquidity and consolidated adjusted EBITDA. The terms of the Backstop Commitment Agreement prohibit the Debtors from initiating or soliciting proposals for alternative plans of~~

reorganization or other Alternate Transactions (as defined in the Backstop Commitment Agreement), provided the Debtors may receive unsolicited proposals or offers for alternative plans of reorganization or other Alternate Transactions and may provide information and engage in negotiations in connection therewith if the Board has determined in good faith, after consultation with its outside counsel and independent financial advisors, that such alternative plan of reorganization or Alternate Transaction constitutes or could reasonably be expected to result in a Superior Transaction (as defined in the Backstop Commitment Agreement). If the Plan is not confirmed, the Debtors, or, after the expiration of the exclusive period in which only the Debtors may propose and solicit a reorganization plan, any other party-in-interest in these Chapter 11 Cases, will be able to propose a different plan or plans. Such plans might involve either a reorganization and continuation of the Debtors' businesses, the liquidation of their assets, or a combination of both. In addition, alternative plans may not be supported by the KPP, which could create concerns for the efficient recovery of value from EKC's subsidiaries outside the United States.

C. Liquidation

If no plan of reorganization is confirmed, these Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In a chapter 7 case, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict with precision how the proceeds of the liquidation would be distributed among Holders of Claims against or Interests in the Debtors.

The Debtors believe, however, that creditors would lose substantially higher going-concern value in the event that the Debtors are liquidated. In addition, the Debtors believe that, in a liquidation under chapter 7, the value of the Debtors' estates will be substantially eroded before creditors receive any distribution, as a result of additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants and other professionals to assist such trustees. The assets available for distribution to creditors will be reduced by such additional expenses and by claims, some of which will be entitled to priority, which would arise by reason of the liquidation and the failure to realize the greater going-concern value of the Debtors' assets.

The Debtors may also be liquidated pursuant to a chapter 11 plan. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. A chapter 11 liquidation might therefore result in greater recoveries for Holders of Claims than a chapter 7 liquidation, but the delay in distribution of these recoveries could result in lower present values received and higher administrative costs. Because no trustee is appointed in a chapter 11 case, professional fees paid by the Debtors' estates could be lower than in a chapter 7 case, in which a trustee must be appointed. However, any distribution to Holders of Claims under a chapter 11 liquidation plan probably would be delayed substantially.

The Liquidation Analysis, prepared by the Debtors with their restructuring and financial advisors, is premised upon a hypothetical liquidation in a chapter 7 case. In the Liquidation Analysis, the Debtors have taken into account the nature, status, and underlying value of their assets, the ultimate estimated realizable value of their assets, and the extent to

which such assets are subject to liens and security interests. The likely form of any liquidation would be the wind-down and sale of individual assets in the U.S. and a forced sale of ~~going-concern~~ foreign ~~businesses~~ assets.

Based on this analysis, it is likely that a chapter 7 liquidation of the Debtors' assets would produce less value for distribution to creditors than that recoverable ~~in each instance~~ under the Plan. Therefore, the Debtors submit that the projected recoveries available to Holders of Claims and Holders of Equity Interests in a chapter 7 liquidation are likely to be lower than those available under the Plan.

12.13.DEBTORS' AND CREDITORS' COMMITTEE'S RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to the alternatives described herein. ~~Accordingly~~ Therefore, the Debtors recommend that Holders of Claims entitled to vote on the Plan ~~support confirmation~~ vote to accept it. In addition, the Creditors' Committee and its legal and financial advisors played an active role in the negotiation of the terms of the Plan-and, and the transactions contemplated therein and described herein. Accordingly, the Creditors' Committee recommends that Holders of Claims in Classes 4 – 8 vote to accept the Plan.

| Dated: ~~April 30~~June 21, 2013
Rochester, New York

Respectfully submitted,

EASTMAN KODAK COMPANY
(for itself and on behalf of each of the Debtors)

By: _____
Name:
Title:

INDEX OF DEFINED TERMS

Capitalized terms not defined in this Disclosure Statement ~~will~~ have the meaning assigned to them in the Plan.

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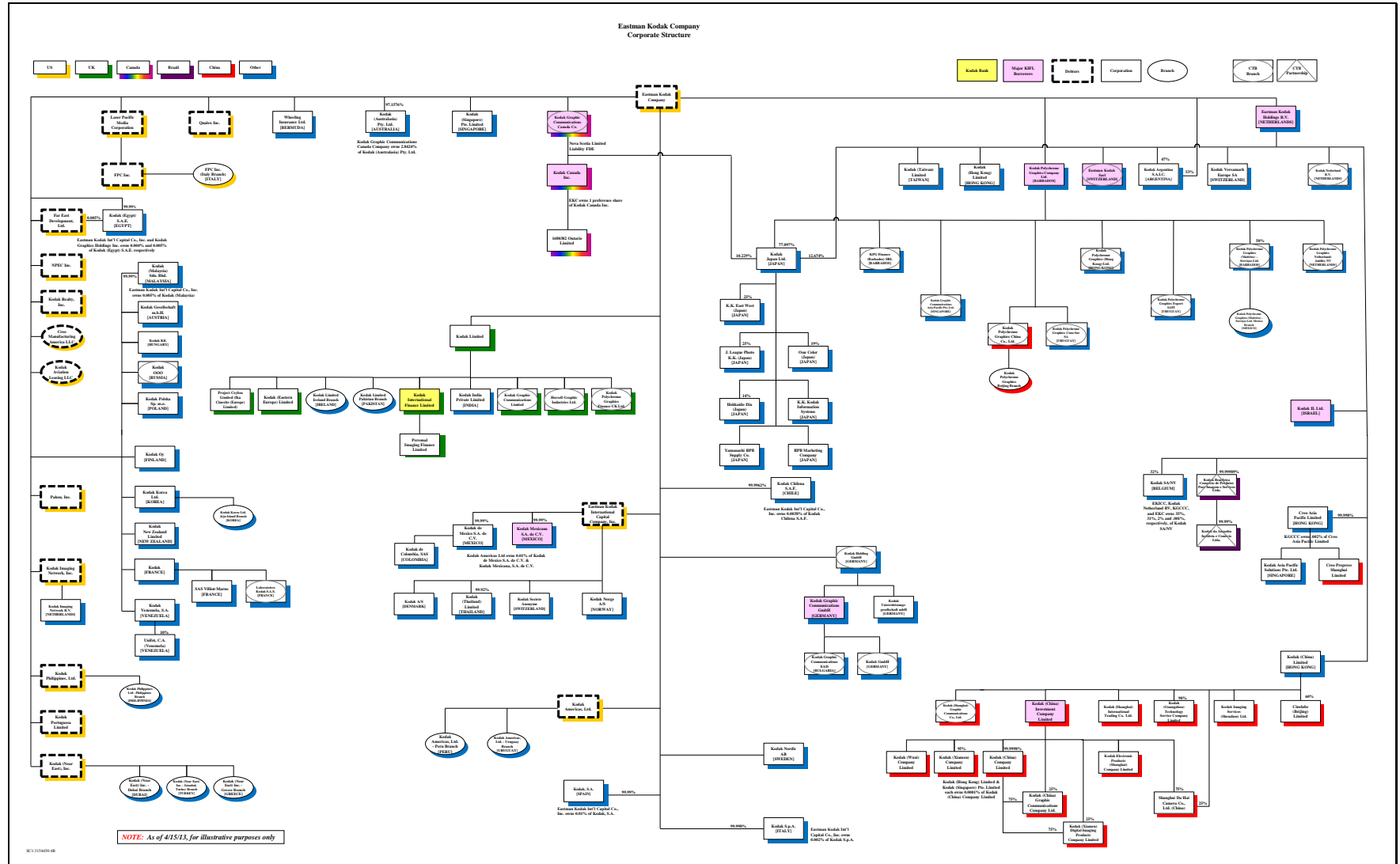
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Appendix A: Debtors' Plan of Reorganization

[\[Filed at Docket No. 4073.\]](#)

Appendix B: Solicitation Procedures Order

Appendix C: Debtors' Corporate Structure Chart



Appendix D: Backstop Commitment Agreement

[Attached as Exhibit B to the Debtors' Motion for an Order Authorizing the Debtors to (A) Execute a Backstop Commitment Agreement and (B) Incur, Perform and Abide by the Initial Commitment Provisions [Docket No. 4070].]

Appendix E: Reconciliation of Certain Non-GAAP Financial Measures

**EASTMAN KODAK COMPANY
RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES**

(in millions)

	For the Year Ended December 31,							Year over Year Comparison	
	2011	2012	2013	2014	2015	2016	2017	2011 vs. 2012	2013 vs. 2017
Graphics, Entertainment and Commercial Films ("GECF") segment earnings (loss)	\$ 54	\$ (132)	\$ 64	\$ 61	\$ 81	\$ 107	\$ 133	\$ (186)	\$ 69
GECF depreciation and amortization	146	120	118	104	92	71	68	(26)	(50)
GECF EBITDA after Corporate Costs	200	(12)	182	164	173	179	201	(212)	19
Digital Printing and Enterprise ("DP&E") segment earnings (loss)	(535)	(211)	(51)	8	74	142	248	324	299
DP&E depreciation and amortization	52	46	36	37	40	40	45	(6)	9
DP&E EBITDA after Corporate Costs	(483)	(165)	(15)	44	115	182	293	318	308
Commercial Imaging EBITDA after Corporate Costs, as presented	\$ (283)	\$ (177)	\$ 167	\$ 209	\$ 287	\$ 360	\$ 494	\$ 106	\$ 327
Commercial Imaging depreciation & amortization	198	166	154	140	132	111	113		
GECF, DP&E and IP/Brand Licensing segment (loss) income	(481)	(343)	13	68	155	249	381		
Personalized Imaging and Document Imaging segment (loss) income	34	43	(15)	(10)	(5)	-	-		
Total segment (loss) income	(447)	(300)	(2)	58	150	249	381		
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	(130)	(245)	(68)	(25)	(15)	(15)	(10)		
Corporate components of pension and OPEB expenses (1)	(28)	(122)	(3)	(3)	(3)	(3)	(3)		
Other operating income (expense), net	65	95	2,017	-	-	-	-		
Loss on early extinguishment of debt	-	(7)	-	-	-	-	-		
Reorganization items, net	-	(843)	(232)	(4)	-	-	-		
Interest expense	(155)	(158)	(139)	(104)	(106)	(109)	(109)		
Other income (charges), net	(4)	20	2,040	4	5	6	7		
(Loss) earnings from continuing operations before income taxes	(699)	(1,560)	3,612	(74)	30	127	265		
(Provision) benefit for income taxes	(8)	257	(33)	(26)	(27)	(29)	(32)		
(Loss) earnings from continuing operations	(707)	(1,304)	3,580	(100)	3	98	233		
Loss from discontinued operations, net of income taxes	(57)	(76)	-	-	-	-	-		
Net (Loss) Earnings (GAAP basis)	\$ (764)	\$ (1,379)	\$ 3,580	\$ (100)	\$ 3	\$ 98	\$ 233		

(1) Includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefits, curtailments and settlement components of pension and other post-retirement benefit expenses, except for settlements in connection with the chapter 11 bankruptcy proceedings that are recorded in Reorganization items, net in the Consolidated Statement of Operations.

EASTMAN KODAK COMPANY
RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES

(in millions)

	For the Year Ended December 31,							Year over Year Comparison	
	2011	2012	2013	2014	2015	2016	2017	2011 vs. 2012	2013 vs. 2017
Graphics, Entertainment and Commercial Films ("GECF") segment earnings (loss)	\$ 54	\$ (132)	\$ 64	\$ 61	\$ 81	\$ 107	\$ 133	\$ (186)	\$ 69
GECF depreciation and amortization	146	120	118	104	92	71	68	(26)	(50)
GECF EBITDA after Corporate Costs	200	(12)	182	164	173	179	201	(212)	19
Digital Printing and Enterprise ("DP&E") segment earnings (loss)	(535)	(211)	(51)	8	74	142	248	324	299
DP&E depreciation and amortization	52	46	36	37	40	40	45	(6)	9
DP&E EBITDA after Corporate Costs	(483)	(165)	(15)	44	115	182	293	318	308
Commercial Imaging EBITDA after Corporate Costs, as presented	\$ (283)	\$ (177)	\$ 167	\$ 209	\$ 287	\$ 360	\$ 494	\$ 106	\$ 327
Commercial Imaging depreciation & amortization	198	166	154	140	132	111	113		
GECF, DP&E and IP/Brand Licensing segment (loss) income	(481)	(343)	13	68	155	249	381		
Personalized Imaging and Document Imaging segment (loss) income	34	43	(15)	(10)	(5)	-	-		
Total segment (loss) income	(447)	(300)	(2)	58	150	249	381		
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	(130)	(245)	(68)	(25)	(15)	(15)	(10)		
Corporate components of pension and OPEB expenses (1)	(28)	(122)	(3)	(3)	(3)	(3)	(3)		
Other operating income (expense), net	65	95	2,017	-	-	-	-		
Loss on early extinguishment of debt	-	(7)	-	-	-	-	-		
Reorganization items, net	-	(843)	(260)	(4)	-	-	-		
Interest expense	(155)	(158)	(139)	(104)	(106)	(109)	(109)		
Other income (charges), net	(4)	20	1,608	4	5	5	7		
(Loss) earnings from continuing operations before income taxes	(699)	(1,560)	3,153	(74)	30	127	265		
(Provision) benefit for income taxes	(8)	257	(33)	(26)	(27)	(29)	(32)		
(Loss) earnings from continuing operations	(707)	(1,304)	3,120	(100)	3	98	233		
Loss from discontinued operations, net of income taxes	(57)	(76)	-	-	-	-	-		
Net (Loss) Earnings (GAAP basis)	\$ (764)	\$ (1,379)	\$ 3,120	\$ (100)	\$ 3	\$ 98	\$ 233		

(1) Includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefits, curtailments and settlement components of pension and other post-retirement benefit expenses, except for settlements in connection with the chapter 11 bankruptcy proceedings that are recorded in Reorganization items, net in the Consolidated Statement of Operations.

Appendix F: Valuation Analysis

Valuation of Reorganized Kodak

THE VALUATION INFORMATION CONTAINED IN THIS SECTION IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN.

A. Lazard's Estimated Valuation

Lazard has estimated the consolidated value of Reorganized Kodak based on projections provided by the Debtors' management for 2013 – 2017 (the “**Projection Period**”), attached to this Disclosure Statement as Exhibit G. Lazard has undertaken this Valuation Analysis to estimate the value available for distribution to Holders of (i) DIP ABL Claims, (ii) DIP Term Loan Claims, (iii) Allowed Claims in Class 3 – Second Lien Notes Claims, (iv) Allowed Class – 4 General Unsecured Claims and (v) Allowed Class 6 – Retiree Settlement Unsecured Claim in accordance with the Plan and to analyze the relative recoveries to such Holders thereunder.³⁸ The Valuation Analysis assumes that the Effective Date occurs on September 30, 2013.

The estimated total value (the “**Distributable Value**”) available for distribution to Holders of the Allowed Claims described above consists of the estimated value of Reorganized Kodak's operations on a going concern basis (the “**Enterprise Value**”), plus an estimate of excess available cash (*pro forma* for the Rights Offerings and payment of certain administrative, priority, and convenience claims¹), plus the value of certain assets of Reorganized Kodak that are not reflected in the Enterprise Value (as further described in the following paragraph), less any debt-like liabilities that are not repaid or subject to compromise under the Plan.

Based on the projections and solely for purposes of the Plan, Lazard estimates that the Enterprise Value of Reorganized Kodak falls within a range of \$800 to \$1,250 million. The Enterprise Value for purposes of the Valuation Analysis does not include (a) the estimated value of the Avoidance Actions that will be transferred to the Kodak GUC Trust, or (b) the estimated value of net operating loss carryforwards expected to be available to Reorganized Kodak beyond the Projection Period (the “**Residual NOLs**”).

Lazard estimates that the Distributable Value of Reorganized Kodak falls within the range of \$1,487 to \$1,955 million. The Distributable Value includes (a) the Enterprise Value, (b) approximately \$609 million of estimated excess available cash, excluding the proceeds of the Rights Offerings, (c) \$406 million of cash proceeds from the Rights Offerings, (d) \$23 to \$30 million of estimated value from the Residual NOLs, and (e) \$11 to \$22 million of

³⁸ For purposes of this Valuation Analysis, cash balances are net of estimated payments to certain Allowed Administrative Claims, Allowed Class 1 – Other Priority Claims, Allowed Class 2 – Other Secured Claims, and Allowed Class 8 – Subsidiary Convenience Claims. Distributable Value excludes de minimis payments in respect of Allowed Class 7 – Convenience Claims.

estimated value contributed to the Kodak GUC Trust Avoidance Actions.³⁹ Distributable Value is reduced by (a) \$11 million of capital leases and foreign indebtedness and (b) \$351 million of after-tax U.S. GAAP liabilities associated with pension and other post-employment benefit (“OPEB”) plans projected to require cash funding during the Projection Period.

Lazard estimates that the total equity value of Reorganized Kodak falls within a range of \$208 to \$658 million, equating to \$4.98 to \$15.77 per share of the New Common Stock.⁴⁰ The equity value is equal to the Distributable Value less (a) \$200 million of cash used for the partial repayment of the DIP Term Loan, (b) approximately \$654 million of loans under the DIP Term Loan Credit Agreement assumed to be converted into exit financing on the Effective Date, (c) \$395 million of Cash Distributions to Holders of Allowed Second Lien Notes Claims,⁴¹ (d) \$8 million of Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, (e) \$3 million of cash to fund the Kodak GUC Trust, (f) \$11 to \$22 million of estimated future proceeds from Avoidance Actions contributed to the Kodak GUC Trust, and (g) \$9 to \$16 million of estimated value associated with the Warrants that will be distributed to Holders of Allowed Class 4 - General Unsecured Claims and Allowed Class 6 - Retiree Settlement Unsecured Claim.

³⁹ As per the Debtors’ estimate, with the assistance of AP Services LLC.

⁴⁰ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in Cash on the Effective Date, although it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

⁴¹ Assuming Holders of Allowed Second Lien Notes Claims vote in favor of the Plan.

<u>ESTIMATED VALUATION</u>		
<u>(\$ in millions, except Per Share Price)</u>		
	<u>Range</u>	
	<u>Low</u>	<u>High</u>
<u>Enterprise Value</u>	<u>\$800</u>	<u>\$1,250</u>
<u>Plus: Available Excess Cash Utilized for Valuation Purposes⁴²</u>	<u>\$609</u>	<u>\$609</u>
<u>Plus: Cash Proceeds from Rights Offerings</u>	<u>406</u>	<u>406</u>
<u>Plus: Value of Residual NOLs</u>	<u>23</u>	<u>30</u>
<u>Plus: Estimated Value of Avoidance Actions Contributed to Kodak GUC Trust⁴³</u>	<u>11</u>	<u>22</u>
<u>Less: Capital Leases and Foreign Debt</u>	<u>(11)</u>	<u>(11)</u>
<u>Less: Tax-Adjusted Pension and OPEB Plans Requiring Contributions</u>	<u>(351)</u>	<u>(351)</u>
<u>Distributable Value to Holders of Allowed Claims</u>	<u>\$1,487</u>	<u>\$1,955</u>
<u>Less: Partial Cash Repayment of DIP Term Loans at Emergence</u>	<u>(\$200)</u>	<u>(\$200)</u>
<u>Less: Remainder of DIP Term Loans Converted into Exit Financing</u>	<u>(654)</u>	<u>(654)</u>
<u>Less: Repayment of Allowed Second Lien Notes Claims⁴⁴</u>	<u>(395)</u>	<u>(395)</u>
<u>Less: Payment of Rights Offerings Consideration</u>	<u>(8)</u>	<u>(8)</u>
<u>Less: Kodak GUC Trust Initial Amount</u>	<u>(3)</u>	<u>(3)</u>
<u>Less: Estimated Proceeds from Avoidance Actions Contributed to Kodak GUC Trust</u>	<u>(11)</u>	<u>(22)</u>
<u>Less: Estimated Value of Warrants⁴⁵</u>	<u>(9)</u>	<u>(16)</u>
<u>Total Equity Value</u>	<u>\$208</u>	<u>\$658</u>
<u>Projected Number of Shares of New Common Stock Outstanding on the Effective Date (in millions)⁴⁶</u>	<u>41,700</u>	<u>41,700</u>
<u>Total Equity Value Per Share of New Common Stock</u>	<u>\$4.98</u>	<u>\$15.77</u>

⁴² Before \$200 million of partial DIP Term Loan repayment at emergence.

⁴³ Estimates as per the Debtors in assistance with AP Services LLC.

⁴⁴ Assuming holders of Allowed Second Lien Notes Claims vote in favor of the Plan.

⁴⁵ Estimated value of both tranches of Warrants based upon Black-Scholes model.

⁴⁶ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in cash on the Effective Date, although alternatively it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

B. Equity Value Implied by the Rights Offerings

Lazard has also estimated the equity value implied by the Rights Offerings, in which participants will invest a total of \$406 million to acquire 34,000,000 shares of New Common Stock, representing approximately 81.53% of the number of shares of New Common Stock anticipated to be outstanding on the Effective Date.⁴⁷ The Rights Offerings imply an equity value of \$498 million, equating to a \$11.94 Per Share Price.

EQUITY VALUE IMPLIED BY RIGHTS OFFERINGS

(\$ in millions, except Per Share Price)

<u>Rights Offerings Proceeds</u>	<u>\$406</u>
<u>Rights Offerings Shares as a Percentage of Total Shares Issued⁴⁸</u>	<u>81.53%</u>
<u>Total Equity Value Implied by Rights Offerings</u>	<u>\$498</u>
<u>Projected Number of Shares of New Common Stock Outstanding on the Effective Date (in millions)⁴⁹</u>	<u>41.700</u>
<u>Total Equity Value Per Share of New Common Stock</u>	<u>\$11.94</u>

THE FOREGOING VALUATION ANALYSIS REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION AVAILABLE TO LAZARD AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND IS PREMISED ON, AMONG OTHER THINGS, A PROJECTED EFFECTIVE DATE OF SEPTEMBER 30, 2013. ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S CONCLUSIONS, NEITHER LAZARD NOR THE DEBTORS HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THESE ESTIMATES.

Lazard assumed that the Financial Projections prepared by the management of the Debtors were reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate currently available estimates and judgments as to the future operating and financial performance of Reorganized Kodak. Lazard's Valuation Analysis assumes Reorganized Kodak will achieve its Financial Projections in all material respects, including revenue and EBITDA growth and improvements in EBITDA margins, earnings and cash flow as projected. If the business performs at levels below those set forth in the Financial Projections, such performance may have a materially negative impact on the value of Reorganized Kodak and their securities.

⁴⁷ Assuming payment of the Backstop Commitment Fees in shares of New Common Stock, subject to dilution from any shares of New Common Stock issued upon exercise of options or restricted shares that may be granted under the New Equity Plan.

⁴⁸ After dilution from 1,700,168 shares of New Common Stock issued to satisfy the Backstop Commitment Fees.

⁴⁹ Based on an estimated 41,700,168 shares of New Common Stock outstanding on the Effective Date. This also assumes that the \$15 million Retiree Committee Administrative Claim is paid in cash on the Effective Date, although alternatively it may be paid in up to 1,256,281 shares of New Common Stock, at the option of the VEBA Trust or its assignee(s).

Conversely, if the business performs at levels above those set forth in the Financial Projections, such performance may have materially positive impact on the value of Reorganized Kodak and their securities.

In performing its Valuation Analysis for Reorganized Kodak, Lazard: (a) reviewed certain historical financial information of EKC and its subsidiaries for recent years; (b) reviewed certain internal financial and operating data of EKC and its subsidiaries, which data was prepared and provided to Lazard by the management of the Debtors and which relates to Reorganized Kodak's business and its prospects; (c) met with EKC's senior management team to discuss Reorganized Kodak's proposed operations and future prospects; (d) reviewed certain publicly available financial data for, and considered the market value of, public companies that Lazard deemed generally relevant in evaluating the operating business of Reorganized Kodak; (e) considered certain economic and industry information relevant to the operating business; and (f) conducted such other studies, analyses, inquiries and investigations as it deemed appropriate. Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by management of the Debtors as well as publicly available information.

Lazard did not independently verify the Financial Projections in connection with its Valuation Analysis, and no independent valuations or appraisals of Reorganized Kodak were sought or obtained in connection herewith. Such estimates were developed solely for purposes of the formulation and negotiation of the Plan and the analysis of implied relative recoveries to Holders of Allowed Claims thereunder.

Lazard's Valuation Analysis of Reorganized Kodak does not constitute a recommendation to any Holder of an Allowed Claim entitled to vote to accept or reject the Plan, nor is it a recommendation to whether any Holder of an Eligible Claim should participate in the Rights Offerings. Lazard has not been asked to, and does not express, any view as to what the trading value of Reorganized Kodak's securities may be when issued on the Effective Date or the prices at which they may trade in the future. Lazard's Valuation Analysis of Reorganized Kodak set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the Distribution to be received by such person under the Plan.

Lazard's Valuation Analysis reflects the application of standard valuation techniques and does not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. The value of an operating business is subject to numerous uncertainties and contingencies which are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. ~~E~~As a result, the estimated valuation ranges of Reorganized Kodak set forth herein are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Neither Reorganized Kodak, Lazard, nor any other person assumes responsibility for any differences between the estimated valuation ranges and such actual outcomes. Actual market prices of securities at issuance will depend upon, among other things, the operating performance of Reorganized Kodak, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received by prepetition creditors (some of whom may prefer to liquidate their investment rather than hold it

on a long-term basis), developments in Reorganized Kodak's industry and economic conditions generally, and other factors which generally influence the prices of securities.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE REORGANIZED DEBTORS MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

Appendix G: Financial Projections

I. DEVELOPMENT OF REORGANIZED KODAK'S FINANCIAL PROJECTIONS

A. Responsibility for and Purpose of the Financial Projections

As a condition to confirmation of a plan, the Bankruptcy Code requires, among other things, that the bankruptcy court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor, unless such liquidation is contemplated by the plan, i.e., that the plan meets the feasibility standard. In connection with the development of the Plan, and for purposes of demonstrating that the Plan satisfies this feasibility standard, the Debtors' management, with the assistance of its financial advisors, has analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their business. The Debtors believe that the Plan meets the Bankruptcy Code's feasibility standard.

In order to conduct the analysis described above, Kodak's management developed and prepared post-effective date financial projections for the fiscal years ending December 31, 2013 through December 31, 2017, which assume that the effective date of Kodak's emergence from bankruptcy is September 30, 2013. The Financial Projections have been presented on a consolidated basis and include the operations of the operating Debtors along with those of EKC's non-Debtor subsidiaries. Kodak does not, as a matter of course, publish its strategies, financial projections, or anticipated financial position. Accordingly, Kodak does not anticipate that it will, and disclaims any obligation to, furnish updated financial projections to Holders of Claims or Equity Interests after the Confirmation Date, or to include such information in documents required to be filed with the SEC (if any), or otherwise make such information public.

The Financial Projections are presented solely for purposes of the formulation and negotiation of the Plan in order to present the anticipated impact of the Plan. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. General information about Kodak's activities and projections are based on information available as of the date of this document. This information is given in summary form and does not purport to be a complete presentation of all underlying information. All references to dollars are to United States currency unless otherwise stated. Capitalized terms not defined herein have the meanings ascribed to them in the Disclosure Statement to which the Financial Projections are attached.

Kodak has prepared the Financial Projections based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

The Financial Projections do not fully reflect certain aspects of the KPP Global Settlements, which ~~were~~was signed on April 26, 2013. As described in Section 3.D.3.b of the Disclosure Statement, the KPP Global Settlement fully and completely releases Kodak from the KPP Claims, KL Claim and all related claims and liabilities. As part of the KPP Global

Settlement, EKC agreed to spin off the Personalized Imaging and Document Imaging businesses to the KPP. All assets and liabilities on Kodak's books and records related to these two businesses are assumed to be transferred to the KPP, for purposes of the Financial Projections. Any balance sheet account exclusions and adjustments noted in the KPP Purchase Agreement may not be fully reflected in the Financial Projections, though such exclusions and adjustments are not expected to have a material impact on the projections. In addition, the transaction also contemplates certain contingent post-closing payments based upon cumulative minimum performance targets for the Personalized Imaging and Document Imaging businesses, measured at the end of each fiscal year beginning 2015 through 2018 with any payments made after customary calculation and review periods.. Among other provisions, these payments are subject to a yearly cap, with a cumulative cap of \$35 million. Based on the projected results for the Personalized Imaging and Document Imaging businesses, Kodak does not expect to be required to make these contingent payments, and therefore, the Financial Projections do not include the accrual or payment of these contingent obligations.

The Financial Projections are subject to the following cautionary statement:

The financial information reflected in this document does not purport to present Kodak's financial condition in accordance with ~~generally accepted accounting practices in the United States ("U.S. GAAP")~~ U.S. GAAP. Kodak's independent accountants have not audited or performed any review procedures on the financial information reflected in this document. Such financial information includes certain measures that are not measures recognized under U.S. GAAP, such as EBITDA. These measures do not purport to be alternatives to measures presented in accordance with U.S. GAAP.

The Financial Projections do not reflect an adoption of "fresh start" reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Under fresh start reporting, the reorganization value is assigned to assets and liabilities based upon their fair values. ~~-~~If the fair value of all identifiable assets exceeds reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess. Neither case, however, will have an impact on cash.

This document includes "forward-looking statements"^{2, 3} as that term is defined under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning Kodak's plans, objectives, goals, strategies, future events, future revenue or performance, liquidity, cash flows, capital expenditures, financing needs, plans or business trends, and other information that is not historical information. When used in this document, 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 Kodak'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 EKC's most recent Annual Report

on Form 10-K, filed on March 11, 2013, and those described in filings made by the Debtors with the U.S. Bankruptcy Court for the Southern District of New York and in other filings EKC makes with the SEC from time to time, as well as the following:

- The Debtors' ability to successfully emerge from chapter 11 as a profitable sustainable company;
- The Debtors' ability to develop, secure approval of and consummate one or more plans of reorganization with respect to these Chapter 11 Cases;
- Kodak's ability to improve its operating structure, financial results and profitability;
- Kodak's ability to achieve cash forecasts, financial projections, and projected growth;
- Kodak's ability to raise sufficient proceeds from the sale of businesses and non-core assets;
- Kodak's ability to discontinue certain businesses or operations;
- Kodak's ability to continue as a going concern;
- Kodak's ability to comply with the EBITDA covenants in its debtor-in-possession credit agreements;
- Kodak's ability to obtain additional financing;
- The potential adverse effects of the chapter 11 proceedings on Kodak's liquidity, results of operations, brand or business prospects;
- The outcome of Kodak's intellectual property patent litigation matters;
- Kodak's ability to generate or raise cash and maintain a cash balance sufficient to comply with the minimum liquidity covenants in its debtor-in-possession credit agreements and to fund continued investments, capital needs, restructuring payments and to service its debt;
- Kodak's ability to fairly resolve legacy liabilities; the resolution of claims against the Debtors;
- Kodak's ability to retain key executives, managers and employees;
- Kodak's ability to maintain product reliability and quality and growth in relevant markets;
- The seasonality of Kodak's businesses;
- Kodak's ability to effectively anticipate technology trends and develop and market new products, solutions and technologies;
- The impact of the global economic environment on Kodak.

There may be other factors that may cause Kodak's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to the Debtors or persons acting on their behalf apply only as of the date of this disclosure statement, and are expressly qualified in their entirety by the cautionary statements included in this document. The Debtors undertake no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events.

B. Kodak's Forecasting Process

The Financial Projections are based on the forecast developed through Kodak's 2013 forecasting process. Each year, Kodak undergoes an extensive and rigorous annual forecasting process initiated in the first half of the year and finalized at year end. This rigorous process ensures organizational and resource alignment, unified focus, and a clear direction for Kodak. The ultimate objective of the annual forecasting process is to develop a detailed operating plan for the subsequent calendar-year period, in order to ensure that Kodak's strategic plan is on target to be achieved.

Kodak's emerging Commercial Imaging business consists of two operating segments: Graphics, Entertainment ~~&~~and Commercial Film (GECF) and Digital Printing ~~&~~and Enterprise (DP&E). During the first phase of the forecasting process, the management team of each segment defines the strategy, objectives, and milestones for the subsequent year. The second phase of the forecasting process focuses on the implementation of this strategy, which relies on the establishment of achievable implementation plans from collaboration with the regional sales leadership teams.

To define its overall strategy and objectives, each segment's management team assesses its business characteristics, such as market segments, customer base, cost structure, and technological advancement, in order to prepare a roadmap for Kodak and its partners. The teams also assess the competitive landscape as well as Kodak's capabilities (from a design, development, and commercialization perspective) in order to develop the objectives and milestones for Kodak. Strategic partners within and outside of the organization are also reviewed for any interdependencies that could affect, either positively or negatively, the achievement of organizational objectives and milestones.

During the implementation portion of the annual forecasting process, the operating segment and regional sales teams work together to build consensus on an achievable bottom-up twelve-month forecast. The teams establish assumptions on product prices and volumes and define the production and administrative cost structure necessary to support the forecast. Company-wide assumptions on foreign exchange rates and commodity prices are also incorporated. Contingency plans are developed to resolve any gaps, issues or risks identified through the forecasting process.

Traditionally, Kodak's annual budgeting process focused on building the achievable bottom-up 12-month forecast. As part of its restructuring efforts, Kodak has produced a five-year financial projection, using its 2013 annual budget as a baseline. For years beyond 2013, the projected multi-year impact of strategic actions was incorporated into the assumptions of growth rates, consumables usage rates, and service attachment rates, in addition to the company-wide assumptions on foreign currency exchange rates and commodity prices. The financial projections also factored in planned changes in Kodak's operating footprint, reduction in unit manufacturing costs, improvement in operational efficiencies, and future impact of scheduled research and development projects. For illustrative purposes, the Financial Projections assume a September 30, 2013, emergence date.

C. Published Forecasts

Kodak has periodically released five-year financial projections during the pendency of the case.

1. The August 2012 Financial Projections

On August 13, 2012, Kodak issued financial projections that reflected the view of management of the projected five-year results of Kodak's then-current operating units in order to inform creditors regarding the potential performance of the business. These multi-year financial projections were produced by Kodak's management in the spring of 2012 by strategic business units, relying on assumptions for product prices and volumes, production and administrative costs on a business-unit basis, as well as company-wide assumptions on foreign currency exchange rates and commodity prices. These financial projections were prepared prior to the end of Kodak's 2013 forecasting process, which ran from April through December 2012, reflecting information known at that time regarding the reorganization strategy for Kodak. To facilitate negotiations with the various creditor groups, these five-year financial projections were disclosed on a current report on Form 8-K filed with the SEC on August 13, 2012.

2. The October 2012 "Pro Forma" Projections

Following the release of the August 2012 financial projections, Kodak made several announcements regarding the strategic actions that Kodak intended to pursue in support of its emergence from bankruptcy. On August 23, 2012, Kodak announced the initiation of sale processes for its Personalized Imaging and Document Imaging businesses. Furthermore, on September 28, 2012, Kodak announced its intent to focus its Consumer Inkjet business on serving its installed base of customers with consumables, while ceasing production and placement of new units by the end of 2012. Concurrently, Kodak announced significant restructuring actions that resulted in personnel reductions, primarily in its administrative areas. As a result of these actions, Kodak publicly disclosed new financial information to reflect the *pro forma* impact of such changes on the original August 2012 projections for Kodak's emerging Commercial Imaging businesses.

Therefore, the October *pro forma* projections contained certain updates to Kodak's August 2012 projections, as follows:

- (a) *Pro forma* adjustments to reflect the disposition of the Personalized Imaging and Document Imaging businesses, as if the sale transactions were consummated at year-end 2012, including the removal of allocated costs, resulting in no stranded costs being absorbed by the remaining businesses;
- (b) Wind-down of sales of consumer inkjet printers, as described in Kodak's press release dated September 28, 2012, including the removal of allocated costs, resulting in no stranded costs being absorbed by the remaining businesses;
- (c) The incorporation of updated forecasts of foreign exchange rates and commodity prices compared to the August 2012 projections, using high-level sensitivity assumptions;

- (d) Adjustments related to the estimated cost savings identified in Kodak's press release on September 28, 2012, including the impact of certain overhead reduction benchmarks, included on a *pro forma* basis as if in place for the entire forecast period.

These projections reflected Kodak's estimated impact of these changes at that time. Furthermore, Kodak highlighted that, as part of its annual forecasting process for 2013, Kodak would develop a detailed budget, incorporating the anticipated savings from the reduction in workforce and the potential costs or benefits associated with the separation of the Personalized Imaging and Document Imaging businesses and wind-down of Consumer Inkjet printer sales.

3. The January 2013 Projections

In December 2012, Kodak completed its annual forecast process for 2013, which considered timing and amount of separation costs associated with its previously announced plans to sell its Personalized Imaging and Document Imaging businesses, the wind-down of the sales of Consumer Inkjet printers, as well as its updated estimates for the planned reduction of administrative costs related to those businesses.

Additionally, Kodak refined its 2013 assumptions on a bottom-up basis for product prices and volumes, production and administrative costs on a business-unit level, timing for implementation of performance improvement actions, as well as company-wide assumptions on foreign currency exchange rates and commodity prices. Kodak also evaluated its unit installed base assumptions to reflect 2012 data for performance, market trends, competitive industry dynamics, customer relationships, vendor relationships, and strategic partner relationships.

In January 2013, Kodak revised its multi-year projections based on its adjusted starting 2013 baseline year and updated its 2014-2017 assumptions, taking into consideration the various strategic initiatives identified previously. These projections were created to facilitate negotiations of the terms of the DIP Term Loan Credit Agreement and serve as the foundation of the Financial Projections presented herein.

D. Risk Factors

The risk factors related to Kodak's Financial Projections include, ~~but are not limited to,~~ the following. These and other risk factors are more fully described in Section 89 of the Disclosure Statement to which these Financial Projections are attached:

- (a) If Kodak is unable to retain, hire and incentivize sales, technology and other employees, its business could be adversely impacted.
- (b) Kodak may face competitive pressures that could harm its revenue, gross margins and market share.

- (c) If Kodak cannot effectively launch new products and/or anticipate technology trends by developing and marketing new products to respond to changing customer preferences, Kodak's revenue, earnings and cash flow, could be adversely affected.
- (d) If the expected decline in demand for "late stage" life-cycle products of Kodak's mature businesses accelerates, Kodak could experience lower product sale volumes and weaker production overhead absorption.
- (e) Lower than planned growth of the hardware installed base could have a detrimental impact on future revenue derived from consumables.
- (f) Delays in establishing partnerships or OEM relationships could have a negative impact on future revenues.
- (g) An increase in certain commodity prices, especially aluminum and silver, could adversely impact Kodak's profitability if it is unable to hedge its commodities exposure or pass these price increases on to its consumers.
- (h) If the commercialization and manufacturing processes of Kodak fail to prevent product reliability and quality issues, Kodak's financial results may be adversely impacted, and its reputation may be harmed.
- (i) Kodak may be subject to changes in foreign currency exchange rates and interest rates that may adversely impact operating results and financial position.
- (j) Kodak may continue to outsource a significant portion of its overall worldwide manufacturing, logistics and back-office operations and face the risks associated with reliance on third-party suppliers.
- (k) If Kodak's estimates of costs "stranded" and remaining with Kodak as a result of the sale or transfer of the Document Imaging and Personalized Imaging businesses are not accurate, Kodak's profitability may be adversely affected.
- (l) If Kodak's efforts to implement customer and product profitability initiatives, as well as its cost reduction initiatives, are delayed, Kodak's profitability may be adversely affected.

II. THE REORGANIZED KODAK

A. Background on Reorganized Kodak's Projections

The Financial Projections are based on the business strategy and product lines described in more detail in Section 4 of the Disclosure Statement to which these Financial Projections are attached.

For illustrative purposes, all assets and liabilities in its books and records for the Personalized Imaging and Document Imaging businesses are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. Although the KPP Global Settlement has been reached, any balance sheet account exclusions and adjustments noted in the KPP Purchase Agreement may not be fully reflected in the Financial Projections, though such exclusions and adjustments are not expected to have a material impact on Kodak's financial projections. Additional agreed upon terms of the KPP Global Settlement may not be fully reflected in the Financial Projections and could impact the projections, including, ~~but not limited to~~ the balance sheet, supply agreements, contingency payments and working capital adjustments.

The Financial Projections do not reflect an adoption of "fresh start" reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification. Under fresh start reporting, the reorganization value is assigned to assets and liabilities based upon their fair values. ~~If the fair value of all identifiable assets exceeds~~ reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess. Neither case, however, will have an impact on cash.

B. Income Statement Assumptions

- (a) Total Net Sales. Kodak prepared the total net sales projections for 2013 based on a review of market conditions and independent bottom-up forecasts from the DP&E and GECF operating segments. Price, volume and product-mix assumptions were built on a bottom-up basis by business unit with input from both segment and regional sales management teams. The 2013 forecast was used as a baseline and the expected multi-year impact of strategic actions was incorporated into the assumptions of growth rates, consumables usage rates, and service attachment rates, in addition to the company-wide assumptions on foreign currency exchange rates and commodity prices to develop the five year sales forecast. On a consolidated basis, Commercial Imaging net sales are projected to reflect a compounded annual growth rate ("CAGR") of approximately 4% over the next five years. Major drivers of the net sales increases include the growth in equipment placements and consumables volume in Digital Printing Solutions and Packaging, volume growth in the Functional Printing business, unit volume growth in Unified Workflow, and the expanding project portfolio in Enterprise Services. Within GECF, unit price increases partially offset projected volume declines in commercial film while digital plate volume growth and mix change in PrePress partially offsets annual projected price erosion.

- (b) Total Cost of Sales. Total cost of sales includes costs associated with the production of products, including raw materials, direct labor and production overhead and third-party products. Kodak actively manages both third-party and internal manufacturing to streamline operations, resulting in a leaner, more focused organization aligned with the size of its identified emerging businesses and operations. Gross profit margin is expected to grow from 20% to 28% over the next five years. Major drivers of this growth include product design improvements resulting in lower unit manufacturing costs; optimizing internal and third-party manufacturing; and continued incremental improvements in manufacturing efficiency in businesses such as Enterprise Services and PrePress.
- (c) Selling, General & Administrative Expenses (SG&A). SG&A is comprised of expenses related to the marketing and sales of Kodak's products and services as well as all general management and administrative functions, including finance & accounting, information technology, legal, human resources and occupancy. Information technology and facilities expenses are generally allocated across all functional expense lines and into cost of goods sold based on specifically identified and activity-based costs. As a result of the recent and pending restructuring actions described in the Disclosure Statement, SG&A is projected to decrease 26% for fiscal year 2013 compared to fiscal year 2012 and 35% for fiscal year 2014 compared to fiscal year 2013. The Financial Projections assume that for fiscal year 2015 and beyond, SG&A expenses will increase from the fiscal year 2014 run-rate for modest annual increases in employee compensation and an increase in worldwide sales. As described in the Disclosure Statement, Kodak is focused on implementing cost rationalization plans such as restructuring of marketing, sales and administrative resources.
- (d) Research and Development Costs (R&D). R&D is comprised of the costs to continue to develop proprietary technology and new and next-generation product development. Over the forecast period, Kodak has internally identified key projects and priorities and optimized the focus of R&D spending around these initiatives.
- (e) Restructuring Costs and Other. Restructuring costs and other includes expenses related to the cost savings actions, which are primarily comprised of employee severance.
- (f) Non-Operational Pension (Income) Cost. Non-operational pension cost reflects the portion of pension expense related to the interest cost, expected rate of return and amortization of actuarial gains and losses. This cost is a non-cash expense and does not reflect any impact from "fresh start" reporting.

- (g) Other Operating (Income) Expenses, Net. Other operating (income) expenses projected for 2013 reflects the gain/loss on the Personalized Imaging and Document Imaging businesses sale transactions.
- (h) Interest Expense. On March 22, 2013, EKC entered into the DIP Term Loan Credit Agreement in order, among other things, to repay the DIP ABL Term Loan in full. The DIP Term Loan Credit Agreement is anticipated to be converted into an exit facility upon emergence. In the post-emergence projection period, interest expense is with respect to the exit facility.
- (i) Reorganization Items, Net. Reorganization items primarily include professional fees and expenses related to these chapter 11 proceedings.
- (j) (Benefit) Provision for Income Taxes. The Financial Projections assume that Reorganized Kodak will be able to utilize its net operating loss carryforwards for U.S. federal tax purposes during the projection period, and that Kodak will pay approximately \$25-35 million (annually) of annual foreign and local income taxes.

C. Balance Sheet Assumptions

- (a) Cash and Cash Equivalents. At emergence, there is forecasted cash and cash equivalents of approximately ~~\$815~~793 million. The Financial Projections reflect estimated cash flow from operations, proceeds from the DIP Term Loan Credit Agreement, sale proceeds after giving effect to the KPP Global Settlement, and amounts paid as a result of implementing the Plan, including, ~~but not limited to,~~ payment of certain administrative, priority, miscellaneous secured claims, cure costs and accrued professional fees related to the restructuring.
- (b) Receivables, Net. Projected receivables consist primarily of trade receivables owed to Kodak by its customers for goods and services provided in the ordinary course of business. For the projection periods, the assumption for day sales outstanding varies by business unit and is 50 days on average. Trade receivables balances are forecasted by business unit and are based on historical activity. All receivables balances related to the Personalized Imaging and Document Imaging businesses are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (c) Inventory, Net. Inventory is forecasted by business unit based on the current and future needs of the business according to its sales projections. During the bankruptcy period, the assumption for inventory on hand is an average of 60 days, and for all post-emergence periods, the assumption is that inventory on hand will decrease to between 45 and 55 days. Inventory balances are forecasted by business unit and reflect historical activity, as well as any projected improvements in inventory management. Balances

related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.

- (d) Other Current Assets. Other Current Assets is primarily comprised of Current Net Deferred Income Tax Charges and Prepaid Items. A large portion of the prepaid items relate to Kodak's various insurance policies. The major policies were reviewed to determine potential changes to annual premium amounts following Emergence from bankruptcy. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. No changes to the deferred income tax charges have been forecasted at this time.
- (e) Property, Plant, and Equipment, Net. Projected property, plant and equipment is presented net of accumulated depreciation on the balance sheet. Changes that occur throughout the projection period represent capital expenditures reduced by depreciation (capital expenditures and depreciation expense are forecasted by business unit). Projected capital expenditures include maintenance and replacement of equipment and new projects and equipment to support growth, new product development, as well as the reduction of manufacturing cost. Kodak has focused its investments on commercial businesses in large growth markets that are positioned for technology and business model transformation, specifically, commercial inkjet, packaging and functional printing solutions, and enterprise services.
- (f) Other Long-Term Assets. Other Long-Term Assets is primarily comprised of unamortized goodwill, non-current net deferred income taxes, and other investments and deposits, non-current receivables and leases. No change has been forecasted for deferred income taxes. Changes to other investments and deposits, non-current receivables and leases include the transfer of balances related to the Personalized Imaging and Document Imaging businesses as part of the KPP Global Settlement closing at emergence, as well as non-cash amortization of certain assets.
- (g) Accounts Payable, Trade ("AP"). Projected AP is based on re-establishing credit terms provided by Kodak's vendors, and are forecasted to increase from 30 days as assumed during the bankruptcy period to 40 days in the post-emergence periods. AP balances are forecasted by business unit and are based on historical activity. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.
- (h) Short-Term Borrowings and Current Portion of Long Term Debt. Short term borrowings and the current portion of long term debt includes principal due within one year. In the period prior to emergence, the DIP ABL Credit Agreement, Brazilian bank debt and the German Sun Note are included within this account. Both the Brazilian bank debt and the

German Sun Note are forecasted to be repaid in full in the third quarter of 2013. The DIP Term Loan Credit Agreement is expected to roll over into an exit facility at emergence with a five-year term. Therefore, the ending 2017 forecasted balance sheet reflects the reclassification of the exit facility to current liabilities.

- (i) Other Current Liabilities. Other Current Liabilities includes, ~~but is not limited to,~~ U.S. sales tax payable, accrued interest payable, accrued salaries and wages, deferred tax liabilities, miscellaneous payables and accruals, customer accrued rebates payable, and certain capitalized lease obligations. No changes to U.S. sales tax payable, deferred income taxes and customer accrued rebates payable are currently forecasted. Accrued interest payable includes payment-in-kind (“PIK”) interest on the Second Lien Notes and cash interest payable (for the historical period) as well as cash interest expense for the forecasted period. The cash interest expense is forecasted based on the terms of the DIP Term Loan Credit Agreement. Changes to the accrued incentive compensation plans are based on target incentive payouts for the wage dividend, EXCEL, performance cash and global variable pay incentive programs. Balances related to the Personalized Imaging and Document Imaging business unit are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence. As of December 31, 2012, EKC had approximately \$2 million of capitalized leases on its balance sheet. Changes in the accrued salaries and wages account are based on forecasts of accrued but unpaid salaries and wages remaining at the end of each period. Depending on their location, Kodak employees may be paid on different pay schedules (e.g., bi-weekly, weekly, semi-monthly), which impacts this accrual. Tax liabilities remaining at 2012 are assumed to be paid in full through the course of 2013. All forecasted tax expenses are projected to be expensed and paid in cash in the same period. Miscellaneous payables and accruals include various payables and accruals accounts, each totaling less than 5% of Kodak’s total liabilities.
- (j) Long Term Debt, Net of Current Portion. Under the DIP Term Loan Credit Agreement, EKC has obtained an \$848.2 million credit facility, consisting of \$455 million of New Money Loans, \$18.2 million of PIK fees, and up to \$375 million of Junior Loans. The Financial Projections assume that Reorganized Kodak will roll over \$654 million of the DIP Term Loan Credit Agreement facility into an exit facility as of the Effective Date. The exit facility will have a term of five years with mandatory prepayments required based on an excess cash flow test.
- (k) Pension and Other Postretirement Liabilities. Pension and Other Postretirement Liabilities reflects the total U.S. GAAP liability of all of Kodak’s worldwide pension plans. Changes reflect the reclassification of the KRIP from liabilities subject to compromise to pension and other postretirement liabilities, as well as the portion of global pension expense related to service cost, interest cost and expected return on assets, partially offset by the global projected cash contributions. In addition, all KPP liability is assumed to be resolved in full as part of the KPP Global Settlement closing at emergence.

(l) Other Long Term Liabilities. Other long term liabilities include, ~~but are not limited to,~~ deferred compensation, non-current federal, state and foreign taxes, deferred income taxes and other long term liabilities including certain capitalized lease obligations. As of December 31, 2012, Kodak had approximately \$9 million of capitalized leases on its balance sheet. Balances related to the Personalized Imaging and Document Imaging business units are assumed to be transferred to the buyer as part of the KPP Global Settlement closing at emergence.

(m) Liabilities Subject to Compromise (“LSTC”). LSTC consists of pre-petition obligations of EKC, including trade accounts payable, pension and other postretirement obligations, agreements reached with various creditors, including the Retiree Settlement with the Retiree Committee, and other liabilities, including, ~~but not limited to,~~ customer programs, deferred compensation, environmental liabilities, taxes and contract/lease rejections. These liabilities are forecasted to be reorganized consistent with the Plan on the Effective Date.

(n) Equity. At emergence, the equity ~~balance assumes \$441~~ value implied by the Rights Offerings is \$498 million, ~~which is based on an 85%/15% ownership split of the New Common Stock between the holders of Second Lien Notes Claims and the holders of General Unsecured Claims, respectively.~~ The forecasted changes throughout the projection period represent the net income or loss, as well as the portion of pension expense related to amortization of actuarial gains/losses and prior service cost. This portion of pension expense does not reflect any impact from “fresh start” reporting.

D. Reorganized Kodak's Projections

EASTMAN KODAK COMPANY PROJECTED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	2016	2017
Total net sales	\$ 681	\$ 2,573	\$ 2,713	\$ 2,923	\$ 3,203
Total cost of sales	552	2,033	2,085	2,186	2,305
Gross profit	\$ 129	\$ 539	\$ 628	\$ 737	\$ 898
Selling, general and administrative expenses (BU-specific)	67	244	249	257	270
Selling, general and administrative expenses (general corporate)	39	134	121	121	132
Research and development costs (BU-specific)	16	75	79	78	83
Research and development costs (general corporate)	7	28	29	31	33
Operational EBIT ¹	1	58	150	249	381
Restructuring costs and other	9	25	15	15	10
Non-operational pension (income) cost	1	3	3	3	3
Other operating (income) expenses, net	2	-	-	-	-
Income (loss) from continuing operations before interest expense, other income (charges), net, reorganization items, net and income taxes	(11)	30	131	230	367
Interest expense	26	104	106	109	109
Reorganization items, net	14	4	-	-	-
Other (income) charges	(1)	(4)	(5)	(6)	(7)
Income (loss) from continuing operations before income taxes	(50)	(74)	30	127	265
(Benefit) provision for income taxes	7	26	27	29	32
NET INCOME (LOSS) ATTRIBUTABLE TO EKC	\$ (56)	\$ (100)	\$ 3	\$ 98	\$ 233
Reconciliation of above to the 8K filed on 1/22/2013:					
Operational EBIT ¹	\$ 1	\$ 58	\$ 150	\$ 249	\$ 381
Depreciation & Amortization	39	140	132	111	113
Operational EBITDA	\$ 40	\$ 199	\$ 282	\$ 360	\$ 494
Less loss from segment not included in the 8K:					
Document Imaging and Personalized Imaging segment (loss) ¹	\$ (13)	\$ (10)	\$ (5)	\$ -	\$ -
OPERATIONAL EBITDA Per 8K Filed on 1/22/2013 ²	\$ 53	\$ 209	\$ 287	\$ 360	\$ 494

¹ The 2013-2017 forecast includes DI/PI "stranded" costs.

² The 8K filed on 1/22/2013 did not include quarterly projections for 2013.

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	2016	2017
Total net sales	\$ 681	\$ 2,573	\$ 2,713	\$ 2,923	\$ 3,203
Total cost of sales	552	2,033	2,085	2,186	2,305
Gross profit	<u>\$ 129</u>	<u>\$ 539</u>	<u>\$ 628</u>	<u>\$ 737</u>	<u>\$ 898</u>
Selling, general and administrative expenses (BU-specific)	67	244	249	257	270
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Research and development costs (general corporate)	7	28	29	31	33
Operational EBIT ¹	1	58	150	249	381
Restructuring costs and other	9	25	15	15	10
Non-operational pension (income) cost	1	3	3	3	3
Other operating (income) expenses, net	2	-	-	-	-
Income (loss) from continuing operations before interest expense, other income (charges), net, reorganization items, net and income taxes	(11)	30	131	230	367
Interest expense	26	104	106	109	109
Reorganization items, net	14	4	-	-	-
Other (income) charges	(1)	(4)	(5)	(5)	(7)
Income (loss) from continuing operations before income taxes	(50)	(74)	30	127	265
(Benefit) provision for income taxes	7	26	27	29	32
NET INCOME (LOSS) ATTRIBUTABLE TO EKC	<u>\$ (56)</u>	<u>\$ (100)</u>	<u>\$ 3</u>	<u>\$ 98</u>	<u>\$ 233</u>
Reconciliation of above to the 8K filed on 1/22/2013:					
Operational EBIT ¹	\$ 1	\$ 58	\$ 150	\$ 249	\$ 381
Depreciation & Amortization	39	140	132	111	113
Operational EBITDA	<u>\$ 40</u>	<u>\$ 199</u>	<u>\$ 282</u>	<u>\$ 360</u>	<u>\$ 494</u>
Less loss from segment not included in the 8K:					
Document Imaging and Personalized Imaging segment (loss) ¹	\$ (13)	\$ (10)	\$ (5)	\$ -	\$ -
OPERATIONAL EBITDA Per 8K Filed on 1/22/2013 ²	<u>\$ 53</u>	<u>\$ 209</u>	<u>\$ 287</u>	<u>\$ 360</u>	<u>\$ 494</u>

¹ The 2013-2017 forecast includes DI/PI "stranded" costs.

² The 8K filed on 1/22/2013 did not include quarterly projections for 2013.

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

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EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED BALANCE SHEET

(in millions)

	As of 9/30/2013	2013	2014	As of December 31,		
				2015	2016	2017
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 815	\$ 832	\$ 855	\$ 927	\$ 1,063	\$ 1,323
Receivables, net	563	579	577	606	635	661
Inventories, net	404	335	312	308	309	295
Other current assets	197	106	106	106	106	106
Total current assets	1,980	1,852	1,851	1,946	2,113	2,385
Property, plant, and equipment, net	457	441	385	335	307	280
Other long-term assets	786	793	773	753	734	718
TOTAL ASSETS	\$ 3,223	\$ 3,085	\$ 3,009	\$ 3,034	\$ 3,154	\$ 3,383
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 220	\$ 209	\$ 217	\$ 227	\$ 241	\$ 254
Short term borrowings and current portion of long term debt	(0)	(0)	(0)	(0)	(0)	624
Other current liabilities	708	637	624	617	625	637
Total current liabilities	928	846	840	844	866	1,516
Long term debt, net of current portion	654	659	679	687	672	-
Pension and other postretirement liabilities	851	788	561	334	112	(106)
Other long term liabilities	348	348	348	348	348	348
Liabilities subject to compromise	-	-	-	-	-	-
Total liabilities	2,781	2,641	2,428	2,214	1,999	1,758
EQUITY	441	444	581	821	1,155	1,625
TOTAL LIABILITIES AND EQUITY	\$ 3,223	\$ 3,085	\$ 3,009	\$ 3,034	\$ 3,154	\$ 3,383

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED BALANCE SHEET

(in millions)

	As of 9/30/2013	2013	2014	As of December 31, 2015	2016	2017
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 793	\$ 809	\$ 833	\$ 904	\$ 1,040	\$ 1,300
Receivables, net	563	579	577	606	635	661
Inventories, net	404	335	312	308	309	295
Other current assets	197	106	106	106	106	106
Total current assets	1,957	1,829	1,828	1,924	2,090	2,362
Property, plant, and equipment, net	457	441	385	335	307	280
Other long-term assets	816	823	803	783	765	749
TOTAL ASSETS	\$ 3,230	\$ 3,093	\$ 3,017	\$ 3,042	\$ 3,161	\$ 3,391
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 220	\$ 209	\$ 217	\$ 227	\$ 241	\$ 254
Short term borrowings and current portion of long term debt	(0)	(0)	(0)	(0)	(0)	624
Other current liabilities	708	637	624	617	625	637
Total current liabilities	928	846	840	844	866	1,516
Long term debt, net of current portion	654	659	679	687	672	-
Pension and other postretirement liabilities	851	788	561	334	112	(106)
Other long term liabilities	299	299	299	299	299	299
Liabilities subject to compromise	-	-	-	-	-	-
Total liabilities	2,732	2,592	2,379	2,165	1,950	1,709
EQUITY	498	501	638	877	1,212	1,682
TOTAL LIABILITIES AND EQUITY	\$ 3,230	\$ 3,093	\$ 3,017	\$ 3,042	\$ 3,161	\$ 3,391

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

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EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	For the Year Ended December 31, 2016	2017
Cash flows from operating activities:					
Net income (loss)	\$ (56)	\$ (100)	\$ 3	\$ 98	\$ 233
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation and amortization	39	140	132	111	113
Non-cash restructuring costs, asset impairments and other charges	(6)	-	-	-	-
Non-cash reorganization items, net	7	(7)	-	-	-
Decrease (increase) in receivables	(16)	1	(28)	(30)	(25)
Decrease (increase) in inventories	70	23	4	(1)	14
Decrease (increase) in liabilities excluding borrowings	9	6	11	20	25
Non-cash interest expense	5	20	20	21	20
Other items, net	(15)	9	8	22	22
Total adjustments	92	193	148	144	170
Net cash provided by operating activities	36	93	151	242	403
Cash flows from investing activities:					
Additions to properties	(19)	(70)	(68)	(70)	(75)
Net cash used in investing activities	(19)	(70)	(68)	(70)	(75)
Cash flows from financing activities:					
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	-	(12)	(36)	(68)
Net cash provided by financing activities	-	-	(12)	(36)	(68)
Effect of exchange rate changes on cash	-	-	-	-	-
Net increase in cash and cash equivalents	17	23	72	136	260
Cash and cash equivalents, beginning of period	815	832	855	927	1,063
Cash and cash equivalents, end of period	\$ 832	\$ 855	\$ 927	\$ 1,063	\$ 1,323

EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	For the Quarter Ended 12/31/2013	2014	2015	2016	2017
Cash flows from operating activities:					
Net income (loss)	\$ (56)	\$ (100)	\$ 3	\$ 98	\$ 233
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation and amortization	39	140	132	111	113
Non-cash restructuring costs, asset impairments and other charges	(6)	-	-	-	-
Non-cash reorganization items, net	7	(7)	-	-	-
Decrease (increase) in receivables	(16)	1	(28)	(30)	(25)
Decrease (increase) in inventories	70	23	4	(1)	14
Decrease (increase) in liabilities excluding borrowings	9	6	11	20	25
Non-cash interest expense	5	20	20	21	20
Other items, net	(15)	9	8	22	22
Total adjustments	92	193	148	144	170
Net cash provided by operating activities	36	93	151	241	403
Cash flows from investing activities:					
Additions to properties	(19)	(70)	(68)	(70)	(75)
Net cash used in investing activities	(19)	(70)	(68)	(70)	(75)
Cash flows from financing activities:					
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	-	(12)	(36)	(68)
Net cash provided by financing activities	-	-	(12)	(36)	(68)
Effect of exchange rate changes on cash	-	-	-	-	-
Net increase in cash and cash equivalents	17	23	72	136	260
Cash and cash equivalents, beginning of period	793	809	833	904	1,040
Cash and cash equivalents, end of period	\$ 809	\$ 833	\$ 904	\$ 1,040	\$ 1,300

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

Appendix FH: Emergence Balance Sheet

I. REORGANIZED KODAK'S EMERGENCE BALANCE SHEET

**EASTMAN KODAK COMPANY
PROJECTED CONSOLIDATED EMERGENCE BALANCE SHEET**

(in millions)

	Pre- Restructuring As of 9/30/2013	Settlement Transaction	Plan Transaction	Exit Financing/ Debt Discharge	Fresh-Start Adjustments	Post- Restructuring As of 9/30/2013
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 927	\$ 325 (a)	\$ (182) (b),(c)	\$ (255) (d),(e),(f)	\$ -	\$ 815
Receivables, net	712	(149) (a)	-	-	-	563
Inventories, net	567	(163) (a)	-	-	-	404
Other current assets	111	(4) (a)	90 (b)	-	-	197
Total current assets	2,318	9	(92)	(255)	-	1,980
Property, plant, and equipment, net	621	(164) (a)	-	-	-	457
Reorganization value in excess of total assets	-	-	-	-	47 (l)	47
Other long-term assets	938	(114) (a)	-	45 (c)	(129) (m)	739
TOTAL ASSETS	\$ 3,877	\$ (270)	\$ (92)	\$ (210)	\$ (82)	\$ 3,223
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 315	\$ (95) (a)	\$ -	\$ -	\$ -	\$ 220
Short term borrowings and current portion of long term debt	(0)	-	-	-	-	(0)
Other current liabilities	864	(145) (a)	-	(10) (d)	-	708
Total current liabilities	1,178	(240)	-	(10)	-	928
Long term debt, net of current portion	1,223	-	-	(570) (f),(g),(h)	-	654
Pension and other postretirement liabilities	1,830	(1,497) (a)	-	518 (i)	-	851
Other long term liabilities	370	(21) (a)	-	-	-	348
Liabilities subject to compromise	2,715	(3) (a)	(92) (c)	(2,621) (i),(j),(k)	-	(0)
Total liabilities	7,317	(1,761)	(92)	(2,683) (g),(h),(j),	-	2,781
EQUITY (DEFICIT)	(3,440)	1,492 (a)	-	2,472 (k)	(82) (n)	441
TOTAL LIABILITIES AND EQUITY	\$ 3,877	\$ (270)	\$ (92)	\$ (210)	\$ (82)	\$ 3,223

EASTMAN KODAK COMPANY

PROJECTED CONSOLIDATED EMERGENCE BALANCE SHEET

(in millions)

	Pre- Restructuring As of 9/30/2013	Settlement Transaction	Plan Transaction	Exit Financing/ Debt Discharge	Fresh-Start Adjustments	Post- Restructuring As of 9/30/2013
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 927	\$ 325 (a)	\$ (204) (b),(c),(d)	\$ (255) (e),(f),(g),(h)	\$ -	\$ 793
Receivables, net	712	(149) (a)	-	-	-	563
Inventories, net	567	(163) (a)	-	-	-	404
Other current assets	111	(4) (a)	90 (c)	-	-	197
Total current assets	2,318	9	(114)	(255)	-	1,957
Property, plant, and equipment, net	621	(164) (a)	-	-	-	457
Reorganization value in excess of total assets	-	-	-	-	100 (l)	100
Other long-term assets	938	(114) (a)	(23) (b)	45 (f)	(129) (m)	716
TOTAL ASSETS	\$ 3,877	\$ (270)	\$ (137)	\$ (210)	\$ (29)	\$ 3,230
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable, trade	\$ 315	\$ (95) (a)	\$ -	\$ -	\$ -	\$ 220
Short term borrowings and current portion of long term debt	(0)	-	-	-	-	(0)
Other current liabilities	864	(145) (a)	-	(10) (e)	-	708
Total current liabilities	1,178	(240)	-	(10)	-	928
Long term debt, net of current portion	1,223	-	-	(570) (g),(h),(i)	-	654
Pension and other postretirement liabilities	1,830	(1,497) (a)	-	518 (j)	-	851
Other long term liabilities	370	(21) (a)	(49) (b),(c)	-	-	299
Liabilities subject to compromise	2,715	(3) (a)	(86) (d)	(2,627) (a),(j),(k)	-	(0)
Total liabilities	7,317	(1,761)	(135)	(2,689)	-	2,732
EQUITY (DEFICIT)	(3,440)	1,492 (a)	(3) (b),(c)	2,478 (h),(i),(k)	(29) (m)	498
TOTAL LIABILITIES AND EQUITY	\$ 3,877	\$ (270)	\$ (137)	\$ (210)	\$ (29)	\$ 3,230

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

II. NOTES ON REORGANIZED KODAK'S EMERGENCE BALANCE SHEET

The consolidated *pro forma* projected balance sheet includes certain of the basic principles of “fresh start” reporting, which will be required for financial reporting following confirmation of the Plan. Under “fresh start” reporting, which is required by Topic 852, Reorganizations, of the FASB Accounting Standards Codification, the reorganization value is

assigned to assets and liabilities based upon their fair values. The term “*pro forma*” as used herein is not intended to comply with the guidance outlined by the ~~Securities Exchange Commission~~ SEC in Article 11 of Regulation S-X. For purposes of the *pro forma* projected balance sheet, ~~it has been assumed that~~ the equity value implied by the Rights Offerings is \$441,498 million, ~~based on an 85%/15% split between the holders of Second Lien Notes Claims and the holders of General Unsecured Claims, respectively.~~ Because determination of specific asset and liability fair values has not been completed, the existing book values are utilized for illustrative purposes in the *pro forma* projected balance sheet. When the determination of specific asset and liability fair values is completed post-emergence, each asset and liability will be stated at their respective fair values. If the fair value of all identifiable assets exceeds the reorganization value, the excess will be recognized as a gain in earnings. If the reorganization value exceeds the fair value of all identifiable assets, an intangible asset will be established for the excess.

The adjustments in the condensed consolidated *pro forma* projected balance sheet are based on estimates. Actual adjustments will be based on the determined fair value and may be materially different than those presented herein.

Emergence transactions:

(a) The Financial Projections assume the Debtors will have access to approximately \$464 million at or prior to emergence from chapter 11 from cash repatriation activity and the KPP Global Settlement, which includes the transfer of certain assets and liabilities related to the Personalized Imaging and Document Imaging businesses. The results of these transactions may vary significantly from the projected results. The Financial Projections also assume the consummation of the Rights Offerings with cash proceeds of \$406 million, that will be used to pay the \$375 million Outstanding Principal Amount of Second Lien Notes, the \$20 million Second Lien Settlement Amount, the \$8 million of Cash Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, and the \$3 million Kodak GUC Trust Initial Amount.

(b) Reflects the \$49 million payment to fund the EBP Trust to be established pursuant to the EBP Settlement among Kodak, Empire State Development and the NYDEC.

~~(b)~~ (c) Reflects the estimated accrued professional fees at emergence.

~~(e)~~ (d) The Plan assumes approximately \$92 million of cash payments to creditors related to ~~contract cures~~ cure amounts, 503(b)(9) ~~e~~ Claims, and the Retiree Settlement.

~~(d)~~ (e) Reflects the payment of interest expense on ~~prepetition~~ Junior Loans and Second Lien Notes in accordance with EKC’s existing emergence financing agreement with the ~~prepetition Second Lien~~ lenders under the DIP Term Loan Credit Agreement.

~~(e)~~ (f) Reflects the collateralization of \$45 million of cash for letters of credit.

~~(f)~~(g) Assumes \$200 million repayment of New Money Loans prior to emergence.

~~(g) Reflects the conversion of \$375 million of prepetition Second Lien Notes to equity, as well as the rollover of the DIP Term Loan Credit Agreement into an exit facility for Reorganized Kodak in accordance with EKC's exit financing agreement.~~

(h) Reflects the proceeds of \$406 million from the Rights Offerings and the use of the proceeds to pay the \$375 million Outstanding Principal Amount of Second Lien Notes, the \$20 million Second Lien Settlement Amount, the \$8 million of Cash Rights Offerings Consideration paid to Holders of Certified Ineligible Claims and Holders of 1145-Only Claims, and the \$3 million Kodak GUC Trust Initial Amount.

~~(h)~~(i) Assumes approximately \$5 million of PIK fee.

~~(i)~~(j) Reflects the reclassification of Qualified Plans from liabilities subject to compromise to pension and postretirement liabilities.

~~(j)~~(k) Reflects the elimination of the remainder of liabilities subject to compromise.

~~(k) The Plan assumes the distribution of \$66 million of the Reorganized Kodak's equity to holders of General Unsecured Claims.~~

(l) Based on the ~~assumed~~implied equity value of \$~~441~~498 million and the book value of the assets and liabilities of the Reorganized Kodak, there is approximately \$~~47~~100 million of reorganization value in excess of identifiable assets which will be reflected in the Reorganized Kodak's initial recording of its assets and liabilities at fair value. At this time, the adjustments to the individual asset and liability accounts to reflect their fair values are not available. Therefore, the adjustment to reflect the reorganization value in excess of identifiable assets has been included as one long term asset balance sheet account.

(m) As required by "fresh start" reporting, goodwill of the predecessor entity is written off.

(n) Reflects the elimination of historical equity accounts and an adjustment to shareholder's equity resulting from the net impact of fair value adjustments in accordance with Topic 852 of the FASB Accounting Standards Codification.

| **Appendix G: Liquidation Analysis**
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Appendix H: Sources and Uses of Cash

EASTMAN KODAK COMPANY PROJECTED CASH SOURCES & USES AT EMERGENCE

(in millions)

DEBTOR CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Debtor Cash Balance - Pre-Emergence ¹	\$ 171	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Net Transaction Proceeds ²	464	Accrued Interest - Junior Loans	3
TOTAL CASH SOURCES	<u>\$ 1,283</u>	Total DIP Facility Claims	851
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Retiree Committee Administrative Claim	15
		Secured/Admin/Priority Claims ⁴	17
		Total Other Claims	95
		<u>Emergence Cash Outlays</u>	
		Accrued Professional Fees & LC Cash Collateralization	\$ 139
		Total Emergence Cash Outlays	139
		Debtor Cash Balance - Post-Emergence	197
		TOTAL CASH USES	<u>\$ 1,283</u>

GLOBAL CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Global Cash Balance - Pre-Emergence ¹	\$ 927	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Net Transaction Proceeds ²	525	Accrued Interest - Junior Loans	3
TOTAL CASH SOURCES	<u>\$ 2,101</u>	Total DIP Facility Claims	851
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Retiree Committee Administrative Claim	15
		Secured/Admin/Priority Claims ⁴	17
		Total Other Claims	95
		<u>Emergence Cash Outlays</u>	
		Accrued Professional Fees & LC Cash Collateralization	\$ 139
		Contribution to the KPP from KL	200
		Total Emergence Cash Outlays	339
		Global Cash Balance - Post-Emergence	815
		TOTAL CASH USES	<u>\$ 2,101</u>

Notes:

¹ Estimated cash balance immediately prior to emergence includes all flows from operations and asset sales through September.

² Assumes disposition of Personalized Imaging and Document Imaging businesses, Settlement Agreements with KPP and the receipt by Kodak of \$525 million of cash proceeds; assumes \$464 million proceeds to the US, directly and through repatriation.

³ Includes required \$200 million repayment of DIP Term Loans for roll-over of remaining DIP Term Loans to Exit Facility - First Lien - New Money Loans.

⁴ Claim payments based on current estimate for allowed amounts for the given categories.

EASTMAN KODAK COMPANY, et al **Hypothetical Liquidation Analysis**

Projected as of June 30, 2013

NOTHING CONTAINED IN THE FOLLOWING LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH HEREIN SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN.

THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THESE CHAPTER 11 CASES COULD DIFFER MATERIALLY FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

1. INTRODUCTION

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code (the “**Best Interests Test**”), the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not accept the plan with property of a value (as of the effective date of the plan) that is not less than the amount that such holder would have received if the debtor were liquidated under chapter 7 of the Bankruptcy Code. The Debtors believe that the Plan satisfies the Best Interests Test. Classes 3–10 are Impaired under the Plan. The Debtors believe that the Holders of Allowed Claims and Equity Interests in each Impaired Class will receive at least as much under the Plan as they would have received if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the Plan satisfies the Best Interests Test, the Debtors present the following hypothetical liquidation analysis (the “**Liquidation Analysis**”), based on the assumptions discussed herein. The Liquidation Analysis was prepared by AP Services LLC (“**APS**”), one of the Debtors’ Professionals, with the assistance of and based on information provided by the Debtors’ management and other professionals retained by the Debtors, including information presented in a liquidation analysis of certain tangible and intangible assets report prepared for EKC by Ernst & Young LLP. Capitalized terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement to which this analysis is attached as Appendix I or in the Plan, as the context so requires.

The Liquidation Analysis is based on a number of estimates and assumptions that inherently are subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtors. The Debtors believe that the Liquidation Analysis and the conclusions set forth herein are fair and accurate, and represent the best judgment of APS and the Debtors’ management with regard to the results of a hypothetical chapter 7 liquidation of the Debtors.

The Liquidation Analysis was prepared solely for the purpose of providing a reasonable good-faith estimate of the proceeds that could be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code, and it is not intended nor should be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THAT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH HEREIN.

2. ASSUMPTIONS

As of the date hereof, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules and Proofs of Claim filed as of June 17, 2013. In addition, the Liquidation Analysis includes estimates for Claims currently not asserted in these Chapter 11 Cases, but which could be asserted and allowed in a chapter 7 liquidation.

The Liquidation Analysis sets forth the estimated values that would be obtained upon disposition of assets pursuant to a hypothetical chapter 7 liquidation, as an alternative to continued operation of the business as proposed under the Plan. Accordingly, values discussed herein are different than amounts referred to in the Plan, which illustrates the value of the Debtors' business as a going concern.

In addition to any assumptions set forth in Section 4 below, the Liquidation Analysis assumes that:

- there are proceeds from the recovery of any potential preferences, fraudulent transfer, or other causes of action;⁵⁰
- a hypothetical conversion of the Debtors' Chapter 11 Cases to a chapter 7 liquidation on June 30, 2013 (the "**Liquidation Date**");⁵¹
- the liquidation of substantially all of the Debtors' operations over a three- to 12-month period, though the wind-down of EKC's non-Debtor subsidiaries may take substantially longer than 12 months; and
- no Debtor assets would be sold as going concerns.⁵²

⁵⁰ Proceeds of between \$11 million and \$22 million are assumed to be generated from certain preferences, fraudulent transfer or other causes of action recovery activities.

⁵¹ Subject to certain *pro forma* adjustments as set forth herein, the balance sheets of each of the Debtors and their direct and indirect non-Debtor subsidiaries as of December 31, 2012, are used as reasonable proxies for their respective hypothetical balance sheets as of the Liquidation Date.

⁵² This assumption is based on the fact that the Debtors' businesses are managed and run by product families across legal entities and geographic borders. In addition, some marketing functions are shared across business units, thereby increasing the complexity of selling the businesses as going concerns or financing such a process.

3. GENERAL APPROACH AND SUMMARY RESULTS

As more particularly set forth below, in order to determine the estimated liquidation recovery for each Class of Claims and Equity Interests under the Plan, the Debtors estimated the aggregate proceeds that could be achieved from the hypothetical liquidation of all assets of the consolidated Debtors, and then deducted the estimated values of the allowed claims against the Debtors. The estimated liquidation recovery was compared to the estimated recoveries under the Plan.

As illustrated below, for each Class of Claims or Equity Interests, liquidation under chapter 7 of the Bankruptcy Code would yield recoveries that are no better—and, in many cases, worse— than the estimated recoveries under the Plan.

<u>Class</u>	<u>Description</u>	<u>Estimated Recovery</u>	
		<u>Plan</u>	<u>Liquidation</u>
<u>N/A</u>	<u>Carve Out Claims</u>	<u>100%</u>	<u>100%</u>
<u>N/A</u>	<u>DIP ABL Claims</u>	<u>100%</u>	<u>100%</u>
<u>N/A</u>	<u>New Money DIP Claims</u>	<u>100%</u>	<u>100%</u>
<u>N/A</u>	<u>Junior DIP Claims</u>	<u>100%</u>	<u>29%</u>
<u>N/A</u>	<u>Administrative Claims⁵³ and Priority Tax Claims</u>	<u>100%</u>	<u>0%</u>
<u>1</u>	<u>Other Priority Claims</u>	<u>100%</u>	<u>0%</u>
<u>3</u>	<u>Second Lien Notes Claims</u>	<u>100%</u>	<u>0%</u>
<u>4</u>	<u>General Unsecured Claims</u>	<u>4%-5%</u>	<u>0%</u>
<u>6</u>	<u>Retiree Settlement Unsecured Claim</u>	<u>4%-5%</u>	<u>0%</u>
<u>7</u>	<u>Convenience Claims</u>	<u>4.5%</u>	<u>0%</u>
<u>8</u>	<u>Subsidiary Convenience Claims</u>	<u>100%</u>	<u>0%</u>
<u>9</u>	<u>Equity Interests</u>	<u>0%</u>	<u>0%</u>
<u>10</u>	<u>Section 510(b) Claims</u>	<u>0%</u>	<u>0%</u>

Subject to the terms of the DIP Order, the “Carve Out” from the liens granted pursuant to the DIP Order includes (i) all fees and interest required to be paid to the clerk of the Bankruptcy Court and the office of the U.S. Trustee, (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 and (iii) all allowed and unpaid Claims of the Fee Examiner, the Debtors’ Professionals and Professionals of the Fee Examiner, the Retiree Committee or the Creditors’ Committee, incurred (a) prior to the occurrence of an event of default under the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement Facility or (b) after the occurrence and during the continuance of an event of default in an aggregate amount not exceeding \$15,000,000.

Liquidation proceeds are distributed to creditors pursuant to the DIP Order and in accordance with the absolute priority rule. Pursuant to the DIP Order, liquidation proceeds would go to satisfy first the Carve Out, DIP ABL Claims and New Money DIP Claims, with any excess being distributed to the Junior DIP Claims.

⁵³ Excluding Carve Out Claims.

As shown in the table above, the Claims held by the DIP Term Loan lenders arising out of the New Money Loans (the “**New Money DIP Claims**”) are estimated to receive 100% recoveries under both the Plan and a hypothetical liquidation scenario. While the claims held by the Supplemental DIP Lenders arising out of the Roll Up Loans (the “**Junior DIP Claims**”) are expected to receive partial recovery under a chapter 7 liquidation, they are expected to receive more under the Plan than in a liquidation. The chart above demonstrates that, subject to the Carve Out, there is no anticipated recovery for Claims other than the DIP ABL Claims, the New Money DIP Claims and the Junior DIP Claims in a chapter 7 liquidation of the Debtors.

4. NOTES TO THE LIQUIDATION ANALYSIS

A summary of the results of the Liquidation Analysis is attached hereto as Exhibit 1. The Liquidation Analysis reflects the estimated proceeds generated from the liquidation of the assets in addition to cash estimated to be held by the Debtors on the Liquidation Date (such proceeds, the “**Liquidation Proceeds**”) that would be available to a chapter 7 trustee for distribution. The trustee would use the Liquidation Proceeds to satisfy first Secured Claims, the costs and expenses of the liquidation, including wind-down costs and trustee fees (such costs, the “**Liquidation Costs**”), and such additional Administrative Claims, Priority Tax Claims and Other Priority Claims that are estimated to be incurred in a chapter 7 liquidation. Any remaining net Liquidation Proceeds would then be allocated to Holders of Unsecured Claims and Equity Interests in accordance with the priorities set forth in section 726 of the Bankruptcy Code.

The Liquidation Analysis provides for high and low recovery percentages for Claims and Interests upon the trustee’s application of the Liquidation Proceeds. The high and low recovery ranges reflect a high and low range of estimated Liquidation Proceeds from the trustee’s sale of the Debtors’ assets.

The Liquidation Analysis assumes that the KPP Global Settlement is not consummated. Substantial consummation of the Debtors’ Plan is a condition to the closing of the KPP Global Settlement. This condition would not be satisfied in the event of a chapter 7 liquidation, precluding the KPP Global Settlement from closing. In addition, the Debtors and their advisors have concluded that, even if a sale of certain businesses were close to being consummated, the Debtors would lack the capabilities and resources to complete the transactions. Moreover, the nature of the Debtors’ businesses is such that transitional services would be required by any buyer for an extended period of time. In the event of a chapter 7 liquidation, the Debtors would not be able to provide these transitional services for the required period of time. Furthermore, a cessation of the Debtors’ operations would result in prohibitive costs. Such costs would preclude the Debtors from implementing major actions required to maximize creditor returns in a chapter 7 liquidation. As a result, all assets and liabilities associated with the business units are included in the Liquidation Analysis. In addition, the Liquidation Analysis estimates the Debtors’ recoveries from intercompany receivables and intercompany investments by liquidating all non-Debtor entities and allowing proceeds to flow between Debtor and non-Debtor entities in accordance with priority of claims and ownership.

The liquidation recovery rate assumptions provided below are the same for the assets of the Debtors and the non-Debtor entities, except as otherwise noted.⁵⁴

1. Book Values

- Unless otherwise stated, the book values used in the Liquidation Analysis are the unaudited net book values of the Debtors as of December 31, 2012.⁵⁵ These book values are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date.
- The book values have not been subject to any review, compilation or audit by an independent accounting firm.

2. Total Cash and Marketable Securities

- The Liquidation Analysis assumes that the Debtors' operations during the Liquidation Period would not generate additional cash available for distribution except for net proceeds from the disposition of non-cash assets.
- The liquidation value for the Debtors' is based on the forecasted balance as of June 30, 2013, which takes into account the Patent Disposition that closed on February 1, 2013, the restructuring of the Debtors' debtor-in-possession financing that closed on March 22, 2013, operating cash flow and foreign cash repatriation.
- The December 31, 2012 cash balances of non-Debtor entities have been adjusted to reflect forecasted cash repatriation to the Debtors.
- The liquidation value for all other entities is estimated to be 97% to 100% of their net book value as of December 31, 2012.

3. Net Trade Receivable

- The analysis of accounts receivable assumes that a chapter 7 trustee would retain certain existing staff to handle an aggressive collection effort for outstanding trade accounts receivable for the entities undergoing an orderly liquidation.
- Collectible accounts receivable are assumed to include all third-party trade accounts receivable.

⁵⁴ The Liquidation Analysis also assumes that the U.K. Pensions Regulator is not permitted under applicable law or the facts of this case to assert an expense claim with super-priority in the insolvency proceedings of Kodak Limited or Kodak International Finance Limited.

⁵⁵ The individual balances presented herein under the caption "Unaudited 12/31/12" are not audited on a stand-alone basis; however, such individual amounts agree to the company's general ledger and accounting records underlying the audited financial statements.

- A range of discount factors were used and these discount factors were estimated based on the asset-backed facilities, effective advance rates and estimated liquidation values. The discount factor also takes into consideration the risk that collections during a liquidation of the Debtors may be further compromised by claims for damages for breaches of (or the likely rejection of) customer contracts, as customers may attempt to set off outstanding amounts owed to the Debtors against such claims.
- For purposes of the Liquidation Analysis, the liquidation values of trade accounts receivable were estimated at 60% to 75% of the net book values as of December 31, 2012.

4. Inventory

- The Debtors' inventories are comprised of raw materials, work-in-progress and finished goods, as well as supplies and materials.
- Types of inventory products include paper, printers, film, plates, printer components and chemicals.
- A range of discount factors were used and these discount factors were estimated based on the asset-backed facilities, effective advance rates and estimated liquidation values. The recovery ranges vary by type of inventory, as presented in the following table:

	<u>Low</u>	<u>High</u>
<u>Raw Materials</u>	<u>20%</u>	<u>35%</u>
<u>Work-In-Progress</u>	<u>5%</u>	<u>10%</u>
<u>Finished Goods</u>	<u>55%</u>	<u>75%</u>

5. Other Receivables

- Other Receivables includes miscellaneous receivables, vendor down payments, miscellaneous deposits and intercompany imbalances.
- Other Receivables were estimated to have 5% to 10% recovery for purposes of this Liquidation Analysis.

6. Intercompany Receivables

- There are two types of intercompany receivable assets of the Debtors, listed below:
 - Receivables from Debtor entities: As explained above, under the Liquidation Analysis, liquidation of the Debtors would provide no recovery to unsecured creditors, including Holders of Intercompany Claims.
 - Receivables from non-Debtor entities: The Liquidation Analysis assumes that the Debtors receive an unsecured claim that ranks equally with other unsecured claims, unless the receivable is required to be subordinated under local law. The

liquidation asset values of non-Debtor entities are available to pay off claims based on priority. If assets are available for unsecured claims, intercompany receivables are paid on a weighted-average basis with all other unsecured claims.

7. Prepaids and Other Current Assets

- Prepaid expenses and other current assets include prepaid taxes, prepaid insurance, prepaid rents and leases, reserve for intercompany profits, unamortized production variance, net deferred income tax charge and other current assets.
- Prepaid expenses and other current assets are estimated to have no value in a liquidation scenario.

8. Property, Plant, and Equipment

- “PP&E” includes all owned land, land improvements and buildings, machinery, equipment, construction in progress and rental products.
- The liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP includes values of material PP&E assets of \$92 million to \$119 million for all EKC entities. The value of PP&E associated with Debtor entities is \$39 million to \$51 million.
- The PP&E assets that are not covered by the liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP are assumed to have a recovery range of 10% to 15% of book value. The recovery ranges are consistent with the recoveries (as a percentage of book value).

9. Investments and Other Non-Current Assets

- Goodwill is estimated to have no value in a liquidation scenario.
- Other Investments and Deposits includes acquired intangibles, licensing and other intangibles, debt issuance cost and other miscellaneous deposits and investments. The recovery value for these assets is estimated at 5% to 10% of the net book value as of December 31, 2012.
- Non-Current Receivables are estimated to have no value in a liquidation scenario.
- Inventory: Non-Product Items are estimated to have no value in a liquidation scenario.
- Joint Venture Investments are estimated to a scenario recovery value of at 0% to 10% of the net book value as of December 31, 2012.

10. Intercompany Investments

- Values for the Debtors' investments associated with all non-Debtor entities have been included in the Liquidation Analysis at estimated liquidation values.
- For all non-Debtor entities, except those located in China, the estimated values for non-Debtor entities are based on the liquidation value of assets remaining after all liabilities have been fully paid. Remaining assets are distributed based on ownership.
 - For Chinese non-Debtor entities, it is assumed that a material portion of assets available for distribution will not be capable of repatriation for an extended period of time (due to applicable local laws or regulations) or will be consumed in the administration of the case. The assumption is based on experience and discussions with local experts. The 50% assumption takes into account potential new claims, the time value of money of distributing assets over a five year period and risk of administrative process in China.
- There are 37 non-Debtor entities in which Debtor entities have ownership. These non-Debtor entities have an estimated consolidated aggregate value in the range of \$51 million to \$72 million after all estimated claims against each entity are paid. The intercompany investment values of the non-Debtors are listed below. All other non-Debtor entities in which Debtor entities have ownership are valued at \$0.

Debtor's Non-Debtor Intercompany Investments Summary (\$ thousands)

Subsidiary	Low	High	Median
Kodak Polychrome Graphics Company Ltd.	17,280	19,697	18,489
Kodak Korea Ltd.	9,370	12,425	10,897
Kodak Mexicana S.A. de C.V.	6,362	14,640	10,501
Kodak Venezuela, S.A.	7,336	8,300	7,818
Kodak (Thailand) Limited	5,650	6,925	6,287
Kodak Norge A/S	1,582	1,944	1,763
Kodak New Zealand Limited	1,458	1,813	1,636
Kodak S.p.A.	-	2,837	1,419
Kodak Argentina S.A.I.C.	320	1,900	1,110
Kodak Kft.	795	841	818
Kodak Chilena S.A.F.	583	604	593
Kodak (Malaysia) Sdn. Bhd.	284	375	329
Total	\$ 51,020	\$ 72,303	\$ 61,661

Equity amounts presented in the table above are inclusive of ownership percentages.

11. Intangible Assets

- Intangible assets are comprised primarily of the Kodak brand and patents.
- The liquidation analysis of certain tangible and intangible assets report prepared by Ernst & Young LLP includes values for intangible assets of \$174 million to \$243 million.

12. Liquidation Costs

- Payroll/Overhead: Wind-down costs include the costs to retain certain key employees and maintain critical corporate operations during wind-down, and are estimated at 2% of the gross asset proceeds.
- Liquidation Costs of PP&E are based on historical experience in other chapter 7 cases and are calculated at 10% of the gross PP&E proceeds.
- Liquidation Cost of Intangible Assets are based on estimated cost of running a market sales process and are calculated at 3% of the gross Intangible Assets sales proceeds.
- Chapter 7 trustee fees are estimated based on historical experience in other chapter 7 cases and are calculated at 3% of the gross asset proceeds. The same percentage assumption is used for insolvency practitioner fees of non-Debtor insolvencies.
- Chapter 7 professional fees includes the cost of attorneys, financial advisors, accountants, brokers and other professionals retained by a chapter 7 trustee. It is assumed that professional fees would be 1.5% of the gross asset proceeds.
- For the non-Debtor entities, provision for priority employee claims equal to one month's payroll and unsecured employee claims equal to three month's payroll have been made for all entities except as detailed below:
 - For all Chinese entities, the priority claim is increased to six months' payroll. No provision is made for non-priority claims other than liabilities already recorded on the balance sheet.
 - For those entities located in Continental Europe, the non-priority claim is increased from three to 24 months to reflect the higher employee entitlements in those jurisdictions.
 - For Kodak Limited:
 - The priority claim amount has been reduced to \$0.
 - The non-priority claim has been calculated based on Kodak's policy of using the statutory age-years of service table increased by a factor of two, providing for a payment of 15 weeks per staff member. The payment is assumed to be £450 per week regardless of the individual employee's salary.

13. Claims

- Carve Out Claims: Carve Out Claims consist of Claims arising under the Carve Out described in the summary above.
- DIP ABL Claims: During the course of these Chapter 11 Cases, the Debtors have issued approximately \$147 million in letters of credit and other security under the DIP ABL Credit Agreement to certain counterparties. For purposes of this Liquidation Analysis, the Debtors have assumed that these letters of credit would be drawn by such counterparties, who would otherwise hold Administrative Claims.
- New Money DIP Claims: There is approximately \$473 million outstanding under the New Money Loans.
- Junior DIP Claims: There is \$375 million outstanding under the Junior Loans.
- Second Lien Notes Claims: Second Lien Notes Claims consist of \$375 million in Second Lien Notes secured by liens on certain of the Debtors' assets.
- Administrative and Priority Claims: Administrative and Priority Claims include Administrative Claims, Priority Tax Claims and Other Priority Claims, consisting of: (a) Claims arising under sections 503(b), 507(b) or, to the extent applicable, 1114(e)(2) of the Bankruptcy Code, including: (i) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (ii) Professional Claims; and (iii) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. 1911 and 1930; (b) Claims of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code; and (c) any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim, DIP Facility Claim or Priority Tax Claim. Administrative and Priority Claims exclude the Carve Out Claims defined above as well as post-petition intercompany claims between Debtor entities. It should also be noted that the Administrative and Priority Claims include an estimated claim of \$1.4 billion for the PBGC.
- Unsecured Claims: The Liquidation Analysis assumes that a chapter 7 trustee would distribute the Liquidation Proceeds on account of unsecured claims arising out of the rejection of executory contracts and unexpired leases (the "**Rejection Damages Claims**") and General Unsecured Claims (including unsecured trade claims, third-party accounts payable and unsecured deficiency claims) on a *pari passu* basis. The Liquidation Analysis estimate for each of the foregoing Classes is based upon the Debtors' estimate of remaining Claims in each Class after completion of the Claim Review and Objection Process described in Section 3.C.3 of the Disclosure Statement, subject to certain adjustments. The Liquidation Analysis excludes certain additional Claims (primarily Rejection Damages Claims) that may result from conversion of the Chapter 11 Cases to chapter 7 cases. For purposes of the Liquidation Analysis, these estimates do not include interest accrued after the Petition Date because the Liquidation Analysis concludes that unsecured creditors would not be paid in full and, therefore, would not be entitled to post-

petition interest. It should also be noted that the Unsecured Claims include an estimated claim of \$2.8 billion for the KPP Trustees Limited.

- Equity Interests: Equity Interests include any equity security (as defined in section 101(16) of the Bankruptcy Code), including any issued or unissued share of common stock, preferred stock, or other instrument evidencing an ownership interest in EKC, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in EKC that existed immediately prior to the Effective Date and any phantom stock or similar stock unit provided pursuant to the Debtors' prepetition employee compensation program; provided, however, that Equity Interests do not include any Intercompany Interest.

Exhibit 1

Eastman Kodak Company - Consolidated Debtors
Hypothetical Liquidation Analysis
(Unaudited)

(\$ in 000's)		Notes	Book Value	Estimated Recovery Rate			Estimated Recovery Value		
Assets				Low	High	Mid	Low	High	Mid
Total Cash and Marketable Securities	2		275,261	97.0%	100.0%	98.5%	267,003	275,261	271,132
Net Trade Receivables	3		122,385	60.0%	75.0%	67.5%	73,431	91,789	82,610
Inventory	4		269,457	32.1%	46.5%	39.3%	86,432	125,212	105,822
Other Receivable	5		33,651	5.0%	15.0%	10.0%	1,683	5,048	3,365
Intercompany Receivables	6		1,918,396	3.0%	3.5%	3.2%	57,867	66,789	62,328
Prepays and Other Current Assets	7		67,993	0.0%	0.0%	0.0%	-	-	-
Property, Plant and Equipment	8		459,172	8.6%	11.2%	9.9%	39,319	51,536	45,428
Investments and Other Non-Current Assets	9		162,402	5.1%	7.8%	6.4%	8,250	12,696	10,473
Intercompany Investments	10		2,931,488	1.7%	2.5%	2.1%	51,020	72,303	61,661
Intangible Assets	11		-	0.0%	0.0%	0.0%	174,000	242,500	208,250
Preferences, Fraudulent Transfer, Other Causes	N/A		-	0.0%	0.0%	0.0%	11,000	22,000	16,500
Liquidation Proceeds			6,240,205	12.3%	15.5%	13.9%	770,005	965,134	867,570
Payroll/Overhead	12						(15,400)	(19,303)	(17,351)
Liquidation Cost of PP&E	12						(3,932)	(5,154)	(4,543)
Liquidation Cost of Intangible Assets	12						(5,220)	(7,275)	(6,248)
Chapter 7 Trustee Fees	12						(23,100)	(28,954)	(26,027)
Chapter 7 Professional Fees	12						(11,550)	(14,477)	(13,014)
Liquidation Cost							(59,202)	(75,162)	(67,182)
Net Liquidation Proceeds Available to Creditors							710,803	889,971	800,387
Estimated Recovery to Creditors by Class			Estimated Claim Allowed						
Carve Out Claims	13		70,939	100.0%	100.0%	100.0%	70,939	70,939	70,939
Proceeds available to DIP ABL Claims			-				639,864	819,032	729,448
DIP ABL Claims	13		146,541	100.0%	100.0%	100.0%	146,541	146,541	146,541
Proceeds available to New Money DIP Claims			-				493,323	672,491	582,907
New Money DIP Claims	13		473,200	100.0%	100.0%	100.0%	473,200	473,200	473,200
Proceeds available to Junior DIP Claims							20,123	199,291	109,707
Junior DIP Claims	13		375,000	5.4%	53.1%	29.3%	20,123	199,291	109,707
Proceeds available to Second Lien Notes Claims							-	-	-
Second Lien Notes Claims	13		375,000	0.0%	0.0%	0.0%	-	-	-
Proceeds available to Administrative and Priority Claims							-	-	-
503(b)(9), Lien, Employee, Tax and Other Claims	13		1,534,430	0.0%	0.0%	0.0%	-	-	-
Other Post Petition Administrative Claims	13		857,665	0.0%	0.0%	0.0%	-	-	-
Proceeds available to Unsecured Claims							-	-	-
General Unsecured Claims	13		5,303,206	0.0%	0.0%	0.0%	-	-	-
Proceeds Available for Equity							-	-	-

Appendix J: Rights Offerings Procedures

[Attached as Exhibits B and C to the Debtors' Motion for an Order (A) Approving Procedures for Rights Offerings and (B) Authorizing the Debtors to Conduct the Rights Offerings in Connection with the First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and Its Debtor Affiliates [Docket No. 4082].]

Appendix K: Sources and Uses of Cash

**EASTMAN KODAK COMPANY
PROJECTED CASH SOURCES & USES AT EMERGENCE**

(in millions)

DEBTOR CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Debtor Cash Balance - Pre-Emergence ¹	\$ 171	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Rights Offering Proceeds	406	Accrued Interest - Junior Loans	<u>3</u>
Net Transaction Proceeds ²	464	Total DIP Facility Claims	851
TOTAL CASH SOURCES	<u>\$ 1,689</u>		
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Eastman Business Park Settlement ⁵	18
		OPEB Priority Claim	15
		Secured/Admin/Priority Claims ⁴	<u>17</u>
		Total Other Claims	113
		<u>Emergence Cash Outlays</u>	
		Cash Collateralization of LCs and Transaction Expenses	\$ 54
		Escrow for Accrued Professional Fees	90
		Rights Offering ⁶	
		Outstanding Principal Amount of Second Lien Notes	375
		Second Lien Settlement Amount	20
		Cash Rights Offerings Consideration	8
		Kodak GUC Trust Initial Amount	<u>3</u>
		Total Emergence Cash Outlays	550
		Debtor Cash Balance - Post-Emergence	<u>175</u>
		TOTAL CASH USES	<u>\$ 1,689</u>

GLOBAL CASH SOURCES & USES			
CASH SOURCES		CASH USES	
Global Cash Balance - Pre-Emergence ¹	\$ 927	<u>DIP Facility Claims</u>	
Exit Facility - First Lien - New Money Loans	273	Repay DIP Term Loans - New Money Loans ³	\$ 473
Exit Facility - Junior Loans	375	Repay DIP Term Loans - Junior Loans	375
Rights Offering Proceeds	406	Accrued Interest - Junior Loans	<u>3</u>
Net Transaction Proceeds ²	525	Total DIP Facility Claims	851
TOTAL CASH SOURCES	<u>\$ 2,507</u>		
		<u>Other Claims</u>	
		Accrued Interest - Second Lien Notes	\$ 3
		503(b)(9) Claims	36
		Cure Claims ⁴	24
		Eastman Business Park Settlement ⁵	18
		OPEB Priority Claim	15
		Secured/Admin/Priority Claims ⁴	<u>17</u>
		Total Other Claims	113
		<u>Emergence Cash Outlays</u>	
		Cash Collateralization of LCs and Transaction Expenses	\$ 54
		Escrow for Accrued Professional Fees	90
		Rights Offering ⁶	
		Outstanding Principal Amount of Second Lien Notes	375
		Second Lien Settlement Amount	20
		Cash Rights Offerings Consideration	8
		Kodak GUC Trust Initial Amount	3
		Contribution to the KPP from KL	<u>200</u>
		Total Emergence Cash Outlays	750
		Global Cash Balance - Post-Emergence	<u>793</u>
		TOTAL CASH USES	<u>\$ 2,507</u>

Notes:

¹ Estimated cash balance immediately prior to emergence includes all flows from operations and asset sales through September.

² Assumes disposition of Personalized Imaging and Document Imaging businesses, KPP settlement and the receipt by Kodak of

\$525 million of cash proceeds in excess of any amounts paid to KPP. Assumes \$464 million proceeds to the US, directly and through repatriation.

³ Includes required \$200 million repayment of DIP Term Loans for roll-over of remaining DIP Term Loans to Exit Facility - First Lien - New Money Loans.

The DIP Term Loan balance is as of May 31, 2013.

⁴ Claim payments based on current estimate for allowed amounts for the given categories.

⁵ Projected net incremental cash contributions from other cash sources to satisfy Kodak's \$49 million funding obligation pursuant to the EBP Settlement Agreement

⁶ Includes payment of \$375 million Outstanding Principal Amount of Second Lien Notes, \$20 million Second Lien Settlement Amount, \$8 million Cash Rights Offerings Consideration, and \$3 million, the Kodak GUC Trust Initial Amount.

The Financial Projections do not reflect an adoption of fresh start reporting. Any modifications to the numbers to reflect fresh start reporting may have a material non-cash impact on the Financial Projections.

The Financial Projections assume the Debtors will have access to approximately \$464 million at or prior to emergence from chapter 11 from cash repatriation activity and the KPP Global Settlement, which includes the transfer of certain assets and liabilities related to the Personalized Imaging and Document Imaging businesses. The results of these transactions may vary significantly from the projected results.