

BIDDING PROCEDURES

Eastman Kodak Company (“**Kodak**”) and certain of its subsidiaries (collectively, the “**Debtors**”) are debtors in possession in chapter 11 cases (jointly administered under Case No. 12-10202 (ALG)) pending in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).¹

On April 15, 2013, Kodak executed that certain Asset Purchase Agreement with Brother Industries, Ltd. (the “**Stalking Horse Purchaser**”) relating to the sale (the “**Sale**”) of the Transferred Assets to and assumption of the Assumed Liabilities by the Stalking Horse Purchaser (as such agreement may be amended from time to time, the “**Stalking Horse Purchase Agreement**”), which agreement is subject to approval by the Bankruptcy Court.

The following are bidding procedures (the “**Bidding Procedures**”) with respect to the proposed Auction (as defined below) of the Transferred Assets.

On April 18, 2013, the Debtors filed a *Motion for Orders (I) (A) Approving Bidding Procedures for the Sale of the Document Imaging Business, (B) Authorizing the Stalking Horse Bid Protections, (C) Approving Procedures for the Assumption and/or Assignment of Certain Contracts, (D) Approving Notice Procedures and (E) Setting a Date for the Sale Hearing; and (II) Authorizing the (A) Sale of the Document Imaging Business, (B) Use, License and Lease of Property of the Estate in Connection Therewith, (C) Assumption and/or Assignment of Certain Contracts, (D) Debtors’ Exercise of Corporate Governance Rights and (E) Entry Into Certain Ancillary Agreements* (the “**Sale Motion**”).

On May [1], 2013, the Bankruptcy Court entered an order (the “**Bidding Procedures Order**”) approving, among other things, these Bidding Procedures and the payment of the Stalking Horse Payments (as defined below) on the terms set forth in the Stalking Horse Purchase Agreement.

Bidding Process

The following describes, among other things, the manner in which prospective bidders in respect of an Alternate Standalone Transaction (as defined below) may gain access to or continue to have access to due diligence materials concerning the Transferred Assets, the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, the receipt and negotiation of bids, the conduct of any subsequent Auction (as defined below) and the Bankruptcy Court’s approval of the highest or otherwise best bid (collectively, the “**Bidding Process**”).

The Debtors shall consult with the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”), counsel to the Ad Hoc Committee of Second Lien Noteholders (to the extent such group continues to be formed and advised by counsel) (the “**Second Lien Committee**”), counsel to Citicorp North America, Inc., as agent for the Debtors’ postpetition

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Stalking Horse Purchase Agreement.

secured lenders (the “**Senior DIP Agent**”), counsel to Wilmington Trust, National Association, as agent for the Debtors’ supplemental post-petition secured lenders (the “**Junior DIP Agent**”) and their respective advisors throughout the Bidding Process.

Without limiting the generality of the foregoing, subject to the Bidding Procedures Order, in each instance under these Bidding Procedures in which the Debtors shall make any decisions or determinations, evaluate bids or exercise business judgment and/or discretion, they shall do so only after having reasonably consulted with respect thereto with the Creditors’ Committee, the Second Lien Committee, the Senior DIP Agent and the Junior DIP Agent.

“As Is, Where Is”

The sale of the Transferred Assets will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description, except to the extent set forth in the Stalking Horse Purchase Agreement or the Alternate Standalone Transaction Document(s) (as defined below).

Sale of Debtor Transferred Assets Free of Any and All Liens and Claims

All of the Debtors’ right, title and interest in and to the Debtor Transferred Assets (as defined in the Sale Motion), or any portion thereof, to be acquired will be sold free and clear of all Liens and Claims (other than Permitted Encumbrances) pursuant to sections 363 and 365 of the Bankruptcy Code, such Liens and Claims to attach to the net proceeds of the sale of such Debtor Transferred Assets. Assets sold by the Non-Debtor Subsidiaries are proposed to be sold in the manner set forth in the Stalking Horse Purchase Agreement.

Participation Requirements

Unless otherwise determined by the Debtors, in order to participate in the Bidding Process, prior to the Bid Deadline (as defined below), each person or entity (other than the Stalking Horse Purchaser) who wishes to participate in the Bidding Process (each such person, a “**Potential Bidder**”) must deliver to the Notice Parties (as defined below) at the addresses provided below:

- (a) an executed confidentiality agreement containing terms that are materially no less favorable to the Debtors than those contained in the confidentiality agreement dated September 12, 2012, between the Debtors and the Stalking Horse Purchaser;
- (b) written evidence that the Debtors reasonably conclude, in their business judgment, demonstrates that the Potential Bidder has the necessary financial ability to close the Alternate Standalone Transaction and provide adequate assurance of future performance under all contracts to be assumed and assigned in such Alternate Standalone Transaction, including, for example, the Potential Bidder’s most recent annual financial statements (audited if available) and/or other forms of financial

disclosure or credit-quality support information,² a description of the Potential Bidder's financial resources and the expected sources of financing for the Alternate Standalone Transaction, and contact names and phone numbers for verification of such financing sources and

- (c) a preliminary (non-binding) written statement demonstrating, to the Debtors' satisfaction, a bona fide interest in purchasing the Transferred Assets from the Debtors, including: (i) the purchase price range (including liabilities to be assumed by the Potential Bidder); (ii) a description of the principal methodologies and assumptions used to arrive at the purchase price range; (iii) the structure and financing of the proposed transaction (including, but not limited to, the sources of financing for the purchase price and all requisite financial assurance); (iv) a statement of the level of review and approval of the Potential Bidder's indication of interest by the senior officers and board; (v) a description of the additional due diligence required; (vi) a description of the intended plans for integrating the employees of the Debtors; (vii) a description of any services or other cooperation that the Potential Bidder will require from the Debtors after closing and (viii) any conditions to closing that the Potential Bidder may wish to impose in addition to those set forth in the Stalking Horse Purchase Agreement.

A Potential Bidder (i) that has delivered the documents described above, (ii) whose financial information and credit-quality support or enhancement demonstrate, in the Debtors' business judgment, the financial capability of the Potential Bidder to consummate the Alternate Standalone Transaction, (iii) that has submitted a reasonably competitive and realistic nonbinding proposal, as described above, (iv) that is subject to an executed confidentiality agreement and (v) that the Debtors determine in their business judgment, is likely (based on availability of financing, experience and other considerations) to be able to consummate the Alternate Standalone Transaction, will be deemed a "**Qualified Bidder**." The Debtors will determine, in their business judgment, whether to entertain bidders for the Transferred Assets that have not met one or more of the requirements specified above and deem such bidders to be Qualified Bidders.

As promptly as practicable after a Potential Bidder delivers all of the materials required above, the Debtors will determine, and will notify the Potential Bidder, if such Potential Bidder is a Qualified Bidder. At the same time that the Debtors notify the Potential Bidder that it is a Qualified Bidder, the Debtors will allow the Qualified Bidder to begin or continue to conduct due diligence with respect to the Transferred Assets.

Due Diligence

The Debtors may, in their business judgment, afford each Qualified Bidder and any person seeking to become a Qualified Bidder that is subject to an executed confidentiality

² If the Potential Bidder is an entity formed for the purpose of entering into the proposed Alternate Standalone Transaction, the Potential Bidder must supply the financial statements and/or any such other form of financial disclosure or credit-quality support information, as required above, relating to the equity holder(s) of the Potential Bidder.

agreement(s) such due diligence access to materials and information relating to the Transferred Assets as the Debtors deem appropriate; *provided* that the Debtors shall not afford any Qualified Bidder or any person seeking to become a Qualified Bidder with due diligence materials or information that the Debtors have not delivered or made available, or will not make available, to the Stalking Horse Purchaser. Due diligence access may include management presentations as may be scheduled by the Debtors, access to electronic data rooms, on-site inspections and other matters which a Qualified Bidder may reasonably request and as to which the Debtors, in their business judgment, may agree. The Debtors intend to designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. No additional due diligence with respect to an Alternate Standalone Transaction for any party other than a Qualified Bidder who has submitted a Qualified Bid will continue after the Bid Deadline. The Debtors may, in their discretion, coordinate diligence efforts such that multiple Qualified Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. Neither the Debtors nor any of their affiliates (or any of their respective representatives) will be obligated to furnish any information relating to the Transferred Assets to any person other than to Qualified Bidders.

The Debtors make no representation or warranty as to the information to be provided through this due diligence process or otherwise, except to the extent set forth in the Stalking Horse Purchase Agreement or, if applicable, the Alternate Standalone Transaction Document(s) executed and delivered by the Debtors.

Bid Deadline

A Qualified Bidder (other than the Stalking Horse Purchaser) that desires to make a bid will deliver written copies of its bid to the following parties (collectively, the “**Notice Parties**”): (a) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, NY 14650-0126 (Attn: Paula Gutkin); (b) Sullivan & Cromwell LLP, counsel to the Debtors, 125 Broad Street, New York, New York 10004 (Attn: Andrew G. Dietderich, Krishna Veeraraghavan and Michael H. Torkin); (c) Lazard Frères & Co., the Debtors’ financial advisors, 30 Rockefeller Plaza, New York, NY 10020, (Attn: David Kurtz and Matthew Hart); (d) AP Services, LLC, the Debtors’ restructuring advisors, 200 Town Center, Suite 2400, Southfield, MI 48075 (Attn: James Mesterharm); (e) Milbank, Tweed, Hadley & McCloy LLP, counsel to the Creditors’ Committee, 1 Chase Manhattan Plaza, New York, New York (Attn: Dennis F. Dunne, Tyson M. Lomazow and Brian Kinney); (f) Jefferies & Company, Inc., financial advisors to the Creditors’ Committee, 520 Madison Avenue, New York, NY 10022 (Attn: Leon Szlezinger and Robert White); (g) Akin Gump Strauss Hauer & Feld LLP, counsel to the Second Lien Committee, One Bryant Park, New York, New York 10036 (Attn: Michael S. Stamer, James Savin and Stephen Kuhn); (h) Blackstone Advisory Partners LP, financial advisor to the Second Lien Committee, 345 Park Avenue, New York, NY 10154 (Attn: Michael Genereux and Michael O’Hara), (i) Davis Polk & Wardwell LLP, counsel to the Senior DIP Agent, 450 Lexington Avenue, New York, NY 10017 (Attn: Donald S. Bernstein and Damon P. Meyer) and (j) Covington & Burling LLP, counsel to the Junior DIP Agent, 620 Eighth Avenue, New York, NY 10018 (Attn: Ronald Hewitt); so as to be received not later than **12 P.M., Eastern Time, on June 5, 2013** (the “**Bid Deadline**”). The Debtors, in their business judgment, may extend the Bid Deadline by up to five days. If the Debtors extend the Bid Deadline, they will promptly notify all relevant parties of

such extension, and all dates and deadlines provided in these Bidding Procedures, other than the Bundled Transaction Outside Date (as defined below), will be extended by the same number of days.³

Qualified Bid

A bid will be considered a Qualified Bid only if the bid is submitted to the Notice Parties by a Qualified Bidder and complies with all of the following (a “**Qualified Bid**”):

- (a) it includes the cash purchase price for the Transferred Assets expressed in U.S. Dollars (the “**Purchase Price**”);
- (b) it states that the Qualified Bidder agrees to purchase the Transferred Assets upon the terms and conditions substantially as set forth in the Stalking Horse Purchase Agreement (including any ancillary agreements to be executed in connection therewith), and is accompanied by a clean and duly authorized and executed purchase agreement (including all ancillary agreements, schedules, and exhibits), with terms not materially more burdensome to the Debtors than the Stalking Horse Purchase Agreement or otherwise inconsistent with these Bidding Procedures, as well as blacklines of such agreements marked to show any proposed amendments and modifications to (x) the Stalking Horse Purchase Agreement; (y) each ancillary agreement thereto and (z) all applicable schedules and exhibits (collectively, the “**Marked Agreements**”);
- (c) it provides that the offer of the Qualified Bidder is irrevocable through the earlier of (i) 10 days after the Auction or (ii) entry of an order approving the Sale or, as applicable, the Alternate Standalone Transaction (the “**Sale Order**”), and *provided, however*, that if such offer is accepted as the Successful Bid (as defined below) or designated as the Back-Up Bid (as defined below), such offer shall continue to remain irrevocable, subject to the terms and conditions of the Bidding Procedures and the applicable purchase agreement, until the earlier of (i) two days after the closing of the Sale or (ii) 90 days after the Sale Order is entered (the “**Back-Up Bid Expiration Date**”);
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Debtors to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction contemplated by the Marked Agreements;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder; (ii) obtaining any internal approval(s) and/or (iii) obtaining or the availability of any financing;

³ To the extent that any such date or deadline falls on a non-Business Day, the date or deadline shall be extended to the following Business Day.

- (f) it fully discloses the identity of each entity that will be bidding for the Transferred Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such bid), participating in or benefiting from (including through license or similar arrangement with respect to the assets to be acquired in connection with such bid) such bid, and the complete terms of any such sponsorship, participation, financing or benefit;
- (g) it has a value to the Debtors that, in the Debtors' business judgment, after consultation with their financial advisors, the Creditors' Committee and the Second Lien Committee, is greater than the sum of (i) \$210,000,000 (the "**Cash Purchase Price**"), plus (ii) the Stalking Horse Payments (as defined below), plus (iii) 1% of the Cash Purchase Price; *provided* that, in determining such value, the Debtors will not be limited to evaluating the dollar amount of a competing bid, but also may consider factors including those described under the "Evaluation of Competing Bids" section hereof;
- (h) it includes a representation from the Qualified Bidder that it will assume the Debtors' obligations under the executory contracts and unexpired leases proposed to be assigned pursuant to the Stalking Horse Purchase Agreement (or identifies with particularity which of such contracts and leases the Qualified Bidder wishes not to assume, or alternatively which additional executory contracts or unexpired leases the Qualified Bidder wishes to assume), contains full details of the Qualified Bidder's proposal for the treatment of related cure costs, and identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (i) it includes a representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding the Transferred Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Transferred Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Transferred Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Marked Agreements and (iv) is not entitled to any expense reimbursement, break-up fee, transaction fee, termination fee, or any similar type of payment or reimbursement in connection with its bid;
- (j) it includes evidence, in form and substance reasonably satisfactory to the Debtors, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Marked Agreements;
- (k) it is accompanied by a good faith deposit in the form of a wire transfer (to a bank account specified by the Debtors), certified check or such other form acceptable to the Debtors, in their sole discretion, payable to the order of the Debtors in U.S. Currency in

an amount equal to 10% of the Cash Purchase Price to be dealt with as provided for under "Good Faith Deposit" herein;

- (l) it includes evidence of the Qualified Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's ability to perform in the future the contracts and leases proposed in its bid to be assumed by the Debtors and assigned or subleased to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases;
- (m) it contains other information reasonably requested by the Debtors and
- (n) it is received by the Notice Parties by the Bid Deadline.

The Debtors will determine, in their business judgment, whether to entertain bids for the Transferred Assets that do not conform to one or more of the requirements specified herein (other than the Qualified Bid requirements listed in sections (g) and (n) above) and deem such bids to be Qualified Bids.

The Debtors shall notify the Stalking Horse Purchaser and all Qualified Bidders in writing as to whether or not any bids (other than the Stalking Horse Purchase Agreement) constitute Qualified Bids (and, with respect to each Qualified Bidder that submitted a bid, whether such Qualified Bidder's bid constitutes a Qualified Bid) on or before the next Business Day after the day that the determination is made; *provided* that such notification shall be given no later than June 7, 2013.

For the avoidance of doubt, the Stalking Horse Purchaser is deemed a Qualified Bidder, and the Stalking Horse Purchase Agreement is deemed a Qualified Bid, for all purposes in connection with the Bidding Process and the Auction.

Aggregate Bids

The Debtors may aggregate separate bids from unaffiliated persons to create one Qualified Bid from a Qualified Bidder; *provided* that all bidders shall remain subject to the provisions of section 363(n) of the Bankruptcy Code regarding collusive bidding.

Evaluation of Competing Bids

The Debtors will evaluate all Qualified Bids based upon several factors including, without limitation, the purchase price and the net value (including assumed liabilities and the other obligations to be performed or assumed by the Qualified Bidder, including any assumed pension liabilities) provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed revisions to the relevant transaction documents, the net benefit to the estate taking into account the Stalking Horse Purchaser's right to the Stalking Horse Payments, the effect of the transactions on the value of the ongoing business of the Debtors (including ongoing relationships with customers and suppliers), other factors affecting the speed, certainty and value of the transactions (including any regulatory approvals required to close the transactions), the assets included or excluded from

the bid, the estimated number of in-scope employees of the Debtors, if any, to be offered post-closing employment by the Qualified Bidder and any proposed measures associated with their continued employment, the transition services required from the Debtors post-closing, if any, any related restructuring costs and the likelihood and timing of consummating such transactions, and the terms and conditions of ancillary agreements, including such agreements related to the provision of equipment and intellectual property.

Bundled Transaction Outside Date

Under the Bidding Procedures Order and the Stalking Horse Purchase Agreement, the Debtors have reserved the right to pursue and/or consider a “**Bundled Transaction**” (as defined in the Stalking Horse Purchase Agreement) simultaneously with the sale process outlined in these Bidding Procedures through June 6, 2013 (the “**Bundled Transaction Outside Date**”). After the Bundled Transaction Outside Date, however, and both in accordance with and without limiting the scope of section 5.2 of the Stalking Horse Purchase Agreement, the Debtors shall pursue a sale of the Transferred Assets and the Business only on a standalone basis and only (i) to the Stalking Horse Purchaser under the Stalking Horse Purchase Agreement or (ii) to an Alternate Purchaser (as defined below) under the Alternate Standalone Transaction Document(s), as the case may be.

No Qualified Bids

If the Debtors do not receive any Qualified Bids by the Bid Deadline (other than the Stalking Horse Purchase Agreement received from the Stalking Horse Purchaser), the Auction shall be cancelled and the Debtors may proceed directly to a Sale Hearing. In addition, if no other Qualified Bid is received, the Debtors reserve the right to request that the Bankruptcy Court advance the date of the Sale Hearing and provide notice of such new date to parties in interest entitled to notice thereof.

Stalking Horse Payments

Recognizing the value and benefits that the Stalking Horse Purchaser has provided to the Debtors by entering into the Stalking Horse Purchase Agreement, as well as the Stalking Horse Purchaser’s expenditure of time, energy and resources, the Debtors have agreed that they will, under the circumstances set forth in the Stalking Horse Purchase Agreement and as set forth in the Bidding Procedures Order, pay to the Stalking Horse Purchaser a Break-Up Fee equal to \$8,310,000 and an Expense Reimbursement up to \$5,540,000 (collectively, the “**Stalking Horse Payments**”) on the terms and conditions set forth in section 9.2 of the Stalking Horse Purchase Agreement.

Auction

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Purchase Agreement, the Debtors will conduct an auction (the “**Auction**”) of the Transferred Assets at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004 at **10:00 A.M., Eastern Time, on June 12, 2013**, or such other time, date or place as the Debtors may determine, which Auction may be cancelled at the Debtors’ sole discretion if there are no Qualified Bids and the Debtors proceed with the Stalking Horse Purchaser at the Sale

Hearing. Only one Auction will be conducted with regard to the Transferred Assets. The Auction shall run in accordance with the following procedures:

- (a) Only the Debtors, the Stalking Horse Purchaser, the Creditors' Committee, the Second Lien Committee, the Senior DIP Agent and the Junior DIP Agent (and the advisors to each of the foregoing) and any Qualified Bidder that has timely submitted a Qualified Bid (and the advisors to such Qualified Bidder) shall attend the Auction in person, and, subject to the Bidding Procedures Order, only the Stalking Horse Purchaser and such other Qualified Bidders will be entitled to bid at the Auction.
- (b) Each Qualified Bidder shall be required to confirm that it has not engaged, and will not engage, in any collusion with respect to the bidding or the transactions, and such confirmation shall be in form and substance satisfactory to the Debtors.
- (c) At least one day prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction; *provided* that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder until (i) the date of the selection of the Successful Bidder at the conclusion of the Auction and (ii) if such Qualified Bidder is selected as a Back-Up Bidder (as defined below), the Back-Up Bid Expiration Date. By no later than three days prior to the Auction, the Debtors will provide copies of the Qualified Bid that the Debtors believe, in their business judgment, is the highest or otherwise best offer (the "**Starting Bid**") to the Stalking Horse Purchaser and all other Qualified Bidders that have informed the Debtors of their intent to participate in the Auction.
- (d) All Qualified Bidders, including the Stalking Horse Purchaser, wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attend the Auction in person. The true identity of each Qualified Bidder at the Auction will be fully disclosed to all other Qualified Bidders at the Auction. The Auction may include individual negotiations with the Qualified Bidders and/or open bidding in the presence of all other Qualified Bidders, *provided* that all material terms of the bid that is deemed to be the highest or otherwise best bid for each round of bidding shall be fully disclosed to all other Qualifying Bidders.
- (e) All Qualified Bidders, including the Stalking Horse Purchaser, shall be deemed to have consented to and submitted to the core jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to the marketing process, the Auction and the construction and enforcement of the Qualified Bidder's contemplated transaction documents, as applicable.
- (f) The Debtors may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction; *provided* that such rules are not inconsistent with the Stalking Horse Purchase Agreement, the Bankruptcy Code or any order of the Bankruptcy Court.

- (g) Bidding at the Auction will begin with the Starting Bid. Bidding will continue, in one or more rounds of bidding, so long as during each round (i) at least one subsequent bid is submitted by a Qualified Bidder that improves upon the immediately prior bid (a “**Subsequent Bid**”) and (ii) the Debtors determine that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below). Each incremental bid at the Auction shall provide net value to the estate of at least U.S. \$2 million over the Starting Bid or the Leading Bid, as the case may be (inclusive of the Stalking Horse Payment for bids submitted by Qualified Bidders other than the Stalking Horse Purchaser), *provided* that the Debtors shall retain the right to modify the increment requirements at the Auction. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid or combination of bids (and the value of such bid(s)) that it believes to be the highest or otherwise best offer (the “**Leading Bid**”). The Stalking Horse Purchaser shall have the right to include the Stalking Horse Payments in the amount of any subsequent bid that it makes in the Auction and, in the event the Stalking Horse Purchaser is the Successful Bidder at the Auction, the Stalking Horse Purchaser shall be entitled to credit the Stalking Horse Payments against the Purchase Price ultimately payable by the Stalking Horse Purchaser. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by Subsequent Bids, the Debtors will, at each round of bidding, take into account the Stalking Horse Payment that may be payable as well as any additional liabilities to be assumed by a Qualified Bidder and any additional costs which may be imposed on the Debtors.
- (h) The Debtors shall have the right to request any additional financial information that will allow the Debtors to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transactions contemplated by the Marked Agreements, as further amended during the Auction, and any further information that the Debtors may believe is reasonably necessary to clarify and evaluate the Qualified Bidder’s bid.
- (i) Prior to the conclusion of the Auction, the Debtors will (a) identify the highest or otherwise best offer for the Transferred Assets (the “**Successful Bid**” and the Qualified Bidder making such Qualified Bid, the “**Successful Bidder**”) and, at the Debtors’ election, the next highest or otherwise best Qualified Bid (the “**Back-Up Bid**” and, such Qualified Bidder, the “**Back-Up Bidder**”); (b) communicate to the other Qualified Bidders the identity of the Successful Bidder, the Back-Up Bidder, if any, and the details of the Successful Bid and Back-Up Bid, if any and (c) accept the Successful Bid, subject to approval by the Bankruptcy Court and entry of the Sale Order. The Stalking Horse Purchaser shall not be the Back-Up Bidder unless the Stalking Horse Purchaser consents in writing to be the Back-Up Bidder.
- (j) The Debtors shall formally announce the close of the Auction. Bids submitted after the Auction will not be considered by the Debtors or by the Bankruptcy Court. The determination of the Successful Bid and Back-Up Bid by the Debtors at the conclusion of the Auction shall be final subject to approval by the Bankruptcy Court. If the Stalking Horse Purchaser is not the Successful Bidder, the transaction shall be referred

to as the “**Alternate Standalone Transaction**”; the documentation submitted to the Bankruptcy Court for approval at the Sale Hearing shall be referred to as the “**Alternate Standalone Transaction Document(s)**” and the Successful Bidder shall be referred to as the “**Alternate Purchaser(s)**.”

- (k) By or on the fifth Business Day after the conclusion of the Auction, the Successful Bidder shall complete and execute and the Debtors shall file all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made. Within one day after the Debtors formally announce the conclusion of the Auction, the Debtors shall file a notice identifying the Successful Bidder with the Bankruptcy Court.

EACH OF THE SUCCESSFUL BID AND THE BACK-UP BID SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE SUCCESSFUL BIDDER AND THE BACK-UP BIDDER, RESPECTIVELY, FROM THE TIME THE BID IS SUBMITTED UNTIL THE BACK-UP BID EXPIRATION DATE. EACH QUALIFIED BID THAT IS NOT THE SUCCESSFUL BID OR THE BACK-UP BID SHALL REMAIN IRREVOCABLE UNTIL THE EARLIER OF (A) TEN DAYS AFTER THE AUCTION OR (B) ENTRY OF THE SALE ORDER.

Sale Hearing

The sale hearing to authorize Kodak to enter into agreements with respect to the Successful Bid (the “**Sale Hearing**”) will be held before the Honorable Allan L. Gropper, in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004, on a date to be scheduled by the Bankruptcy Court and currently proposed as [●] [A.M./P.M.], **Eastern Time, on June 14, 2013** if the Debtors proceed with the Stalking Horse Purchaser or on **June 24, 2013** if the Debtors proceed with an Alternate Purchaser.

The Debtors’ presentation to the Bankruptcy Court of the Successful Bid, and, at the Debtors’ election, the Back-Up Bid, will not constitute the Debtors’ acceptance of either of such bids, which acceptance will only occur upon the approval of such bids by the Bankruptcy Court at the Sale Hearing. Following approval of the Sale to the Successful Bidder, if the Successful Bidder fails to consummate the Sale for any reason, then the Back-Up Bid will be deemed to be the Successful Bid (and the Back-Up Bidder deemed to be the Successful Bidder) and the Debtors will be authorized to effectuate a Sale to the Back-Up Bidder, subject to the terms of the Back-Up Bid without further order of the Bankruptcy Court.

Good Faith Deposits

The Stalking Horse Purchaser’s Good Faith Deposit shall be treated in accordance with the terms and conditions of the Stalking Horse Purchase Agreement. The Good Faith Deposit of the Successful Bidder, or, if applicable, the Back-Up Bidder (other than the Stalking Horse Purchaser) shall be treated in accordance with the Alternate Standalone Transaction Document(s). The Good Faith Deposit of any Back-Up Bidder shall be retained by the Debtors until the closing of the sale with the Successful Bidder and returned to the Back-Up Bidder

within five Business Days thereafter or, if the Back-Up Bid becomes the Successful Bid, shall be treated in accordance with the Alternate Standalone Transaction Document(s). The Good Faith Deposits of Qualified Bidders whose Qualified Bid was not selected as either the Successful Bid or Back-Up Bid shall be returned to such Qualified Bidders within five Business Days of the date of the selection of the Successful Bid and the Back-Up Bid.

Beneficiaries; Modification of Procedures

No person or entity other than the Debtors and the Stalking Horse Purchaser shall be a beneficiary of or have a right to enforce these Bidding Procedures or the Bidding Process; *provided* that nothing herein shall limit or modify the rights of any party in interest to object to any Sale if the Bidding Process was not conducted in accordance with these Bidding Procedures or otherwise. If the Debtors pursue a Bundled Transaction, the Debtors also reserve the right to, in their sole and absolute discretion, to cancel the Auction and not proceed with the Stalking Horse Purchase Agreement. The Debtors may modify the Bidding Procedures or the Bidding Process at any time; *provided* that (i) no amendment or modification to the Bidding Procedures or the Bidding Process shall be made that is inconsistent with the Stalking Horse Purchase Agreement, without the express consent of the Stalking Horse Purchaser, the Bankruptcy Code or any order of the Bankruptcy Court; (ii) no amendment or modification to the Bidding Procedures or the Bidding Process shall affect the right of the Stalking Horse Purchaser to terminate the Stalking Horse Purchase Agreement, pursuant to the terms and conditions set forth therein and (iii) under no circumstances shall the Debtors eliminate or modify the terms provided in the “Bundled Transaction Outside Date” section above. The Stalking Horse Purchaser reserves the right to seek relief from the Bankruptcy Court on an expedited basis in relation to any modification or proposed modification to these Bidding Procedures.