Solicitation Version

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	Chapter 11
OSG Group Holdings, Inc., *et al.*,[1]	Case No. 22-[_____] ([___])
Debtors.	(Joint Administration Requested)

DISCLOSURE STATEMENT FOR THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF OSG GROUP HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: OSG Group Holdings, Inc. (0311); OSG Intermediate Holdings, Inc. (1288); OSG Holdings, Inc. (2036); Output Services Group, Inc. (8044); Globalex Corporation (5365); SouthData, Inc. (5336); DoublePositive Marketing Group, Inc. (8221); National Business Systems, Inc. (6946); NCP Solutions, LLC (5620); The Garfield Group, Inc. (9966); Mansell Group Holding Company (9354); Diamond Marketing Solutions Group, Inc. (3531); Applied Information Group, Inc. (7381); Microdynamics Corporation (0423); Mansell Group, Inc. (7898); National Data Services of Chicago, Inc. (9009); Microdynamics Group Nebraska, Inc. (5711); Microdynamics Transactional Mail, LLC (4060); JJT Enterprises, Inc. (dba Optimal Outsource) (7792); and Words, Data and Images, LLC (dba Gabriel Group) (2248). Globalex Corporation's service address is 150 S Pine Island Road, Suite 300, Plantation, FL 33324. DoublePositive Marketing Group, Inc.'s, Mansell Group Holding Company's, Diamond Marketing Solutions Group, Inc.'s, Applied Information Group, Inc.'s, and Microdynamics Corporation's service address is 900 Kimberly Drive, Carol Stream, IL 60188. SouthData, Inc.'s service address is 201 Technology Lane, Mount Airy, NC 27030. National Business Systems, Inc.'s service address is 9201 E Bloomington Fwy, Ste LL, Bloomington, MN 55420. NCP Solutions, LLC's service address is 5200 East Lake Boulevard, Birmingham, AL 35217. JTT Enterprises, Inc. (dba Optimal Outsource)'s service address is 7 Rancho Circle, Lake Forest, CA 92630. Words, Data and Images, LLC (dba Gabriel Group)'s service address is 3190 Rider Trail South, Earth City, MO 63045. OSG Group Holdings, Inc.'s, OSG Intermediate Holdings, Inc.'s, OSG Holdings, Inc.'s, Output Services Group, Inc.'s, The Garfield Group, Inc.'s, Mansell Group, Inc.'s, National Data Services of Chicago, Inc.'s, Microdynamics Group Nebraska, Inc.'s, and Microdynamics Transactional Mail, LLC's service address is 775 Washington Avenue, Carlstadt, NJ 07072.

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Proposed Counsel for Debtors and Debtors in Possession

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT A JOINT PLAN OF REORGANIZATION *PRIOR* TO THE FILING OF VOLUNTARY REORGANIZATION CASES UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE.[2] BECAUSE NO CHAPTER 11 CASES HAVE YET BEEN COMMENCED, THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS INTEND TO SUBMIT THIS DISCLOSURE STATEMENT TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS' FILING FOR RELIEF UNDER CHAPTER 11 OF THE BANKRUPTCY CODE. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE AND SUBJECT TO THE PLAN DOCUMENTS. EXCEPT AS OTHERWISE SPECIFIED HEREIN OR AS MAY BE COMMUNICATED BY THE DEBTORS, THE SOLICITATION OF VOTES ON THE PLAN WITH RESPECT TO CLASS 1, CLASS 2, AND CLASS 6 CLAIMS IS BEING MADE PURSUANT TO EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING PURSUANT TO SECTION 4(A)(2) THEREOF, AND APPLICABLE UNITED STATES STATE SECURITIES LAWS, AND ONLY FROM HOLDERS OF SUCH CLAIMS WHO ARE "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(a) OF THE SECURITIES ACT ("ACCREDITED INVESTORS") OR A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("QIB"). THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT FOR SOLICITATION OF VOTES ON THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF OSG GROUP HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE FROM THE HOLDERS OF OUTSTANDING CLAIMS IN THE FOLLOWING CLASS:

VOTING CLASS	NAME OF CLASS UNDER THE PLAN
CLASS 1	EXISTING FIRST LIEN CLAIMS
CLASS 2	EXISTING SECOND LIEN CLAIMS
CLASS 6	SPONSOR CONTRIBUTIONS

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms elsewhere in this disclosure statement (as may be amended, supplemented, or otherwise modified from time to time, this "Disclosure Statement") or in the *Joint Prepackaged Chapter 11 Plan of Reorganization of OSG Group Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"), as applicable.

IF YOU ARE HOLDER OF A CLAIM OR INTEREST IN CLASS 1, 2, OR 6, YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU MAY BE ENTITLED TO VOTE ON THE PLAN

DELIVERY OF BALLOTS

BALLOTS MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE, WHICH IS 4:00 P.M. (PREVAILING EASTERN TIME) ON AUGUST 4, 2022 VIA THE E-BALLOTING PORTAL USING THE LOGIN INFORMATION PROVIDED TO YOU AT:

HTTPS://BALLOTING.STRETTO.COM

**OR VIA FIRST CLASS MAIL,
OVERNIGHT COURIER, OR HAND DELIVERY AT:**

**OSG GROUP HOLDINGS BALLOT PROCESSING
C/O STRETTO
410 EXCHANGE, SUITE 100
IRVINE, CA 92602**

BALLOTS RECEIVED VIA MEANS OTHER THAN THE AFOREMENTIONED MEANS WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT STRETTO, INC. (THE DEBTORS' SOLICITATION AGENT) AT:

(855) 373-8145 (DOMESTIC TOLL-FREE) OR (949) 296-9440 (INTERNATIONAL TOLL)

OR EMAIL: TEAMOSG@STRETTO.COM; SUBJECT LINE: "OSG GROUP HOLDINGS"

OSG Group Holdings, Inc., OSG Intermediate Holdings, Inc., OSG Holdings, Inc., Output Services Group, Inc., Globalex Corporation, SouthData, Inc., DoublePositive Marketing Group, Inc., National Business Systems, Inc., NCP Solutions, LLC, The Garfield Group, Inc., Mansell Group Holding Company, Diamond Marketing Solutions Group, Inc., Applied Information Group, Inc., Microdynamics Corporation, Mansell Group, Inc, National Data Services of Chicago, Inc., Microdynamics Group Nebraska, Inc., Microdynamics Transactional Mail, LLC, JJT Enterprises, Inc. (dba Optimal Outsource), and Words, Data and Images, LLC (dba Gabriel Group) (each a "Debtor" and, collectively, the "Debtors") submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code for use in solicitation of votes on the Plan. The Plan is anticipated to be filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). A copy of the Plan is attached hereto as Exhibit A. This Disclosure Statement provides information regarding the Plan, which the Debtors are seeking to have

confirmed by the Bankruptcy Court. The Debtors are providing the information in this Disclosure Statement to certain Holders of Claims and Interests for purposes of soliciting votes to accept or reject the Plan.

Pursuant to the Restructuring Support Agreement, which is attached hereto as Exhibit B, the Plan is currently supported by the Debtors, Holders of more than 88.7% in amount of Existing First Lien Claims, Holders of 100% in amount of Existing Second Lien Claims, and Holders of 100% of Claims and Interests arising under the Vox Unsecured Promissory Note, the OSG February 8 Unsecured Promissory Note, the Globalex Secured Note, and the Sponsor Globalex Interest.

The consummation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article VIII of the Plan. There is no assurance that the Bankruptcy Court will confirm the Plan or, if the Bankruptcy Court does confirm the Plan, that the conditions necessary for the Plan to become effective will be satisfied or, in the alternative, waived.

You are encouraged to read this Disclosure Statement (including "Certain Factors to Be Considered" described in Article VI of this Disclosure Statement) and the Plan in their entirety before submitting your Ballot to vote on the Plan.

The Debtors urge each Holder of a Claim or Interest to consult with its own advisors with respect to any legal, financial, securities, tax, or business advice in reviewing this Disclosure Statement, the Plan, and each transaction contemplated by the Plan.

The Debtors strongly encourage Holders of Claims or Interests in Classes 1, 2, and 6 to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan. Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Combined Hearing.

RECOMMENDATION BY THE DEBTORS

EACH DEBTOR'S BOARD OF DIRECTORS, MEMBERS, OR MANAGERS, AS APPLICABLE, HAS APPROVED THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT, AND EACH DEBTOR BELIEVES THAT THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF EACH OF THE DEBTORS' ESTATES, AND PROVIDES THE BEST RECOVERY TO CLAIM AND INTEREST HOLDERS. AT THIS TIME, EACH DEBTOR BELIEVES THAT THE PLAN AND RELATED RESTRUCTURING TRANSACTIONS REPRESENT THE BEST ALTERNATIVE FOR ACCOMPLISHING THE DEBTORS' OVERALL RESTRUCTURING OBJECTIVES. EACH OF THE DEBTORS, THEREFORE, STRONGLY RECOMMEND THAT ALL HOLDERS OF CLAIMS OR INTERESTS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT NO LATER THAN AUGUST 4, 2022 AT 4:00 P.M. (PREVAILING EASTERN TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND IN THE BALLOTS.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

The Bankruptcy Court has not reviewed this Disclosure Statement or the Plan, and the securities to be issued on or after the Effective Date will not be issued pursuant to a registration statement filed with the United States Securities and Exchange Commission (the "SEC") under the United States Securities Act of 1933 (as amended, the "Securities Act") or any securities regulatory authority of any state under any state securities law ("Blue Sky Laws"). The Plan has not been approved or disapproved by the SEC or any state regulatory authority, and neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of the information contained in this Disclosure Statement or the Plan. Any representation to the contrary is a criminal offense. The Debtors are relying on exemptions from the registration requirements of the Securities Act, including section 4(a)(2) thereof and/or Regulation D promulgated thereunder, and on equivalent exemptions under Blue Sky Laws, to exempt from registration under the Securities Act and Blue Sky Laws the offer to Holders of Existing Second Lien Claims and the Holders of the Sponsor Contributions of new securities prior to the Petition Date, including in connection with the solicitation of votes to accept or reject the Plan (the "Solicitation").

After the Petition Date, the Debtors will rely on section 1145(a) of the Bankruptcy Code, Section 4(a)(2) of the Securities Act, or other exemptions under the Securities Act to exempt from registration under the Securities Act and Blue Sky Laws the offer, issuance, and distribution of the securities described herein under the Plan. Neither the Solicitation nor this Disclosure Statement constitutes an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized.

Except to the extent publicly available, this Disclosure Statement, the Plan, and the information set forth herein and therein are confidential. This Disclosure Statement and the Plan may contain material non-public information concerning the Debtors, their subsidiaries, and their respective debt and Securities. Each recipient hereby acknowledges that it (a) is aware that the federal securities laws of the United States prohibit any person who has material non-public information about a company, which is obtained from the company or its representatives, from purchasing or selling Securities of such company or from communicating the information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such Securities and (b) is familiar with the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act").

DISCLAIMER

This Disclosure Statement contains summaries of certain provisions of the Plan and certain other documents and financial information. The information included in this Disclosure Statement is provided solely for the purpose of soliciting acceptances of the Plan and should not be relied upon for any purpose other than to determine whether and how to vote on the Plan. All Holders of Claims or Interests entitled to vote are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting. The Debtors believe that these summaries are fair and accurate. The summaries of the financial information and the documents that are attached to, or incorporated by reference in, this Disclosure Statement are qualified in their entirety by reference to such information and documents. In the event of any inconsistency or discrepancy between a description in this Disclosure Statement, on the one hand, and the terms and provisions of the Plan or the financial information and documents incorporated in this Disclosure Statement by reference, on the other hand, the Plan or the financial information and documents, as applicable, shall govern for all purposes.

Except as otherwise provided in the Plan or in accordance with applicable law, the Debtors are under no duty to update or supplement this Disclosure Statement. The Bankruptcy Court's approval of this Disclosure Statement does not constitute a guarantee of the accuracy or completeness of the information contained herein or the Bankruptcy Court's endorsement of the merits of the Plan. The statements and financial information contained in this Disclosure Statement have been made as of the date hereof unless otherwise specified. Holders of Claims or Interests reviewing this Disclosure Statement should not assume at the time of such review that there have been no changes in the facts set forth in this Disclosure Statement since the date of this Disclosure Statement. No Holder of a Claim or Interest should rely on any information, representations, or inducements that are not contained in or are inconsistent with the information contained in this Disclosure Statement, the documents attached to this Disclosure Statement, and the Plan. This Disclosure Statement does not constitute legal, business, financial, or tax advice. Any Person or Entity desiring any such advice should consult with their own advisors. Additionally, this Disclosure Statement has not been approved or disapproved by the Bankruptcy Court, the SEC, or any securities regulatory authority of any state under Blue Sky Laws. The Debtors are soliciting acceptances of the Plan prior to commencing any cases under chapter 11 of the Bankruptcy Code.

The financial information contained in or incorporated by reference into this Disclosure Statement has not been audited, except as specifically indicated otherwise. The Debtors' management ("Management"), in consultation with their advisors, has prepared the financial projections attached hereto as **Exhibit D** and described in this Disclosure Statement. The financial projections, while presented with numerical specificity, necessarily were based on a variety of estimates and assumptions that are inherently uncertain and may be beyond the control of Management. Important factors that may affect actual results and cause Management forecasts not to be achieved include, but are not limited to, risks and uncertainties relating to the Debtors' businesses (including their ability to achieve strategic goals, objectives, and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions, and other factors. The Debtors caution that no representations can be made as to the accuracy of these projections or to their ultimate performance compared to the information contained in the forecasts or that the forecasted results will be achieved. Therefore,

the financial projections may not be relied upon as a guarantee or other assurance that the actual results will occur.

Regarding contested matters, adversary proceedings, and other pending, threatened, or potential litigation or other actions, this Disclosure Statement does not constitute, and may not be construed as, an admission of fact, liability, stipulation, or waiver by the Debtors or any other party, but rather as a statement made in the context of settlement negotiations in accordance with Rule 408 of the Federal Rules of Evidence and any analogous state or foreign laws or rules. As such, this Disclosure Statement shall not be construed to be conclusive advice on the tax, securities, financial, or other effects of the Plan to Holders of Claims against or Interests in, the Debtors or any other party in interest. Please refer to Article VI of this Disclosure Statement, entitled "Certain Factors to Be Considered" for a discussion of certain risk factors that Holders of Claims and Interests voting on the Plan should consider.

Except as otherwise expressly set forth herein, all information, representations, or statements contained herein have been provided by the Debtors. No person is authorized by the Debtors in connection with this Disclosure Statement, the Plan, or the Solicitation to give any information or to make any representation or statement regarding this Disclosure Statement, the Plan, or the Solicitation, in each case, other than as contained in this Disclosure Statement and the exhibits attached hereto or as otherwise incorporated herein by reference or referred to herein. If any such information, representation, or statement is given or made, it may not be relied upon as having been authorized by the Debtors.

This Disclosure Statement contains certain forward-looking statements, all of which are based on various estimates and assumptions. Such forward-looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including, but not limited to, those summarized herein. When used in this Disclosure Statement, the words "anticipate," "believe," "estimate," "will," "may," "intend," and "expect" and similar expressions generally identify forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, they cannot be sure that they will be achieved. These statements are only predictions and are not guarantees of future performance or results. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward-looking statements attributable to the Debtors or Persons or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this Disclosure Statement, including those set forth in Article VI hereof. Forward-looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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EXECUTIVE SUMMARY

The Plan implements a prepackaged restructuring agreed to among the Debtors and the Debtors' major stakeholders, including the including the Consenting First Lien Lenders (entitled to vote more than 88.7% of the aggregate amount of Existing First Lien Claims to accept or reject the Plan), the Consenting Second Lien Lenders (entitled to vote 100% of the aggregate amount of Existing Second Lien Claims to accept or reject the Plan), and the Sponsor (entitled to vote all Claims and Interests arising under the Vox Unsecured Promissory Note, the OSG February 8 Unsecured Promissory Note, the Globalex Secured Note, and the Sponsor Globalex Interest). The restructuring will result in a significant deleveraging of the Debtors' capital structure, as reflected in the charts below:

Capital Structure as of July 20, 2022	
Instrument	Principal Outstanding (mm)
Existing First Lien Revolving Credit Facility	$19.6
Existing First Lien Facility	$598.1
Existing Second Lien Facility	$168.3
Globalex Secured Note	$21.6
Vox Unsecured Promissory Note	$11.4
Feb. 8 Unsecured Promissory Note	$5.0
Total	**$**824.0

Structure Post-Emergence[3]	
Instrument	Principal Outstanding (mm)
Existing First Lien Revolving Credit Facility	$19.7
Amended and Restated First Lien Loans	$601.1
New Mezzanine Debt Loans	$69.5
Total	**$**690.3

The anticipated benefits of the prepackaged restructuring, including the Plan, include, without limitation, the following:

(a) A $25.4 million DIP Facility, of which $15 million will be in the form of New Money DIP Term Loans, which will convert on the Effective Date into (i) new equity investment in exchange for the issuance of 28.8% of New Convertible Preferred Equity, and (ii) $1,872,000 in principal amount of New Mezzanine Debt Loans in respect of accrued interest on the Rolled-Up DIP Term Loans;

(b) Replacement of $598.1 million of Existing First Lien Claims with approximately $601.1 million of Amended and Restated First Lien Loans on the terms set forth in the Amended and Restated First Lien Documents;

(c) Conversion of approximately $157.9 million of Existing Second Lien Claims to (i) New Mezzanine Debt Loans and (ii) 100% of the

[3] The capital structure post-emergence may vary due to, among other things, accrued interest through closing of the Restructuring Transactions.

Reorganized Common Equity (subject to dilution by the Management Incentive Plan and the conversion of New Convertible Preferred Equity);

(d) Equitization of the Globalex Secured Note, the Vox Unsecured Promissory Note, and the OSG February 8 Unsecured Promissory Note and contribution of the Sponsor Globalex Interest to the Debtors in exchange for 43.9% of the New Convertible Preferred Equity;

(e) Payment in full or Reinstatement of all General Unsecured Claims;

(f) Assumption of all Unexpired Leases and Executory Contracts, with continued performance and payment thereunder in the ordinary course; and

(g) Prompt emergence from chapter 11.

The Plan provides for a comprehensive restructuring of the Debtors' prepetition obligations, preserves the going-concern value of the Debtors' businesses, maximizes all creditor recoveries, and protects the jobs of the Debtors' invaluable employees, including Management.

The purpose of this Disclosure Statement is to provide Holders of Claims or Interests entitled to vote to accept or reject the Plan with adequate information about (i) the Debtors' businesses and certain historical events, (ii) these chapter 11 cases ("Chapter 11 Cases"), (iii) the rights of Holders of Claims or Interests under the Plan, and (iv) other information necessary to enable a hypothetical investor typical of the Holders of Claims or Interests in these Chapter 11 Cases to make an informed judgment about the Plan.

ARTICLE I

INTRODUCTION

The Debtors, together with their non-Debtor subsidiaries (the "Company"), offer outsourced communications solutions to corporate clients primarily in North America and Europe, the Middle East, and Africa ("EMEA"). The Company provides primarily transactional, marketing, and payment solutions to various industries, including consumer services, business-to-business markets, education, retail, property management, financial services, healthcare, and the government, both through the use of its traditional print and mail businesses as well as through its cutting-edge digital platform. In addition, the Company provides complementary services such as online payment portals, call centers, document scanning and accounts payable software, which are strategically important given the ongoing structural decline of traditional print services. The Company employs over 4,700 individuals and services over 6,000 customers in 19 different countries.

Although the Company's business operations began in 1992, the Company has grown considerably over the last 10 years through various acquisitions designed to broaden the depth of services provided by the Company in North America and to expand the Company's capabilities into EMEA. Unfortunately, the Company's primary legacy market of traditional print is shrinking due to a market-wide digital transition, which has only accelerated in the wake of the COVID-19 pandemic. Declining demand and pricing pressures have also led to consolidation in

the outsourced communications market, and led to providers such as the Company to add value through complementary services such as digital technologies. However, the Company's shift to a digital strategy requires significant investment in technology, equipment, and people, each of which continues to increase in cost and impact near-term liquidity and financial results. Nevertheless, the Company has maintained steady earnings before interest, taxes, depreciation, and amortization ("EBITDA") over the past 2 years as a result of aggressive cost mitigation initiatives and strong revenue growth and EBITDA margins in its digital lines of business.

In addition to elevated capital expenditures to expand digital services, the Company's liquidity was further constrained as a result of a number of unfavorable "systematic" factors, many of which are affecting businesses globally. Specifically, the Debtors' businesses have acutely felt input cost inflation in the form of rising costs for necessary materials such as paper and envelopes (which cannot always be passed on to the Company's clients as a result of the Company's fixed price contracts). Additionally, the Debtors experienced a malware attack in May of 2021, which prevented the Company from providing services to several clients for a few weeks and required the Company to shift production volume to meet key deadlines, resulting in additional missed deadlines or service-level targets and leading certain clients to shift their needs to competitors. Furthermore, much of the Company's equipment is at or nearing the end of its useful life, and investment is needed to sustain and grow the Company's operations and revenue.

To address these challenges, the Debtors implemented a strategy focused on (i) investing in the long-term growth of promising digital offerings, (ii) addressing key capital investment and equipment needs through capital leases, (iii) continuing to implement increased rigor in collection processes, and (iv) prudent cost management.

As the Debtors executed on their business strategy, the Debtors determined that the businesses had 3 key needs: (i) additional investment capital, (ii) additional time to execute on its business strategy in the form of maturity extensions, and (iii) a deleveraged capital structure. Accordingly, the Debtors began engaging with their key stakeholders, including the Existing First Lien Lenders, the Existing Second Lien Lenders, and the Sponsor, in early 2022 in order to refinance or otherwise address their 2023 and 2024 maturities. These negotiations resulted in the execution of the Restructuring Support Agreement, which provides the main framework for the Plan and is the basis on which the acceptances of the Existing First Lien Lenders, the Existing Second Lien Lenders, and the Sponsor are being solicited.

Thus, the Debtors filed these Chapter 11 Cases to implement the terms of the prepackaged Plan and the go-forward business plan on which the prepackaged Plan is based. In that regard, these Chapter 11 Cases will comprehensively restructure the Debtors' prepetition secured debt, preserve the going-concern value of the Debtors' businesses, maximize all creditor recoveries (including by paying General Unsecured Claims in full and assuming all Executory Contracts and Unexpired Leases), and protect the jobs of the Debtors' employees.

ARTICLE II

THE PLAN

2.1 Treatment of Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims (collectively, the "Unclassified Claims") have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III of the Plan. The Plan provides for the following treatment of each of the Unclassified Claims:

Claim	Plan Treatment
Administrative Claims	Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the applicable Debtor(s) or the Reorganized Debtor(s), as applicable, to less favorable treatment, to the extent an Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim shall receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the unpaid portion of such Allowed Administrative Claim in accordance with the following: (i) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Administrative Claim is due or as soon as reasonably practicable thereafter); (ii) if such Administrative Claim is Allowed after the Effective Date, on the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (iv) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.
Priority Tax Claims	Except to the extent that each 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 such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

Professional Fee Claims	The amount of Professional Fee Claims owing to the Retained Professionals shall be paid in Cash to such Retained Professionals from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by an Order of the Bankruptcy Court; *provided* that in the event the Professional Fee Reserve Amount is insufficient to satisfy the Professional Fee Claims, the Reorganized Debtors shall be required to satisfy the Allowed amounts of the remainder of any outstanding Professional Fee Claims.
DIP Claims	Notwithstanding anything to the contrary in the Plan, except to the extent that a Holder of an Allowed DIP Claim agrees to less favorable treatment, on the Effective Date, the Holders of all Allowed DIP Claims, in full and final satisfaction, settlement, release, and discharge of and in exchange for all such DIP Claims, shall receive New Convertible Preferred Equity issued by Reorganized Holdings on the Effective Date and New Mezzanine Debt Loans issued by Reorganized Intermediate on the Effective Date, the amounts of which are set forth in **Schedule 1** to the Plan. For the avoidance of doubt, the New Mezzanine Debt Loans issued pursuant to Section 2.4(b) of the Plan shall not reduce the new money required to be funded under the New Mezzanine Debt Facility.

2.2 Treatment of Classified Claims and Interests

The Plan establishes a comprehensive classification of Claims and Interests. The table below summarizes the classification, treatment, voting rights, and estimated recoveries of the Claims and Interests, by Class, under the Plan. Amounts in the far right column under the heading "Liquidation Recovery" are estimates only and are based on certain assumptions described herein and set forth in greater detail in the Liquidation Analysis (as defined below) attached hereto as **Exhibit C**. Accordingly, recoveries actually received by Holders of Claims and Interests in a liquidation scenario may differ materially from the projected liquidation recoveries listed in the table below.

Class	Claim and Interests	Treatment	Status/ Voting Right	Voting Right	Projected Plan Recovery
1	Existing First Lien Claims	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to in writing by such Holder of an Allowed Existing First Lien Claim	Impaired	Yes	100%

		as to less favorable treatment, on the Effective Date, each Holder of an: (A) Allowed Existing First Lien Term B Loan Claim shall receive and shall be deemed to accept its Pro-Rata Share of the Amended and Restated Term A Loans issued under the Amended and Restated First Lien Credit Agreement; (B) Allowed Existing First Lien Dollar 2019-A Incremental Term Loan Claim shall receive and shall be deemed to accept its Pro-Rata Share of the Amended and Restated Term B Loans; (C) Allowed Existing First Lien GBP 2019-A Incremental Term Loan Claim shall receive and shall be deemed to accept its Pro-Rata Share of the Amended and Restated Term GBP Loans; and (D) Allowed Existing First Lien Revolving Claim shall receive and shall be deemed to accept its Pro-Rata Share of the Amended and Restated Revolving Loans.			
2	Existing Second Lien Claims	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to in writing by such Holder of an Allowed Existing Second Lien Claim as to less favorable treatment, on the Effective Date, each Holder of an Allowed Existing Second Lien Claim shall receive its Pro-Rata Share of (A) New Mezzanine Debt Loans in the amount set forth in **Schedule 1** line BB to the Plan and (B) the Reorganized Common Equity in the amount set forth in **Schedule 1** line EF to the Plan, subject to dilution from the Management Incentive Plan and the conversion of New Convertible Preferred Equity.	Impaired	Yes	No more than 100%
3	Other Secured Claims	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to less favorable treatment, on	Unimpaired	No (conclusively presumed to accept)	100%

		the Effective Date, each Holder of an Allowed Other Secured Claim shall receive, at the election of the Debtors: (A) payment in full in Cash of the unpaid portion of its Allowed Other Secured Claim; (B) the collateral securing its Allowed Other Secured Claim; (C) Reinstatement of its Allowed Other Secured Claim; or (D) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.			
4	Other Priority Claims	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to less favorable treatment, on the Effective Date, each Holder of an Allowed Other Priority Claim shall receive treatment in a manner consistent with Section 1129(a)(9) of the Bankruptcy Code.	Unimpaired	No (conclusively presumed to accept)	100%
5	General Unsecured Claims	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to less favorable treatment, on the Effective Date, each Holder of an Allowed General Unsecured Claim shall (A) receive payment in full in Cash of the unpaid portion of its Allowed General Unsecured Claim paid in the ordinary course of business, (B) be Reinstated, or (C) receive such other less favorable treatment as reasonably agreed to by the Debtors and the Plan Sponsor Parties after consultation with the Required Consenting First Lien Lenders.	Unimpaired	No (conclusively presumed to accept)	100%
6	Sponsor Contributions	In full and final satisfaction, compromise, settlement, release, and discharge of, and except as otherwise agreed to less favorable treatment, on the Effective Date, the Sponsor, as Holder of the Globalex Secured Note Claims, Vox Unsecured Promissory	Impaired	Yes	No more than 100%

		Note Claims, the OSG February 8 Unsecured Promissory Note Claims, and the Sponsor Globalex Interest, shall provide the Sponsor Contributions and shall, in return, receive the New Convertible Preferred Equity in the amount set forth in **Schedule 1** line EV to the Plan.			
7	Intercompany Claims	On the Effective Date, each Holder of an Allowed Intercompany Claim shall have its Claim either (A) Reinstated or (B) cancelled, released, and extinguished without any distribution, at the Debtors' election with the consent of the Plan Sponsor Parties.	Unimpaired / Impaired	No (conclusively presumed to accept or deemed not to accept)	100%/0%
8	Existing Holdings Preferred Interests	On the Effective Date, all Allowed Existing Holdings Preferred Interests shall be cancelled, released, and extinguished, and Holders of Allowed Existing Holdings Preferred Interests shall not receive or retain any property or distributions under the Plan on account of such Allowed Existing Holdings Preferred Interests. Notwithstanding the foregoing, on the Effective Date, any Holder of an Allowed Existing Holdings Preferred Interests who agrees to voluntarily grant a release by timely executing and returning to the Debtors the Opt-In Form shall receive its Pro-Rata Share of the Contingent Value Rights Pool, which would come from enterprise value that would otherwise flow to holders of Allowed Existing Second Lien Claims on account of such Allowed Existing Second Lien Claims. For the avoidance of doubt, only holders of Existing Holdings Preferred Interests and Existing Holdings Common Interests shall receive CVR Certificates, and all holders of Allowed Existing Second Lien Claims shall relinquish all rights to or claim in or any interest in the	Impaired	No (deemed not to accept)	0%

		Contingent Value Rights Pool on account of such Allowed Existing Second Lien Claims. For the further avoidance of doubt, notwithstanding anything herein to the contrary, the Sponsor shall not be required to submit an Opt-In Form and the Sponsor shall receive its Pro-Rata Share of the Contingent Value Rights Pool on account of its Allowed Existing Holdings Preferred Interests.			
9	Existing Holdings Common Interests	On the Effective Date, all Allowed Existing Holdings Common Interests shall be cancelled, released, and extinguished, and Holders of Allowed Existing Holdings Common Interests shall not receive or retain any property or distributions under the Plan on account of such Allowed Existing Holdings Common Interests. Notwithstanding the foregoing, on the Effective Date, any Holder of an Allowed Existing Holdings Common Interests who agrees to voluntarily grant a release by timely executing and returning to the Debtors the Opt-In Form shall receive its Pro-Rata Share of the Contingent Value Rights Pool, which would come from enterprise value that would otherwise flow to holders of Allowed Existing Second Lien Claims on account of such Allowed Existing Second Lien Claims. For the avoidance of doubt, only holders of Existing Holdings Preferred Interests and Existing Holdings Common Interests shall receive CVR Certificates, and all holders of Allowed Existing Second Lien Claims shall relinquish all rights to or claim in or any interest in the Contingent Value Rights Pool on account of such Allowed Existing Second Lien Claims. For the further avoidance of doubt, notwithstanding	Impaired	No (deemed not to accept)	0%

		anything herein to the contrary, the Sponsor shall not be required to submit an Opt-In Form and the Sponsor shall receive its Pro-Rata Share of the Contingent Value Rights Pool on account of its Allowed Existing Holdings Common Interests.			
10	Intercompany Interests	On the Effective Date, each Holder of an Allowed Intercompany Interest shall have its Interest (A) Reinstated or (B) cancelled, released, and extinguished and without any distribution at the Debtors' election, with the consent of the Plan Sponsor Parties.	Unimpaired/ Impaired	No (conclusively presumed to accept or deemed not to accept)	100%/0%

2.3 Sources of Consideration for Plan Distribution

The Debtors shall fund distributions under the Plan with: (1) Cash on hand, including Cash from operations; (2) the proceeds of the DIP Loans; (3) the Amended and Restated First Lien Loans; (4) the proceeds of the New Mezzanine Debt Loans; (5) the proceeds of the New Convertible Preferred Equity; (6) the Sponsor Contributions; (7) the Reorganized Common Equity; (8) the Vox Contribution; and (9) the Contingent Value Rights Pool. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors. The Reorganized Debtors shall be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth in the Plan, any changes in intercompany account balances resulting from such transfers shall be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and shall not violate the terms of the Plan; *provided* that proceeds of the New Mezzanine Debt Loans and New Convertible Preferred Equity shall be on account of the new-money portion of the New Mezzanine Debt Loans and New Convertible Preferred Equity as set forth in **Schedule 1** to the Plan (which for the avoidance of doubt shall include (i) $1,800,000 of the $1,872,000 of Rolled-Up DIP Term Loans shown at Line BO of **Schedule 1** to the Plan as converting into New Mezzanine Debt Loans and (ii) $23,200,000 of the $24,128,000 of Rolled-Up DIP Term Loans shown at Line CS of **Schedule 1** to the Plan as converting into New Convertible Preferred Equity, for a total new money commitment of $70,000,000 of combined New Mezzanine Debt Loans and New Convertible Preferred Equity, inclusive of the amounts in romanettes (i) and (ii), and as reflected at Lines BR through BX and CZ through DF of **Schedule 1** to the Plan), and shall not include any portion of the New Mezzanine Debt Loans or New Convertible Preferred Equity on account of any amounts of the Existing Second Lien Claims being converted into New Mezzanine Debt Loans on the Effective Date as set forth in **Schedule 1** to the Plan or any amounts of accrued interest and fees on the DIP Claims being converted into New Mezzanine Debt Loans or New Convertible Preferred Equity on the Effective Date as set forth in **Schedule 1** to the Plan.

From and after the Effective Date, subject to any applicable limitations set forth in any post-Effective Date agreement (including, without limitation, the Amended and Restated First Lien Documents, the New Mezzanine Debt Documents, the Vox Contribution Documents, the CVR Agreement and the CVR Certificates, the amended and restated Pension Guarantee, and the New Organizational Documents), the Reorganized Debtors shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing as the boards of directors (or other applicable governing bodies) of the applicable Reorganized Debtors deem appropriate.

2.4 Restructuring Transactions

Following the Confirmation Date and subject to any applicable limitations set forth in any post-Effective Date agreements, the Debtors and the Reorganized Debtors may take all actions as may be reasonably necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan (the "Restructuring Transactions"), including: (a) the execution and delivery of appropriate agreements or other documents 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, duty, or obligation on terms consistent with the terms of the Plan; (c) the filing of appropriate certificates of conversion, formation or incorporation or consolidation with the appropriate governmental authorities pursuant to applicable Law; (d) the execution, delivery, and filing, if applicable, of the Amended and Restated First Lien Documents; (e) such other transactions that are required to effectuate the Restructuring Transactions including any mergers, consolidations, restructurings, conversions, dispositions, transfers, formations, organizations, dissolutions, or liquidations; and (f) all other actions that the Reorganized Debtors reasonably determine are necessary or appropriate. For the purposes of effectuating the Plan, none of the Restructuring Transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtors.

On the Effective Date, the Existing First Lien Facility shall be amended and restated into the Amended and Restated First Lien Facility, which, among other things, shall extend the maturity under the Existing First Lien Facility for all Holders of Allowed Existing First Lien Claims, irrespective of whether such Holders vote to accept or reject the Plan, and may provide any waivers, grants of liens or guarantees, necessary to implement the Restructuring Transactions.

2.5 Continued Corporate Existence

Except as otherwise provided in the Plan, or as otherwise may be agreed between the Debtors and the Required Consenting Stakeholders, each of the Debtors, as Reorganized Debtors, shall continue to exist on and after the Effective Date as a separate legal Entity with all of the powers available to such legal Entity under applicable Law and pursuant to the New Organizational Documents, without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) in accordance with such applicable Law. On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, without the need for approval of the

Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, take such action as permitted by applicable Law, and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, without limitation, causing: (a) a Reorganized Debtor to be merged into another Reorganized Debtor or an Affiliate of a Reorganized Debtor; (b) a Reorganized Debtor to be dissolved; (c) the conversion of a Reorganized Debtor from one entity type to another entity type; (d) the legal name of a Reorganized Debtor to be changed; (e) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter; or (f) the reincorporation of a Reorganized Debtor under the Law of jurisdictions other than the Law under which the Debtor currently is incorporated.

2.6 Corporate Action

On the Effective Date, all actions contemplated by the Plan and the Restructuring Transactions shall be deemed authorized and approved in all respects, including: (i) the selection of the managers or directors, as applicable, and officers of each of the Reorganized Debtors; (ii) the distribution of the New Convertible Preferred Equity, the Reorganized Common Equity, and the Contingent Value Rights Pool as provided in the Plan or in the Plan Supplement; (iii) the execution and entry into the Amended and Restated First Lien Documents, the New Mezzanine Debt Documents, the New Organizational Documents, the CVR Agreement and CVR Certificates, and the Vox Contribution Documents; and (iv) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date) or Restructuring Transactions, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court. All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have timely occurred and shall be in effect and shall be authorized and approved in all respects, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors or otherwise.

On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and, as applicable, directed, to issue, execute, and deliver the agreements, documents, securities, certificates of conversion, certificates of formation, certificates of incorporation, operating agreements, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the New Organizational Documents, the Amended and Restated First Lien Documents, the New Mezzanine Debt Documents, the CVR Agreement and CVR Certificates, the Vox Contribution Documents, and any and all agreements, documents, securities, and instruments relating to the foregoing.

The authorizations and approvals contemplated by Section 4.5 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy Law.

2.7 Vesting of Assets

Except as otherwise provided the Plan, on the Effective Date, all property of the Estates of the Debtors, including all Claims, Interests, rights, and Causes of Action, and any property

acquired by the Debtors under or in connection with the Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and interests. Subject to the terms of the Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Claims), Interests, and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

2.8 Indemnification Provisions in Organizational Documents

Any D&O Liability Insurance Policies (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) pursuant to which any of the Debtors' current and former directors, officers, managers, or other employees are insured shall remain in force through the expiration of any such Insurance Policy (or "tail policy," as applicable).

On or before the Effective Date, to the extent not already obtained, the Debtors shall obtain a new D&O Liability Insurance Policy and a "tail policy" for the existing D&O Liability Insurance Policy for the benefit of the Debtors' current and former directors, officers, managers, or other employees on terms no less favorable than the Debtors' existing director, officer, manager, and employee coverage and with an available aggregate limit of liability upon the Effective Date of no less than the aggregate limit of liability under the existing director, officer, manager, and employee coverage upon placement, and at an expense reasonably acceptable to the Debtors and the Required Consenting Stakeholders. Alternatively, if the D&O Liability Insurance Policy has not expired, the Debtors shall assume (and assign to the Reorganized Debtors if necessary), pursuant to section 365(a) of the Bankruptcy Code, either by a separate motion filed with the Bankruptcy Court or pursuant to the terms of the Plan and Confirmation Order, the D&O Liability Insurance Policy.

All Indemnification Obligations (and provisions) currently in place (whether in the by-laws, certificates of incorporation, articles of limited partnership, limited liability company agreements, board resolutions, management agreements or employment or indemnification contracts, or otherwise) for the current and former directors, officers, employees, attorneys, other professionals, and agents of each of the Debtors and such current and former directors' and officers' respective affiliates shall be assumed by the Debtors pursuant to the provisions in Article V in the Plan to the extent assumable and shall remain obligations of the Reorganized Debtors, irrespective of when such obligation arose.

None of the Reorganized Debtors shall amend or restate its certificate of incorporation, bylaws, or similar organizational document after the Effective Date to terminate or materially adversely affect (a) any of the Reorganized Debtors' obligations referred to in Section 4.7 of the Plan or (b) the rights of such managers, directors, officers, employees, or agents referred to in Section 4.7 of the Plan.

2.9 Cancellation of Existing Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan, including with respect to the Amended and Restated First Lien Documents: (i) the obligations of the Debtors under any certificate, share, note, bond, agreement, 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 giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan, if any) shall be cancelled, terminated and of no further force or effect, without further act or action, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated or assumed pursuant to the Plan, if any) shall be released and discharged.

Notwithstanding such cancellation and discharge:

(1) The Interests of the Debtors or Reorganized Debtors, as applicable, in their direct and indirect subsidiaries, including the Non-Debtor Obligors, shall remain unaffected by the Plan.

(2) The DIP Facility Documents shall continue in effect solely for purposes of allowing the DIP Agent to (A) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the DIP Claims on account of such DIP Claims, as set forth in Article VI of the Plan; (B) enforce its rights, Claims, and interests with respect to the DIP Lenders; (C) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of DIP Claims, including any rights to priority of payment with respect to the DIP Lenders; and (D) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the DIP Agent or Holders of DIP Claims under the Plan.

(3) The Existing Second Lien Documents shall continue in effect solely for purposes of allowing the Existing Second Lien Agent to: (A) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the Existing Second Lien Claims on account of such Existing Second Lien Claims, as set forth in Article VI of the Plan; (B) enforce its rights, Claims, and interests with respect to the Existing Second Lien Lenders; (C) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of Existing Second Lien Claims, including any rights to priority of payment with respect to the Existing Second Lien Lenders; and (D) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the Existing Second Lien Agent or Holders of Existing Second Lien Claims under the Plan.

2.10 Cancellation of Certain Existing Security Interests

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, Allowed DIP Claim, Allowed Existing Second Lien Claim, and Allowed Globalex Secured Note Claim or promptly thereafter, the Holder of such Claims shall deliver to the Debtors or Reorganized Debtors, as applicable, any collateral or other property of a Debtor held by such Holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Claims that may be reasonably required to terminate any related financing statements, guaranties, including the Existing Second Lien Non-Debtor Obligor Guaranties, mortgages, mechanics' or other Liens, including the Existing Second Lien Non-Debtor Obligor Liens, or *lis pendens*, or similar interests or documents.

Furthermore, upon full payment or other satisfaction of the foregoing Claims, on or after the Effective Date the Debtors or the Reorganized Debtors, at their expense, may, in their sole discretion, take any action necessary to terminate, cancel, extinguish, or evidence the release of any and all guaranties, including the Existing Second Lien Non-Debtor Obligor Guaranties, mortgages, deeds of trust, Liens, including the Existing Second Lien Non-Debtor Obligor Liens, pledges, and other security interests with respect to such Claims, including, without limitation, the preparation and filing of any and all documents necessary to terminate, satisfy, or release any guaranties, including the Existing Second Lien Non-Debtor Obligor Guaranties, mortgages, deeds of trust, Liens, including the Existing Second Lien Non-Debtor Obligor Liens, pledges, and other security interests, including, without limitation, UCC-3 termination statements.

2.11 The Amendment and Restatement; Exchange

On the Effective Date, the Existing First Lien Credit Agreement shall be amended and restated in substantially the form of the Amended and Restated First Lien Credit Agreement attached to the Plan Supplement, and the Existing First Lien Agent and each Existing First Lien Lender party to the Existing First Lien Credit Agreement on the Effective Date shall be deemed to consent to the Amended and Restated First Lien Credit Agreement in the form attached to the Plan Supplement (including as such amendments relate to the Non-Debtor Obligors), which amendment shall, among other things, cancel the Existing Revolving Credit Loans and approve the newly issued "Revolving Commitments" as that term is used in the Amended and Restated First Lien Credit Agreement and accept such agreement in full substitution of the Existing First Lien Credit Agreement without any further action on the part of any lender or the obligors under such agreement. Except as otherwise provided for in the Plan, on the Effective Date and upon the amendment and restatement of the Amended and Restated First Lien Credit Agreement, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, the obligations of the Debtors and Non-Debtor Obligors under the Existing First Lien Credit Agreement shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors and their Affiliates shall not have any continuing obligations thereunder. Further, no provisions of the Existing First Lien Credit Agreement that impose liabilities on the Debtors shall survive and any and all defaults or events of defaults under the Existing First Lien Credit Agreement shall be deemed permanently waived or cured, as applicable.

On the Effective Date, each Holder of an Allowed Existing Second Lien Claim shall exchange (i) 75% (or a larger or smaller portion)[4] of its Allowed Existing Second Lien Claims for its Pro-Rata Share of the Reorganized Common Equity in the amount set forth in **Schedule 1** line EF to the Plan (subject to dilution from the Management Incentive Plan and the conversion of New Convertible Preferred Equity) and (ii) 25% (or a larger or smaller portion) of its Allowed Existing Second Lien Claims for its Pro-Rata Share of New Mezzanine Debt Loans in the amount set forth in **Schedule 1** line BB to the Plan.

2.12 The Sponsor Contributions

On the Effective Date, the Sponsor shall provide the Sponsor Contributions, which shall include: (i) the entirety of the Sponsor Globalex Interest; and (ii) the exchange or forgiveness of (whichever is most efficient for tax purposes) all amounts outstanding and obligations owed to the Sponsor Lender pursuant to the Globalex Secured Note, the Vox Unsecured Promissory Note, and the OSG February 8 Unsecured Promissory Note. In exchange for or forgiveness of (whichever is most efficient for tax purposes) the Sponsor Contributions, on the Effective Date, the Sponsor shall receive New Convertible Preferred Equity in the amount set forth in **Schedule 1** to the Plan. Except as otherwise provided for in the Plan, on the Effective Date and without further notice to or order of the Bankruptcy Court, act or action under applicable law, the obligations of the Debtors under the Globalex Secured Note, the Vox Unsecured Promissory Note, and the OSG February 8 Unsecured Promissory Note shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors and their Affiliates shall not have any continuing obligations thereunder. Further, no provisions of the Globalex Secured Note, the Vox Unsecured Promissory Note, and the OSG February 8 Unsecured Promissory Note that impose liabilities on the Debtors shall survive.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Sponsor Contributions as incorporated into the Plan pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that the Sponsor Contributions are fair, equitable, reasonable, and in the best interests of the Debtors, their Estates, and all Holders of Claims or Interests. The Debtors are authorized to execute and deliver any documents necessary or appropriate to implement the Sponsor Contributions without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent authorization, or approval of any Person.

2.13 Approval of the Amended and Restated First Lien Facility, the Amended and Restated First Lien Documents, the New Mezzanine Debt Facility, and the New Mezzanine Debt Documents

On the Effective Date, the Reorganized Debtors' funded debt shall include the Amended and Restated First Lien Facility and the New Mezzanine Debt Facility. The Reorganized Debtors

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[4] The amount of such portion to be determined based on the fair market value of the Reorganized Common Equity and the New Mezzanine Debt Loans, and, when combined with the portion exchanged for the New Mezzanine Debt Loans, shall equal 100% of the Allowed Existing Second Lien Claims.

may use the Amended and Restated First Lien Facility for any purpose permitted by the Amended and Restated First Lien Documents and the New Mezzanine Debt Facility for any purpose permitted by the New Mezzanine Debt Documents, including the funding of obligations under the Plan and satisfaction of ongoing working capital needs.

Confirmation of the Plan shall be deemed to constitute approval of the Amended and Restated First Lien Facility, the Amended and Restated First Lien Documents, the New Mezzanine Debt Facility, and the New Mezzanine Debt Documents (including all transactions contemplated thereby, such as any supplementation or additional syndication of the Amended and Restated First Lien Facility and the New Mezzanine Debt Facility, 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, indemnities, and expenses provided for therein) and, subject to the occurrence of the Effective Date, authorization for the Reorganized Debtors to enter into and perform their obligations under the Amended and Restated First Lien Documents and the New Mezzanine Debt Documents, and such other documents as may be reasonably required or appropriate, in each case, in accordance therewith.

The Amended and Restated First Lien Documents and the New Mezzanine Debt 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 Amended and Restated First Lien Documents and the New Mezzanine Debt 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 applicable non-bankruptcy Law.

On the Effective Date, all of the Liens and security interests granted or to be granted in accordance with the Amended and Restated First Lien Documents (including all Liens and security interests that were previously granted under the Existing First Lien Documents) shall (or, in the case of Liens and security interests previously granted under the Existing First Lien Documents, shall continue to): (i) be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Amended and Restated First Lien Documents, including with respect to the Non-Debtor Obligors; (ii) be deemed automatically, without any further action being required by the Debtors, the Reorganized Debtors, the New First Lien Agents or any of the Amended and Restated First Lien Lenders, perfected on the Effective Date on a first-priority basis, subject only to (solely with respect to the first-priority nature of such Liens and security interests) such Liens and security interests as may be permitted to be senior thereto under the Amended and Restated First Lien Documents; and (iii) 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 Entities granting such Liens and security interests are 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 shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be 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.

2.14 Treatment of the Existing Second Lien Non-Debtor Obligor Guaranties, and the Existing Second Lien Non-Debtor Obligor Liens

On the Effective Date, and concurrently with the applicable distributions made pursuant to the Plan to Holders of Existing First Lien Claims and Existing Second Lien Claims, the Existing Second Lien Non-Debtor Obligor Guaranties and the Existing Second Lien Non-Debtor Obligor Liens held by any Holder of an Existing Second Lien Claim (whether held individually or by the Existing Second Lien Agent) relating to the Existing Second Lien Facility, as applicable, shall be fully and automatically released and discharged. In addition, at the sole expense of the Debtors or the Reorganized Debtors, as applicable, the Existing Second Lien Agent shall execute and deliver all documents reasonably requested by the Required Consenting Stakeholders or the Reorganized Debtors to evidence the release of the Existing Second Lien Non-Debtor Obligor Guaranties and the Existing Second Lien Non-Debtor Obligor Liens. The Reorganized Debtors and their designees are authorized to file UCC-3 termination statements and other release documentation (to the extent applicable) with respect thereto.

2.15 Issuance of the New Convertible Preferred Equity and the Reorganized Common Equity

Units of the New Convertible Preferred Equity and the Reorganized Common Equity (including the Reorganized Common Equity issuable upon the conversion of the New Convertible Preferred Equity) shall be authorized under the New Organizational Documents. Units of the New Convertible Preferred Equity and the Reorganized Common Equity shall be issued on the Effective Date and distributed as soon as practicable thereafter in accordance with the Plan. All of the New Convertible Preferred Equity and Reorganized Common Equity issuable in accordance with the Plan (including the Reorganized Common Equity issuable upon the conversion of the New Convertible Preferred Equity), when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. The issuance of the New Convertible Preferred Equity and the Reorganized Common Equity are authorized without the need for any further corporate action and without any further action by any Holder of a Claim or Interest.

All Existing Holdings Preferred Interests and all Existing Holdings Common Interests outstanding prior to Consummation (including all rights exchangeable or exercisable for shares of Existing Holdings Common Interests) shall be extinguished upon Consummation and Holders thereof shall not receive any payment or property on account of any such shares of capital stock, except in accordance with Article III of the Plan.

2.16 Contingent Value Rights Pool

As soon as reasonably practicable after the Effective Date, the Reorganized Debtors shall issue the CVR Certificates only to the extent required to provide for distributions from the

Contingent Value Rights Pool to applicable Holders of Existing Holdings Preferred Interests and to applicable Holders of Existing Holdings Common Interests. All of the CVR Certificates and the Contingent Value Rights Pool shall be duly authorized without the need for any corporate action, and without any further action by the Debtors or the Reorganized Debtors, as applicable, shall be validly issued, fully paid, and non-assessable.

As soon as reasonably practicable after the Effective Date, each Holder of Existing Holdings Preferred Interests and each Holder of Existing Holdings Common Interests who timely delivers an Opt-In Form pursuant to Article III of the Plan shall receive the CVR Certificates for the Contingent Value Rights Pool. For the avoidance of doubt, the Sponsor shall have been deemed to have timely executed and delivered the Opt-In Form pursuant to Article III of the Plan and shall receive the CVR Certificates for the Contingent Value Rights Pool.

2.17 Exit Capital

Except to the extent that a Holder of an Allowed DIP Claim agrees to less favorable treatment, on the Effective Date, the Holders of all Allowed DIP Claims, in full and final satisfaction, settlement, release, and discharge of and in exchange for all such DIP Claims, shall receive New Convertible Preferred Equity issued by Reorganized Holdings on the Effective Date and New Mezzanine Debt Loans issued by Reorganized Intermediate on the Effective Date, the amounts of which are set forth in **Schedule 1** lines F through T to the Plan.

On the Effective Date, the Consenting Second Lien Lenders shall invest $21,800,000 of new money as set forth in **Schedule 1** lines CZ through DF to the Plan into Reorganized Holdings in exchange for the amount of New Convertible Preferred Equity as set forth in **Schedule 1** to the Plan. In addition, on the Effective Date, the Consenting Second Lien Lenders shall provide $23,200,000 of new-money New Mezzanine Debt Loans as set forth in **Schedule 1** lines BR through BX to the Plan pursuant to the New Mezzanine Debt Facility as contemplated under the New Mezzanine Debt Documents.

Confirmation of the Plan shall be deemed approval of the exit capital contemplated in (a) and (b) of Section 4.15 of the Plan and the documents in connection with such exit capital, and all transactions contemplated thereby, 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, indemnities, expenses, and other payments provided for in connection therewith, and authorization of the Reorganized Debtors to enter into and execute any other documents necessary to effectuate the transactions in Section 4.15 of the Plan.

2.18 Sponsor Globalex Interest and Globalex Secured Note

On the Effective Date, the Sponsor Globalex Interest shall be contributed to Globalex and the Globalex Secured Note shall be retired (through contribution to Globalex or otherwise), and Globalex shall become a "loan party" under the Amended and Restated First Lien Documents. For the avoidance of doubt, the Sponsor shall surrender the Sponsor Globalex Interest and the Globalex Secured Note upon Consummation in exchange for the treatment set forth in Article III of the Plan. Reorganized Output Services Group shall thereafter own 100% of the Interests in Globalex.

On the Effective Date, the Reorganized Debtors, the Holders of New Convertible Preferred Equity, and the Holders of Reorganized Common Equity shall enter into, or be deemed

to enter into, the New Organizational Documents in substantially the form included in the Plan Supplement. The New Organizational Documents shall be deemed to be valid, binding, and enforceable in accordance with their terms, and each Holder of New Convertible Preferred Equity and Reorganized Common Equity shall be bound thereby, in each case without the need for execution by any party thereto other than the Reorganized Debtors.

2.19 UK DB Plan

On or prior to the Effective Date, the Company shall have used commercially reasonable best efforts to obtain the UK Pension Approvals and Ratification, which shall include confirmations given by the Company or received by the Company and the Consenting Stakeholders, in form and substance satisfactory to the Company and the Plan Sponsor Parties, after consultation with the Required Consenting First Lien Lenders and the Sponsor, (A) relating to the UK DB Plan, including that (i) the Trustee has been notified of the key terms of the Restructuring Transactions relevant to the UK DB Plan's employer covenant; (ii) the Trustee has confirmed in writing that it either (a) considers the Restructuring Transactions will not be materially detrimental to the covenant supporting the UK DB Plan or (b) it does not object to the Restructuring Transactions proceeding, (iii) the Trustee has not notified the Company of its intention to carry out an actuarial valuation (within the meaning of s.224(2)(a) of the UK Pensions Act 2004) for the UK DB Plan with an effective date of earlier than March 31, 2023, not requested or demanded any employer contributions in addition to those set out in the recovery plan and schedule of contributions dated July 27, 2021 to, or other financial support for, the UK DB Plan (except for any amended and restated version of the Pension Guarantee that may be agreed pursuant to the restructuring term sheet annexed as Exhibit C to the Restructuring Support Agreement) and not triggered or threatened to trigger the winding-up of the UK DB Plan (in whole or in part) and (iv) the Pension Regulator shall not have raised any material concerns in relation to the Restructuring Transactions, issued, or indicated that it will issue, a warning notice in relation to the Restructuring Transactions or otherwise in relation to the UK DB Plan for the purposes of the UK Pensions Act 2004, issued a contribution notice or financial support direction in relation to the Restructuring Transactions or otherwise in relation to the UK DB Plan for the purposes of the UK Pensions Act 2004 or exercised or threatened to exercise any power, or impose any penalty, in relation to the Restructuring Transactions or otherwise in relation to the UK DB Plan pursuant to section 58A, section 58B, section 58C, or section 58D of the UK Pensions Act 2004; and (B) evidencing that Output Services Group shall have assumed the Pension Guarantee or have agreed with the Trustee an amended and restated version of the Pension Guarantee or other security or financial support in form and substance satisfactory to the Trustee, the Company, and the Plan Sponsor Parties.

2.20 Vox Contribution

On the Effective Date, the equity interests in the Vox Entities shall be transferred from Intermediate to Communisis Limited (the "Vox Contribution") pursuant to the transaction steps in the Restructuring Transactions Memorandum.

Immediately after the Vox Contribution, the Vox Entities shall provide the New Vox Guaranties under the Amended and Restated First Lien Documents; *provided* that certain Vox Entities, including Vox Europe B.V., Vox Supply Group Trading (Suzhou Co. Ltd.), and Vox

Marketing Ltd, shall not provide the New Vox Guaranties under the Amended and Restated First Lien Documents.

Upon entry of the Confirmation Order, the Vox Contribution Documents shall be deemed to be valid, binding, and enforceable in accordance with their terms. The Debtors are authorized to execute and deliver any documents necessary or appropriate to implement the Vox Contribution without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule, vote, consent authorization, or approval of any Person.

2.21 Exemption from Registration Requirements

The issuance of the New Convertible Preferred Equity (including the Reorganized Common Equity issuable upon conversion thereof), the Reorganized Common Equity and, to the extent they constitute "securities," the CVR Certificates under the Plan shall be exempt from registration under the Securities Act and any other applicable securities Laws pursuant to section 1145 of the Bankruptcy Code or section 4(a)(2) under the Securities Act. The Plan's securities issued in reliance on section 1145 of the Bankruptcy Code are exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to offering, issuance, or sale. These securities may be resold without registration under the Securities Act or other federal securities Laws and will be freely tradable, unless the Holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code, an "affiliate" of the Reorganized Debtors as defined in rule 144(a)(1) under the Securities Act, or was an affiliate within ninety (90) days of the proposed transfer, and in each case subject to compliance with applicable securities laws and any applicable restrictions in the New Organizational Documents and the CVR Agreement. In addition, such securities issued under section 1145 of the Bankruptcy Code may generally be resold without registration under state securities Laws pursuant to various exemptions provided by the respective Laws of the several states. Securities issued under section 4(a)(2) or other comparable exemptions under the Securities Act and state securities laws may not be resold absent registration under the Securities Act or the availability of an exemption from such registration.

2.22 Organizational Documents

Subject to Article V of the Plan, the Reorganized Debtors shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and provisions of the Plan. The New Organizational Documents shall comply with section 1123(a)(6) of the Bankruptcy Code.

2.23 Exemption from Certain Transfer Taxes and Recording Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, 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; or (d) 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 Stamp or Similar Tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property approved by the Bankruptcy Court on or before the Effective Date shall be deemed to have been in furtherance of, or in connection with, the Plan.

2.24 Managers, Directors and Officers of the Reorganized Debtors

The members of the Reorganized Board will be designated in accordance with the governance term sheet annexed as Exhibit E to the Restructuring Support Agreement and the Plan Supplement. Except to the extent that a member of the board of directors or board of managers, or the sole manager, as applicable, of a Debtor is designated in the Plan Supplement to serve as a director, manager, or sole manager of such Reorganized Debtor on the Effective Date, the members of the board of directors or board of managers, or the sole manager, as applicable, of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date, and each such director, manager, or sole manager shall be deemed to have resigned or shall otherwise cease to be a director, manager, or sole manager of the applicable Debtor on the Effective Date. Each of the directors, managers, sole managers and officers of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable New Organizational Documents of such Reorganized Debtor and may be designated, replaced, or removed in accordance with such New Organizational Documents.

2.25 Management Incentive Plan

All existing equity incentive plans of the Debtors shall be terminated. As soon as reasonably practicable after the Effective Date, and consistent with the agreement of the Plan Sponsor Parties, Reorganized Holdings will implement a new Management Incentive Plan.

2.26 Effectuating Documents; Further Transactions

Prior to, on, and after the Effective Date, the Debtors and Reorganized Debtors and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of the Plan, the Restructuring Support Agreement, the DIP Facility Documents, the Amended and Restated First Lien Documents, the New Mezzanine Debt Documents, the CVR Agreement and the CVR Certificates, the Vox Contribution Documents, the amended and restated Pension Guarantee, the New Organizational Documents, and any securities issued pursuant to the Plan 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 to the Plan.

The Confirmation Order shall, and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan.

2.27 Restructuring Expenses

Subject to the terms of section 7.04 of the Restructuring Support Agreement, the Restructuring Expenses shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to the terms of the Restructuring Support Agreement (including any exhibits thereto) without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, and without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least two (2) Business Days before the anticipated Effective Date (or such other period as the Debtors and the Required Consenting Stakeholders may agree). On or as soon as reasonably practicable after the Effective Date, final invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. In addition, subject to the terms of section 7.04 of the Restructuring Support Agreement, the Debtors and the Reorganized Debtors (as applicable) shall continue to pay pre- and post-Effective Date, when due and payable in the ordinary course, Restructuring Expenses related to implementation, consummation, enforcement, and defense of the Plan whether incurred before, on, or after the Effective Date.

The Required Consenting Stakeholders have expended, and will continue to expend, considerable time, effort and expense in connection with the negotiation of the Restructuring Transactions, and the Restructuring Transactions provide substantial value to, are beneficial to, and are necessary to preserve, the Debtors, and the Required Consenting Stakeholders have made a substantial contribution to the Debtors and the Restructuring Transactions. If and to the extent not previously reimbursed or paid pursuant to the terms of and in connection with section 7.04 of the Restructuring Support Agreement and Section 4.25 of the Plan, subject to the approval of the Bankruptcy Court, the Debtors shall reimburse or pay (as the case may be) all Restructuring Expenses pursuant to section 1129(a)(4) of the Bankruptcy Code or otherwise. The Restructuring Expenses accrued after the Petition Date are entitled to treatment as, and the Debtors shall seek treatment of such Restructuring Expenses as, Allowed Administrative Claims pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code.

2.28 Retained Causes of Action

Unless any Causes of Action or Claims against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, the DIP Orders, or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action or Claims in the ordinary course, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action and Claims shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may

pursue such retained Causes of Action or Claims, and may exercise any and all rights in connection therewith. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to Section 4.27 of the Plan include any Claim or Cause of Action with respect to, or against, a Released Party.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.

2.29 No Claims Under Existing Intercreditor Agreement.

Holders of all Allowed Existing First Lien Claims and Existing Second Lien Claims shall not have any Claims (including, without limitation, for turnover of payments) against the Holders of Existing Second Lien Claims (or the Existing Second Lien Agent) or Existing First Lien Claims (or the Existing First Lien Agent) under the Existing Intercreditor Agreement in any way arising from, relating to or as a result of the Debtors' Restructuring, the Plan (including, without limitation, the treatment of the Existing First Lien Claims or Existing Second Lien Claims under the Plan or the making of distributions to the Holders of the Existing First Lien Claims or Existing Second Lien Claims in accordance with the Plan), the distribution of property by the Debtors under the Plan, any related document or any order of the Bankruptcy Court, or any other transaction, agreement, event, omission or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing.

2.30 Discharge of Claims and Termination of Interests; Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Interests and Claims of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against the Debtors, the Reorganized Debtors or any of their properties, including property of the Estates, and regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest is Allowed; or (iii) the Holder of such Claim or Interest has accepted or rejected, or been deemed to accept or reject, the Plan. Except as otherwise provided in the Plan, any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims

and Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan.

2.31 Release, Injunction, and Related Provisions

(a) **Releases by the Debtors**

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, OTHER THAN IN THE CASE OF WILLFUL MISCONDUCT OR FRAUD (BUT NOT, FOR THE AVOIDANCE OF DOUBT, AVOIDANCE ACTIONS) AS DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION, EACH RELEASED PARTY SHALL BE DEEMED CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY EACH AND ALL OF THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR ESTATES FROM ANY AND ALL CLAIMS, INTERESTS, DAMAGES, REMEDIES, CAUSES OF ACTION, DEMANDS, RIGHTS, DEBTS, ACTIONS, SUITS, OBLIGATIONS, LIABILITIES, ACCOUNTS, DEFENSES, OFFSETS, POWERS, PRIVILEGES, LICENSES, LIENS, INDEMNITIES, GUARANTIES, AND FRANCHISES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER EXISTING, CONTINGENT OR NON-CONTINGENT, LIQUIDATED OR UNLIQUIDATED, SECURED OR UNSECURED, ASSERTED OR ASSERTABLE, DIRECT OR DERIVATIVE, MATURE OR UNMATURED, SUSPECTED OR UNSUSPECTED, IN CONTRACT, TORT, LAW, EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, THEIR ESTATES, OR THEIR AFFILIATES, AS APPLICABLE, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST, OR INTEREST IN, A DEBTOR OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY (INCLUDING THE CAPITAL STRUCTURE, MANAGEMENT, OWNERSHIP, OR OPERATION THEREOF), THE SPONSOR, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, 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 INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN OR AMONG ANY OF THE DEBTORS AND ANY RELEASED PARTY, THE DEBTORS' RESTRUCTURING EFFORTS, THE INCURRENCE OF THE GLOBALEX SECURED NOTE, THE VOX UNSECURED PROMISSORY NOTE, AND THE OSG FEBRUARY 8 UNSECURED PROMISSORY NOTE, THE OWNERSHIP OR OPERATION OF THE DEBTORS BY ANY RELEASED PARTY, THE DISTRIBUTION OF ANY CASH OR OTHER PROPERTY OF THE DEBTORS TO ANY RELEASED PARTY, THE ASSERTION OR ENFORCEMENT OF RIGHTS OR REMEDIES AGAINST THE DEBTORS, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS,

ANY AVOIDANCE ACTIONS (BUT EXCLUDING AVOIDANCE ACTIONS BROUGHT AS COUNTERCLAIMS OR DEFENSES TO CLAIMS ASSERTED AGAINST THE DEBTORS), INTERCOMPANY TRANSACTIONS (OTHER THAN ANY INTERCOMPANY CLAIMS THAT HAVE BEEN REINSTATED AS CONTEMPLATED ABOVE), THE RESTRUCTURING TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, ENTRY INTO, OR FILING OF, AS APPLICABLE, THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO, THE DISCLOSURE STATEMENT, THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, THE PLAN SUPPLEMENT, THE DIP FACILITY DOCUMENTS, THE CONFIRMATION ORDER, THE DISCLOSURE STATEMENT ORDER, THE OPT-IN FORM, SUCH OTHER MOTIONS, ORDERS, AGREEMENTS, AND DOCUMENTATION NECESSARY OR DESIRABLE TO CONSUMMATE AND DOCUMENT THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO AND THE PLAN, ALL OTHER FINANCING DOCUMENTS NEEDED TO EFFECTUATE THE RESTRUCTURING TRANSACTIONS, ALL OTHER MATERIAL CUSTOMARY DOCUMENTS DELIVERED IN CONNECTION WITH TRANSACTIONS OF THIS TYPE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OTHER DOCUMENTS, IMPLEMENTING, ACHIEVING, CONTEMPLATED BY, OR RELATING TO THE RESTRUCTURING TRANSACTIONS), OR ANY OTHER DOCUMENTS (INCLUDING ANY LEGAL OPINION IN EFFECT PRIOR TO THE EFFECTIVE DATE THAT WAS REQUESTED BY ANY ENTITY REGARDING ANY TRANSACTION, CONTRACT, INSTRUMENT, DOCUMENT, OR OTHER AGREEMENT CONTEMPLATED BY THE PLAN OR THE RELIANCE BY ANY RELEASED PARTY ON THE PLAN OR THE CONFIRMATION ORDER IN LIEU OF SUCH LEGAL OPINION) RELATING TO ANY OF THE FOREGOING, CREATED OR ENTERED INTO IN CONNECTION WITH THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, OR THE DIP FACILITY DOCUMENTS, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN ANY OBLIGATIONS OF ANY RELEASED PARTY ARISING UNDER THE PLAN, THE PLAN SUPPLEMENT, THE CONFIRMATION ORDER, THE DISCLOSURE STATEMENT, THE DISCLOSURE STATEMENT ORDER, THE DIP FACILITY DOCUMENTS, THE OPT-IN FORM, SUCH OTHER MOTIONS, ORDERS, AGREEMENTS, AND DOCUMENTATION NECESSARY OR DESIRABLE TO CONSUMMATE AND DOCUMENT THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO AND THE PLAN, ALL OTHER FINANCING DOCUMENTS NEEDED TO EFFECTUATE THE RESTRUCTURING TRANSACTIONS, ALL OTHER MATERIAL CUSTOMARY DOCUMENTS DELIVERED IN CONNECTION WITH TRANSACTIONS OF THIS TYPE

(INCLUDING, WITHOUT LIMITATION, ANY AND ALL OTHER DOCUMENTS, IMPLEMENTING, ACHIEVING, CONTEMPLATED BY, OR RELATING TO THE RESTRUCTURING TRANSACTIONS), OR ANY OTHER DOCUMENT, INSTRUMENT, OR AGREEMENT EXECUTED TO IMPLEMENT THE CHAPTER 11 CASES.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTORS' RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT EACH DEBTOR RELEASE IS (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF SUCH CLAIMS; (3) IN THE BEST INTERESTS OF THE DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE DEBTORS OR REORGANIZED DEBTORS OR THEIR RESPECTIVE ESTATES ASSERTING ANY CLAIM, CAUSE OF ACTION, OR LIABILITY RELATED THERETO, OF ANY KIND WHATSOEVER, AGAINST ANY OF THE RELEASED PARTIES OR THEIR PROPERTY.

(b) **Releases by Holders of Claims and Interests**

AS OF THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, OTHER THAN IN THE CASE OF WILLFUL MISCONDUCT OR FRAUD (BUT NOT, FOR THE AVOIDANCE OF DOUBT, AVOIDANCE ACTIONS) AS DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION, EACH OF THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A RELEASED PARTY) SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER, RELEASED AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR AND EACH OTHER RELEASED PARTY FROM ANY AND ALL CLAIMS, INTERESTS, DAMAGES, REMEDIES, CAUSES OF ACTION, DEMANDS, RIGHTS, DEBTS, ACTIONS, SUITS, OBLIGATIONS, LIABILITIES, ACCOUNTS, DEFENSES, OFFSETS, POWERS, PRIVILEGES, LICENSES, LIENS, INDEMNITIES, GUARANTIES, AND FRANCHISES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER EXISTING, CONTINGENT OR NON-CONTINGENT, LIQUIDATED OR UNLIQUIDATED, SECURED OR UNSECURED, ASSERTED OR ASSERTABLE, DIRECT OR DERIVATIVE, MATURED OR UNMATURED, SUSPECTED OR UNSUSPECTED, IN CONTRACT, TORT, LAW, EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, EACH OTHER RELEASING PARTY OR THEIR ESTATES, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING

FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY (INCLUDING THE CAPITAL STRUCTURE, MANAGEMENT, OWNERSHIP, OR OPERATION THEREOF), THE SPONSOR, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, 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 INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN OR AMONG ANY OF THE DEBTORS AND ANY RELEASED PARTY, THE DEBTORS' RESTRUCTURING EFFORTS, THE INCURRENCE OF THE GLOBALEX SECURED NOTE, THE VOX UNSECURED PROMISSORY NOTE, AND THE OSG FEBRUARY 8 UNSECURED PROMISSORY NOTE, THE OWNERSHIP OR OPERATION OF THE DEBTORS BY ANY RELEASED PARTY, THE DISTRIBUTION OF ANY CASH OR OTHER PROPERTY OF THE DEBTORS TO ANY RELEASED PARTY, THE ASSERTION OR ENFORCEMENT OF RIGHTS OR REMEDIES AGAINST THE DEBTORS, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, ANY AVOIDANCE ACTIONS (BUT EXCLUDING AVOIDANCE ACTIONS BROUGHT AS COUNTERCLAIMS OR DEFENSES TO CLAIMS ASSERTED AGAINST THE DEBTORS), INTERCOMPANY TRANSACTIONS (OTHER THAN ANY INTERCOMPANY CLAIMS THAT HAVE BEEN REINSTATED AS CONTEMPLATED ABOVE), THE RESTRUCTURING TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, ENTRY INTO, OR FILING OF, AS APPLICABLE, THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO, THE DISCLOSURE STATEMENT, THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, THE PLAN SUPPLEMENT, THE DIP FACILITY DOCUMENTS, THE CONFIRMATION ORDER, THE DISCLOSURE STATEMENT ORDER, THE OPT-IN FORM, SUCH OTHER MOTIONS, ORDERS, AGREEMENTS, AND DOCUMENTATION NECESSARY OR DESIRABLE TO CONSUMMATE AND DOCUMENT THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO AND THE PLAN, ALL OTHER FINANCING DOCUMENTS NEEDED TO EFFECTUATE THE RESTRUCTURING TRANSACTIONS, ALL OTHER MATERIAL CUSTOMARY DOCUMENTS DELIVERED IN CONNECTION WITH TRANSACTIONS OF THIS TYPE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OTHER DOCUMENTS, IMPLEMENTING, ACHIEVING, CONTEMPLATED BY, OR RELATED TO THE RESTRUCTURING TRANSACTIONS), OR ANY OTHER DOCUMENTS (INCLUDING ANY LEGAL OPINION IN EFFECT PRIOR TO THE EFFECTIVE DATE THAT WAS REQUESTED BY ANY ENTITY REGARDING ANY TRANSACTION, CONTRACT, INSTRUMENT, DOCUMENT, OR OTHER AGREEMENT CONTEMPLATED BY THE PLAN OR THE RELIANCE BY ANY RELEASED PARTY ON THE PLAN OR THE CONFIRMATION ORDER IN LIEU OF SUCH LEGAL OPINION) RELATED TO ANY OF THE FOREGOING, CREATED OR ENTERED INTO IN CONNECTION WITH THE RESTRUCTURING SUPPORT

AGREEMENT AND THE TERM SHEETS ANNEXED THERETO, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, OR THE DIP FACILITY DOCUMENTS, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN ANY OBLIGATIONS OF ANY RELEASED PARTY ARISING UNDER THE PLAN, THE PLAN SUPPLEMENT, THE CONFIRMATION ORDER, THE DISCLOSURE STATEMENT, THE DISCLOSURE STATEMENT ORDER, THE DIP FACILITY DOCUMENTS, THE OPT-IN FORM, SUCH OTHER MOTIONS, ORDERS, AGREEMENTS, AND DOCUMENTATION NECESSARY OR DESIRABLE TO CONSUMMATE AND DOCUMENT THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO AND THE PLAN, ALL OTHER FINANCING DOCUMENTS NEEDED TO EFFECTUATE THE RESTRUCTURING TRANSACTIONS, ALL OTHER MATERIAL CUSTOMARY DOCUMENTS DELIVERED IN CONNECTION WITH TRANSACTIONS OF THIS TYPE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OTHER DOCUMENTS, IMPLEMENTING, ACHIEVING, CONTEMPLATED BY, OR RELATING TO THE RESTRUCTURING TRANSACTIONS), OR ANY OTHER DOCUMENT, INSTRUMENT, OR AGREEMENT EXECUTED TO IMPLEMENT THE CHAPTER 11 CASES.

(c) **Exculpation and Limitation of Liability**

UPON AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE DEBTORS AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS, INVESTMENT BANKERS, FINANCIAL ADVISORS, RESTRUCTURING CONSULTANTS AND OTHER PROFESSIONAL ADVISORS AND AGENTS SHALL 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.

EXCEPT WITH RESPECT TO ANY WILLFUL MISCONDUCT OR FRAUD AS DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION, AND ANY ACTS OR OMISSIONS EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS, TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXCULPATED PARTIES SHALL NEITHER HAVE, NOR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY AND ALL CLAIMS AND CAUSES OF ACTION ARISING ON OR AFTER THE PETITION DATE AND ANY AND ALL CAUSES OF ACTION RELATING TO ANY ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH, OR RELATED TO FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING, IMPLEMENTING, ADMINISTERING, SOLICITING, CONFIRMING, CONSUMMATING, ENTRY INTO, OR FILING OF, AS APPLICABLE, THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, THE PLAN SUPPLEMENT, THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED

THERETO, THE DISCLOSURE STATEMENT, THE DISCLOSURE STATEMENT ORDER, THE DIP FACILITY DOCUMENTS, THE CONFIRMATION ORDER, THE OPT-IN FORM, SUCH OTHER MOTIONS, ORDERS, AGREEMENTS, AND DOCUMENTATION NECESSARY OR DESIRABLE TO CONSUMMATE AND DOCUMENT THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO AND THE PLAN, ALL OTHER FINANCING DOCUMENTS NEEDED TO EFFECTUATE THE RESTRUCTURING TRANSACTIONS, ALL OTHER MATERIAL CUSTOMARY DOCUMENTS DELIVERED IN CONNECTION WITH TRANSACTIONS OF THIS TYPE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OTHER DOCUMENTS, IMPLEMENTING, ACHIEVING, CONTEMPLATED BY, OR RELATED TO THE RESTRUCTURING TRANSACTIONS), ANY OTHER DOCUMENTS (INCLUDING ANY LEGAL OPINION IN EFFECT PRIOR TO THE EFFECTIVE DATE THAT WAS REQUESTED BY ANY ENTITY REGARDING ANY TRANSACTION, CONTRACT, INSTRUMENT, DOCUMENT, OR OTHER AGREEMENT CONTEMPLATED BY THE PLAN OR THE RELIANCE BY ANY RELEASED PARTY ON THE PLAN OR THE CONFIRMATION ORDER IN LIEU OF SUCH LEGAL OPINION) RELATED TO ANY OF THE FOREGOING, CREATED OR ENTERED INTO IN CONNECTION WITH THE RESTRUCTURING SUPPORT AGREEMENT AND THE TERM SHEETS ANNEXED THERETO, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, OR THE DIP FACILITY DOCUMENTS, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, ANY TRANSACTION, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE DEBTORS, THE DEBTORS' BUSINESS OR CAPITAL STRUCTURE, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASES, OR ANY MATTERS RELATED THERETO, IN EACH CASE ARISING ON OR PRIOR TO THE EFFECTIVE DATE.

THE EXCULPATED PARTIES HAVE, AND UPON CONFIRMATION, SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING WITH REGARD TO THE SPONSOR CONTRIBUTIONS, THE VOX CONTRIBUTION, THE AMENDMENT AND RESTATEMENT OF THE EXISTING FIRST LIEN CREDIT AGREEMENT AND DISTRIBUTIONS OF NEW MEZZANINE DEBT LOANS, NEW CONVERTIBLE PREFERRED EQUITY, REORGANIZED COMMON EQUITY, AND THE CVR AGREEMENT AND CVR CERTIFICATES, PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT AND SHALL NOT BE LIABLE AT ANY TIME FOR THE VIOLATIONS OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH CONTRIBUTIONS OR DISTRIBUTIONS MADE PURSUANT TO THE PLAN.

(d) **Injunction**

THE SATISFACTION, RELEASE AND DISCHARGE PURSUANT TO ARTICLE IX OF THE PLAN SHALL ALSO ACT AS AN INJUNCTION AGAINST ANY ENTITY

BOUND BY SUCH PROVISION AGAINST COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS, OR ACT TO COLLECT, OFFSET, 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, WITHOUT LIMITATION, TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY SECTIONS 524 AND 1141 THEREOF.

ARTICLE III

VOTING PROCEDURES AND REQUIREMENTS

3.1 Classes Entitled to Vote on the Plan

The following Classes are entitled to vote to accept or reject the Plan (the "Voting Classes"):

Class	Claim or Interest	Status
1	Existing First Lien Claims	Impaired
2	Existing Second Lien Claims	Impaired
6	Sponsor Contributions	Impaired

If your Claim or Interest is not included in the Voting Classes, you are not entitled to vote with respect to the Plan and you will not receive Solicitation Materials (as defined below). If you are a Holder of a Claim or Interest in the Voting Classes, you should read your ballot(s) and carefully follow the instructions included therein. Please use only the ballot(s) that accompany the applicable Solicitation Materials, if any, or the ballot(s) that the Debtors, or Stretto, Inc. (the "Solicitation Agent"), on behalf of the Debtors, otherwise provided to you.

3.2 Votes Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims and interests voting to accept, as a percentage of the allowed claims or interests, as applicable, that have voted. Acceptance by a class of claims requires an affirmative vote of more than one-half (1/2) in number of total allowed claims that have voted and an affirmative vote of at least two-thirds (2/3) in dollar amount of the total allowed claims that have voted. Acceptance by a class of interests requires an affirmative vote of at least two-thirds (2/3) in amount of the total allowed interests that have voted.

3.3 Certain Factors to Be Considered Prior to Voting

There are a variety of factors that all Holders of Claims and Interests entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. These factors may impact recoveries under the Plan and include, among other things:

- unless otherwise specifically indicated, the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement;

- although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;

- the Debtors will seek Confirmation without the acceptance of the Plan by all Impaired Classes in accordance with section 1129(b) of the Bankruptcy Code; and

- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims and Professional Fee Claims.

While these factors could affect distributions available to Holders of Allowed Claims or Interests under the Plan, the occurrence or impact of such factors may not necessarily affect the validity of the vote of the Voting Classes or necessarily require a re-solicitation of the votes of Holders of Claims or Interests in the Voting Classes pursuant to section 1127 of the Bankruptcy Code.

For a further discussion of risk factors, please refer to "Certain Factors to Be Considered" described in Article VI of this Disclosure Statement.

3.4 Classes Not Entitled To Vote on the Plan

Under the Bankruptcy Code, Holders of Claims and Interests are not entitled to vote if their contractual rights are Unimpaired by the proposed Plan or if they will receive no property under the Plan. Accordingly, the following Classes of Claims against and Interests in the Debtors are ***not entitled to*** vote to accept or reject the Plan:

Class	Claim or Interest	Status	Voting Rights
3	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
4	Other Priority Claims	Unimpaired	No (conclusively presumed to accept)
5	General Unsecured Claims	Unimpaired	No (conclusively presumed to accept)
7	Intercompany Claims	Unimpaired/ Impaired	No (conclusively presumed to accept or deemed not to accept)
8	Existing Holdings Preferred Interests	Impaired	No (deemed not to accept)

Class	Claim or Interest	Status	Voting Rights
9	Existing Holdings Common Interests	Impaired	No (deemed not to accept)
10	Intercompany Interests	Unimpaired/ Impaired	No (conclusively presumed to accept or deemed not to accept)

3.5 Solicitation Procedures

(a) Solicitation Agent

The Debtors have retained Stretto, Inc. to act as, among other things, the Solicitation Agent in connection with the solicitation of votes to accept or reject the Plan.

(b) Solicitation Materials

The following materials constitute the solicitation materials (collectively, the "Solicitation Materials") distributed to Holders of Claims or Interests in the Voting Classes:

- the notice of the Combined Hearing;
- a Ballot and applicable voting instructions; and
- this Disclosure Statement and all exhibits hereto, including the Plan and all exhibits thereto.

(c) Distribution of the Solicitation Materials

The Debtors caused the Solicitation Agent to distribute the Solicitation Materials to Holders of Claims or Interests in the Voting Classes on July 26, 2022.

The Solicitation Materials (except the Ballots) may also be obtained from the Solicitation Agent by: (i) calling the Solicitation Agent at (855) 373-8145 (domestic toll-free) or (949) 296-9440 (international toll) or (ii) emailing TeamOSG@stretto.com and referencing "OSG Group Holdings" in the subject line. After the Debtors file the Chapter 11 Cases, you may also obtain copies of any pleadings filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, https://cases.stretto.com/OSG, or for a fee via PACER at https://www.pacer.gov/.

3.6 Voting Procedures

July 25, 2022 at 5:00 p.m. prevailing Eastern Time (the "Voting Record Date") is the date that was used for determining which Holders of Claims and Interests are entitled to vote to accept or reject the Plan and receive the Solicitation Materials in accordance with the solicitation procedures.

In order for the Holder of a Claim or Interest in the Voting Class to have its Ballot counted as a vote to accept or reject the Plan, such Holder's Ballot must be properly completed,

executed, and submitted via the e-balloting portal ballot at https://balloting.stretto.com or via first class mail, overnight courier, or hand delivery at OSG Group Holdings Ballot Processing, c/o Stretto, 410 Exchange, Suite 100, Irvine, CA 92602, so that such Holder's ballot is actually received by the Solicitation Agent on or before the voting deadline (the "Voting Deadline"), which is August 4, 2022 at 4:00 p.m. (prevailing Eastern Time).

You may receive more than one Ballot if you hold Claims or Interests through one or more affiliated funds, in which case the vote cast by each such affiliated fund will be counted separately. Separate Claims or Interests held by affiliated funds in a particular Class shall not be aggregated, and the vote of each such affiliated fund related to its Claims or Interests shall be treated as a separate vote to accept or reject the Plan, as applicable. If you hold any portion of a single Claim or Interest, you and all other Holders of any portion of such Claim or Interest will be (a) treated as a single creditor or equity holder for voting purposes and (b) required to vote every portion of such Claim or Interest collectively to either accept or reject the Plan.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE OR AS ORDERED BY THE BANKRUPTCY COURT.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM OR INTEREST BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM OR INTEREST IN CLASS 1, CLASS 2, OR CLASS 6 MUST VOTE ALL OF ITS CLASS 1, CLASS 2, OR CLASS 6 CLAIMS OR INTERESTS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM OR INTEREST WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM OR INTEREST HAVE BEEN CAST OR, IF ANY OTHER BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLASS OF CLAIMS OR INTERESTS, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN. IF A HOLDER CASTS MULTIPLE BALLOTS WITH RESPECT TO THE SAME CLAIM OR INTEREST AND THOSE BALLOTS ARE IN CONFLICT WITH EACH OTHER, SUCH BALLOTS WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

IT IS IMPORTANT THAT THE HOLDER OF A CLAIM OR INTEREST IN A VOTING CLASS FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT AND THE ACCOMPANYING INSTRUCTIONS. NO BALLOT MAY BE WITHDRAWN OR MODIFIED AFTER THE VOTING DEADLINE WITHOUT THE DEBTORS' PRIOR CONSENT OR PERMISSION OF THE BANKRUPTCY COURT.

EXCEPT AS OTHERWISE SPECIFIED HEREIN OR AS MAY BE COMMUNICATED BY THE DEBTORS, THE SOLICITATION OF VOTES ON THE PLAN WITH RESPECT TO THE CLASS 1, CLASS 2, AND CLASS 6 CLAIMS OR INTERESTS, AS APPLICABLE, IS BEING MADE PURSUANT TO EXEMPTIONS

FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING PURSUANT TO SECTION 4(A)(2) THEREOF, AND APPLICABLE UNITED STATES STATE SECURITIES LAWS, AND ONLY FROM HOLDERS OF SUCH CLAIMS WHO ARE ACCREDITED INVESTORS OR QIBs.

3.7 Opt-In Process

If the Plan is confirmed by the Bankruptcy Court, the Debtors will cause the Solicitation Agent to distribute the Opt-In Form to Holders of Class 8 Existing Holdings Preferred Interests and Class 9 Existing Holdings Common Interests. Such Holders will be provided with the opportunity to opt-in to the releases set forth in the Plan and receive their Pro-Rata Share of the Contingent Value Rights Pool by timely submitting the Opt-In Form.

ARTICLE IV

CORPORATE AND CAPITAL STRUCTURE

4.1 Prepetition Corporate and Capital Structure

(a) Corporate Structure

An organizational chart illustrating the corporate structure of the Debtors and their non-Debtor affiliates is annexed hereto as **Exhibit E**.

(b) The Debtors' Capital Structure

(1) Existing First Lien Facility

The First Lien Credit Agreement, dated as of March 27, 2018 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Existing First Lien Credit Agreement"), governs both a senior secured term loan credit facility (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Existing First Lien Facility" and the loans issued thereunder, the "Existing First Lien Loans") and senior secured revolving credit facility (the "Existing First Lien Revolving Facility"). The Existing First Lien Facility and the Revolving Credit Facility are *pari passu* with respect to collateral. Output Services Group and OSG Holdings, Inc. are guarantors of the Existing First Lien Facility. Intermediate and Globalex are not guarantors of the Existing First Lien Facility.

A. Revolving Credit Facility

The Existing First Lien Revolving Facility was originally issued in an aggregate principal amount of $15.0 million and was subsequently increased to $20.0 million on September 13, 2019. The Existing First Lien Revolving Facility has a maturity date of March 27, 2023. Interest on the Existing First Lien Revolving Facility accrues at LIBOR plus an applicable margin of 4.25%. As of the Petition Date, approximately $19.6 million in principal amount and $0.2 million in accrued interest remain outstanding on the Existing First Lien Revolving Facility.

B. Existing First Lien Term Loans

The Existing First Lien Loans were originally issued in an aggregate principal amount of $292.5 million, which was comprised of a term loan B tranche of approximately $242.5 million and a delayed draw term loan tranche of approximately $50 million.

Since the issuance of the First Lien Credit Facility on March 27, 2018, the Existing First Lien Credit Agreement was amended six times. As of the Petition Date, the Existing First Lien Term Loans consisted of the following:

- A dollar-denominated term loan A tranche, issued in an aggregate principal amount of $180,294,498;
- A British pound-denominated term loan A tranche, issued in an aggregate principal amount of £40,115,625; and
- A dollar-denominated term loan B tranche, issued in an aggregate principal amount of approximately $369,802,081.

Interest on the Existing First Lien Facility accrues at LIBOR / SONIA plus an applicable margin of 4.50–5.00%. As of the Petition Date and subject to foreign exchange rates, approximately $598.1 million in aggregate principal amount and $7.8 million in aggregate accrued interest and other fees remain outstanding on the Existing First Lien Facility. The Existing First Lien Facility has a maturity date of March 27, 2024.

(2) **Existing Second Lien Facility**

A. Existing Second Lien Loans

The Second Lien Credit Agreement, dated as of September 13, 2019 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Existing Second Lien Credit Agreement") governs a second lien secured term loan credit facility (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Existing Second Lien Facility"). The Existing Second Lien Facility (the loans issued thereunder, the "Existing Second Lien Facility") was originally issued in an aggregate principal amount of $155.0 million, which was comprised of a British pound tranche of approximately $80 million and a dollar tranche of approximately $75 million.

B. Existing Second Lien Incremental Loans

On May 31, 2022, Output Services Group issued new money loans in the amount of $10 million under the existing Second Lien Credit Agreement, and agreed to accept payment-in-kind on account of outstanding interest owed thereunder (the "Existing Second Lien Incremental Loans"). The Existing Second Lien Facility matures on September 27, 2024, and interest accrues at LIBOR / SONIA plus an applicable margin of 9.00–9.50% for the Second Lien Term Loans and SOFR plus an applicable margin of 12.00–12.50% for the Existing Second Lien Incremental Loans. As of the Petition Date and subject to foreign exchange rates, approximately $168.3 million in aggregate principal amount and $3.8 million in aggregate accrued interest and other fees remain outstanding on the Existing Second Lien Facility. The liens securing the

Existing Second Lien Facility are second in priority in relation to the liens securing the Existing First Lien Facility.

(3) **Globalex Secured Note**

On February 23, 2022, Globalex issued a secured promissory note to Aquiline Financial Services Fund III L.P. in an original principal amount of $21.2 million (the "Globalex Secured Note") in exchange for cash in the same amount. Globalex then made a $21.2 million intercompany loan to Output Services Group to bolster liquidity. The Globalex Secured Note has a maturity date that is the earlier of (a) December 27, 2024 and (b) a default under the terms of the Globalex Secured Note. Interest on the Globalex Secured Note accrues at a per annum rate equal to 6.00%. As of the Petition Date, approximately $21.6 million in principal amount and $0.1 million in accrued interest remain outstanding on the Globalex Secured Note.

(4) **Globalex**

To secure the obligations owing pursuant the Globalex Secured Note, Globalex granted a continuing first-priority lien and security interest in and lien on Globalex's right, title, and interest in and to substantially all of the property and assets of Globalex, and the proceeds thereof, whether now owned or existing or hereafter acquired or arising, regardless of where located.

(5) **Prepetition Liens, Prepetition Collateral, and United Kingdom Pension Guarantee**

A. Output Services Group and OSG Holdings, Inc.

Output Services Group and OSG Holdings, Inc.'s (each, a "Funded Debt Grantor" and together, the "Funded Debt Grantors") obligations under the Existing First Lien Credit Agreement and Existing Second Lien Credit Agreement are secured (i) by a continuing first-priority lien and security interest in and Lien[5] on each of the Funded Debt Grantors' right, title and interest in and to substantially all of the property and assets of such Grantor, and the proceeds thereof, whether now owned or existing or hereafter acquired or arising, regardless of where located; (ii) by a grant to the Existing First Lien Agent and Existing Second Lien Agent for the benefit of itself and the other prepetition secured parties, of all of Holdings' presently existing or hereafter acquired right, title and interest in and to the Trademarks[6] and all proceeds and products thereof; (iii) by a grant to the Existing First Lien Agent and Existing Second Lien Agent for the benefit of themselves and the other prepetition secured parties, of all of Holdings'

[5] As defined in that certain First Lien Security Agreement, dated as of March 27, 2018 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "First Lien Security Agreement") and that certain Second Lien Security Agreement, dated as of September 17, 2019 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Second Lien Security Agreement").

[6] As defined in that certain First Lien Trademark Security Agreement, dated as of March 27, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time) and Second Lien Trademark Security Agreement, dated as of dated as of September 17, 2019 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

presently existing or hereafter acquired right, title and interest in and to the Copyrights[7] and all proceeds and products thereof; and (iv) by the Funded Debt Grantors' pledge, assignment, hypothecation, transfer, delivery, and grant to the Existing First Lien Agent and Existing Second Lien Agent, for the benefit of themselves and the other prepetition secured parties, of a lien on and security interest in the Pledged Collateral,[8] whether now existing or hereafter acquired, and whether consisting of investment property, accounts, payment intangibles or other general intangibles, or proceeds of any of the foregoing.

As of the Petition Date, the prepetition secured parties' security interests in the Debtors' material deposit accounts were perfected pursuant to the First Lien Security Agreement, the Second Lien Security Agreement, and certain deposit account control agreements.

(6) **United Kingdom Pension Guarantee**

On September 17, 2019, Output Services Group entered into the pension guarantee (the "Pension Guarantee"), which provides an unsecured guarantee for the obligations under the UK DB Plan, pursuant to the terms and conditions therein, in the event that the sponsoring employers of the UK DB Plan fail to make their required contributions to the UK DB Plan. As of the Petition Date, no claims have been made on the Pension Guarantee as the sponsoring employers to the UK DB Plan have made all required contributions to the UK DB Plan.

(7) **Intermediate Vox Sellers' Notes Guaranties**

On February 2, 2022, OSG Intermediate Group, Inc. executed the Intermediate Vox Sellers' Notes Guaranties to guarantee the obligations of non-debtor affiliate PS Newco 1 Limited under the Vox Sellers' Notes, as part of the acquisition of Vox.

(8) **Unsecured Notes**

A. Vox Unsecured Promissory Note

On February 1, 2022, Holdings issued an unsecured promissory note to Aquiline Financial Services Fund III L.P. in an original principal amount of approximately $11.4 million. The Vox Unsecured Promissory Note has a maturity date of July 29, 2022. Interest on the Vox Unsecured Promissory Note accrues on a daily basis at the rate per annum equal to 8% through (but not including) the date upon which such principal is paid in full. As of the Petition Date, approximately $11.4 million principal amount and $0.5 million in accrued interest remain outstanding on the Vox Unsecured Promissory Note.

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[7] As defined in that certain First Lien Copyright Security Agreement, dated as of March 27, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time) and the Second Lien Copyright Security Agreement, dated as of September 17, 2019 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time).

[8] As defined in the First Lien Security Agreement and Second Lien Security Agreement, respectively.

B. OSG February 8 Unsecured Promissory Note

On February 8, 2022, Holdings issued an unsecured promissory note to Aquiline Financial Services Fund III L.P. in an original principal amount of approximately $5.0 million. The OSG February 8 Unsecured Promissory Note has a maturity date of August 8, 2022. Interest on the OSG February 8 Unsecured Promissory Note accrues on a daily basis at the rate per annum equal to 8% through (but not including) the date upon which such principal is paid in full. As of the Petition Date, approximately $5.0 million principal amount and $0.2 million in accrued interest will remain outstanding on the OSG February 8 Unsecured Promissory Note.

(9) Interests in OSG Group Holdings, Inc.

As of the Petition Date, Holdings has 973,065 shares of voting common stock, 96,334 shares of non-voting common stock, and 1,238,895 shares of series A preferred stock. In addition, Holdings has issued certain options and restricted stock units to certain current and former members of management that, on an aggregate and fully diluted basis, represent 843,287 shares of common stock. On an aggregate and fully diluted basis (including preferred stock), the Sponsor owns approximately 64.95% of the outstanding common and preferred stock issued by Holdings (including 100% of the voting common stock), with the remaining approximately 35.05% being held by certain current and former members of management, as well as certain financial investors.[9]

(10) Interests in OSG Intermediate Holdings, Inc., OSG Holdings, Inc., and Output Services Group, Inc.

As if the Petition Date, Intermediate, OSG Holdings, Inc., and Output Services Group were each wholly owned. Intermediate is wholly owned by Holdings, OSG Holdings, Inc. is wholly owned by Intermediate, and Output Services Group is wholly owned by OSG Holdings, Inc.

(11) Interests in Globalex

As of the Petition Date, Output Services Group, Inc. owns approximately 86.13% and Aquiline Financial Services Fund III L.P. owns the remaining approximately 13.87% of the issued and outstanding common stock in Globalex.

ARTICLE V

CIRCUMSTANCES LEADING TO THESE CHAPTER 11 CASES

The need to commence these Chapter 11 Cases arose from a number of factors, including persistent negative industry trends, crippling malware attacks, increasing costs to the Debtors' businesses during a period of digital transition of operations, business integration challenges and information technology infrastructure optimization, and the impact of COVID-19. Exacerbating

[9] Other financial investors include (i) GoldPoint Mezzanine Partners IV, LP, (ii) GoldPoint Partners Select Manager Fund IV, L.P., and (iii) GoldPoint Core Opportunities Fund, L.P., who own stock representing, in the aggregate and on a fully diluted basis, approximately 4.86%.

the negative impacts from these exogenous factors on the business was an unsustainable capital structure, vendors' contraction of trade terms causing deteriorating liquidity and decreased operational flexibility to optimally manage the business, and higher input costs of raw and finished materials to serve customer contracts, all of which culminated in elevated strain on the organization.

In an attempt to preserve and maximize value, the Debtors have begun implementing alterations to the business plan to ensure that the Company is operating at an optimal level. However, due to the Debtors' burdensome capital structure and declining revenues, the Debtors have been unable to fully execute all phases of their multi-year business transformation plan. Delayed execution of the strategic business plan has limited the Debtors ability to continue to offset industry changes and the overall decline in the industry has negatively impacted revenues.

5.1 Challenges Facing the Debtors' Businesses and Efforts to Address Challenges

(a) Persistent Negative Industry Trends

In addition to the Debtors' leverage issues, macroeconomic factors, including the introduction of new e-commerce, digital substitution for products, and other technologies, are transforming the industry. The traditional direct mail and print and mail industries have faced long-term structural decline as dependency on digital technology has increased and demand for paper based billing products has decreased. In a particular sign of the times, a key component to the Debtors' businesses, the North American paper industry, began to substantially contract in the mid-2000's, resulting in the closure of paper mills throughout the country. As the global economy becomes increasingly dependent on digital technology products, and as consumer preferences evolve from physical to digital, spending on traditional monthly billing and statements communications, advertising and noticing circulation has eroded. These trends have led to an overall decline in the demand for paper products and in-turn lowered reliance on certain of the Debtors' legacy business.

In addition, there is generally a decline in the supply of paper products in the industry, such that only a handful of paper mills control the majority of the paper supply. As a result, paper mills and other vendors that sell paper products have a large amount of leverage over their customers, including the Debtors. The overall decline in the paper industry combined with the diminished supply in paper products has contributed to year-over-year revenue declines of approximately 15% to 20% at the Debtors' North American direct mail business line.

Because of the overall decrease in demand for paper products, the Debtors and their competitors continue to operate under a highly competitive pricing environment, in which customers (most of which rely on paper products, envelopes, and specialty mailing stock) focus on reducing costs in order to preserve operating margins. Competition is based largely on price, quality, and the ability to service the special requirements of customers. Reacting to these headwinds and industry trends, the Debtors have, in the past, acquired other businesses in its industry and in order to seek economies of scale, broader customer relationships, geographic coverage, and product breadth to overcome or offset excess industry capacity and address pricing pressures.

(b) **Malware Attacks**

In May 2021 and June 2021, the Debtors experienced malware attacks in two separate business divisions. The attacks affected several locations and severely impacted business operations. As a result of the attacks, the Debtors could not conduct any business with numerous clients for several weeks.

The severe impact of the malware attacks did not, however, materialize until the fourth quarter of 2021. Many of the Debtors' customers, particularly those in Europe, the Middle East, and Asia, shifted their orders to other service providers as a result of the malware attacks. Given the complexity of the Debtors' customers and their customers' needs, such customers were not able to switch providers quickly. As a result, the impact on the Debtors' cash flow from those customers switching providers was not felt until the fourth quarter of 2021, when the Debtors experienced an approximately $30 million revenue drop from projections.

Since the malware attacks, the Debtors have allocated time and funds to secure their IT systems. As a result of business acquisitions, the Debtors' businesses operate seven different IT platforms. Since the malware attacks, the Debtors have put in place protection systems around those platforms and hired teams of experts to collectively protect all of their IT systems, including by enhancing its email security, authentication and authorization procedures, IT training and education programs, and network defense and alerting systems. Although the Debtors' IT systems are now more secure, the costs of security maintenance to prevent and mitigate malware attacks in the future have increased.

(c) **Increase in Costs and Transition to Digital Operations**

The Debtors' legacy business is its traditional print and mail business. One of the Debtors' main capital expenditures is paper and envelopes. Beginning in mid-2021 and through the end of 2021, the cost of paper and envelopes increased significantly. Moreover and particularly in North America, the Debtors experienced cost pressures resulting from increased labor costs, materials, and other capital goods. Although some of these costs have been recouped from price increases, given the limited ability to pass along price increases to customers and an inability to obtain concessions from suppliers, the Debtors' financial performance suffered as a result of these increased costs.

In addition to increased capital costs, a significant portion of the Debtors' equipment is nearing the end of its useful life. Due to the terms of their existing credit agreements and recent liquidity restraints, the Debtors have not been able to update their equipment to the levels they believe would be appropriate.

To modernize their businesses, the Debtors are in the process of digitizing their operations and are evaluating, rationalizing, and re-sizing their footprint in the printing space to ensure continued profitable operations despite an overall secular decline. As part of the transformation to more digital operations, the Debtors are developing EverView, a single integrated platform that enables clients to interact with their full suite of solutions. EverView will incentivize existing clients' use of digital solutions through its functionality and will enable the Debtors to onboard new clients faster and realize revenue quicker.

The Debtors have also invested in its digital operations in the United Kingdom where, prior to this investment, the Debtors had no ability to deliver its services digitally. As further described below and as a result of the impact of COVID-19 measures put in place by the United Kingdom government, the Debtors have accelerated its transition to digital operations.

(d) **Business Integration**

Since the Debtors' inception in 1992, and especially in the last ten years, the Debtors have been active in acquiring complementary business to strengthen their portfolio of services. Despite acquiring various businesses, including Communisis Limited and Vox, these businesses all had different technology, billing software, and other operations and the Debtors experienced difficulty integrating into existing platforms. The Debtors have expended significant money and effort into integrating these businesses, particularly since mid-2020, to form a single, united company. Further, with respect to certain acquired businesses, those businesses were run by founders and once the Debtors acquired those businesses and the founders left, the Debtors struggled to maintain business volume because the implicit knowledge of the businesses and the market left with the founders.

(e) **COVID-19**

Although the COVID-19 pandemic did not have as drastic of day-one impact on the Debtors as it did on traditional brick and mortar businesses, its effects were still felt by the Debtors. From a revenue perspective, governmental orders were put in place that prevented medical bills and delinquency notices on mortgages and leases from being sent. To a certain extent, however, the Debtors were able to manage these revenue reductions from the initial impacts of COVID-19 through a variety of cost-cutting measures, including a voluntary reduction in employee salaries across the board. The Debtors brought on outside advisors to make appropriate staff reductions and salary reductions across the board, including salary reductions of 5% to 25% by the Debtors' management and non-managerial employee base during the height of the pandemic. After full realization of implemented changes, annualized cost savings exceeded $10.0 million and were realized by June 2021.

In the United Kingdom, the Debtors experienced a more severe revenue reduction. Much of the Debtors' business in the United Kingdom involves servicing large banks. The United Kingdom government implemented certain orders that prevented borrowing and other related mail notices from being sent, which caused a revenue reduction of approximately 15% to 18% in the applicable region.

Additionally, COVID-19 impacted the Debtors' businesses in the United States and United Kingdom by forcing an already geographically dispersed and unintegrated employee base and workforce to remain remote for longer than anticipated, thus exacerbating the delayed start of the rollout of the Debtor's integration efforts. The remoteness caused by COVID-19 also increased complexity of the Debtors' integration plans, resulting in higher-than-expected costs to the Debtors' businesses and longer program implementation lead-times to bring the project to completion.

(f) **Accounts Receivables Collections**

Across the Debtors' numerous business lines, the Debtors' customers and contract counterparties maintain distinct contract terms that may be customary to that business line or market or may be a legacy of a previous owner. This creates both unpredictability in cash flows and a substantial working capital need. Additionally, previous management allowed numerous accounts receivables to lapse beyond their stated terms, which hampered the Debtors' cash flow, impacted the Debtors' ability to invest in their business, and impeded the Debtors' ability to manage their liabilities.

In early 2022, the Debtors began reaching out to customers in the spirit of partnership, and has had considerable success in harmonizing and reducing the payment terms of its customer contracts. The Debtors will continue to take a disciplined approach to collection.

5.2 The Debtors Efforts to Address Business Challenges

(a) **Recognizing and Rewarding Employees**

In recognition of management's resolve and leadership and in accordance with the terms of the Restructuring Support Agreement, the Company, as soon as reasonable practicable, shall implement a key employee incentive plan (a "KEIP"). The KEIP shall include payments of: (i) $277,000 to members of the non-executive leadership team on July 31, 2022; (ii) $874,000 to members of the executive leadership team on July 31, 2022; and (iii) $1,092,500 to members of the executive leadership team on the Company's first payroll in January 2023.

(b) **Vox Entities Transaction**

The Debtors began exploring the acquisition of the Vox Entities in November 2021, and ultimately completed the acquisition of the Vox Entities on February 2, 2022. The transaction was structured as the acquisition of 100% of the outstanding equity in Vox Group Limited by PS Newco 1 Limited, which is in turn wholly owned by Intermediate. The Debtors financed the acquisition of the Vox Entities with (i) the Vox Unsecured Promissory Note, and (ii) the Vox Sellers' Notes secured by the assets of the Vox Entities and guaranteed by the Intermediate Vox Sellers' Notes Guaranties. As of the Petition Date, the Vox Entities were unencumbered with respect to the Existing First Lien Credit Facility and the Existing Second Lien Credit Facility.[10]

The Debtors believed that the business being operated by the Vox Entities would be highly complementary of their existing procurement services business owned by their non-Debtor affiliates in the UK. In addition to cost synergies, the Debtors believe that the addition of the Vox Entities' business could lead to more customers for the Debtors' existing procurement and other customer businesses.

[10] Pursuant to the Plan, the Vox Contribution will be effected prior to the Effective Date, provided that the Debtors may, with the express written consent of the Consenting Stakeholders, effectuate the Vox Contribution on or around the Petition Date.

(c) **Engagement with Stakeholders to Address Capital Structure**

In early-February, the Debtors began engaging with their Existing First Lien Lenders and Existing Second Lien Lenders regarding a potential projected covenant default under the terms of the Existing First Lien Credit Agreement, with the goal of negotiating a comprehensive and consensual amendment to the Existing First Lien Credit Facility and Existing Second Lien Credit Facility. As the Debtors, together with their advisors, further analyzed their projected liquidity and cash flows, it became clear that the Debtors could potentially face a liquidity shortfall before any projected covenant defaults. Accordingly, the Debtors immediately shifted the focus of discussions to liquidity-generating transactions, including the amendments to existing credit facilities as well as potential liability management transactions. To provide an immediate liquidity cushion, Holdings issued the OSG February 8 Unsecured Promissory Note in exchange for $5 million, which provided stakeholders with sufficient liquidity to explore other alternatives. Ultimately, the Sponsor provided incremental liquidity in the form of (i) $3.8 million cash, which was used to purchase the Sponsor Globalex Interest, and (ii) approximately $21.2 million in cash in exchange for the Globalex Secured Note (collectively, the "Globalex Transaction"). Certain of the lenders have contested certain aspects of the Globalex Transaction and have reserved rights with respect thereto. Proceeds of the Globalex Transaction provided additional time for ongoing discussions to progress between the Debtors, the Existing First Lien Lenders, the Existing Second Lien Lenders, and the Sponsor regarding a comprehensive amendment and were used to pay interest on the Existing First Lien Loans and Existing Second Lien Loans. Ultimately, the Restructuring Transactions agreed upon by the Debtors and Consenting Stakeholders and incorporated in the Restructuring Support Agreement and Plan incorporates a settlement of any and all claims raised or that could have been raised with respect to the Globalex Transaction.

(d) **The Restructuring Support Agreement**

On May 31, 2022, the Debtors reached an agreement (the "Restructuring Support Agreement") with the vast majority of the holders of their debt and equity instruments, including the Consenting First Lien Lenders (entitled to vote more than 88.7% of the aggregate amount of Existing First Lien Claims to accept or reject the Plan), the Consenting Second Lien Lenders (entitled to vote 100% of the aggregate amount of Existing Second Lien Claims to accept or reject the Plan), and the Sponsor (entitled to vote all claims and interests arising under the Vox Unsecured Promissory Note, the OSG February 8 Unsecured Promissory Note, the Globalex Secured Note, and the Sponsor Globalex Interest). The Restructuring Support Agreement contemplates a restructuring of the Debtors' capital structure through the Plan.

ARTICLE VI

CERTAIN FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS OR INTERESTS THAT ARE IMPAIRED AND ENTITLED TO VOTE SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT.

ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESS, THE PLAN AND ITS IMPLEMENTATION, OR THE SECURITIES OF THE REORGANIZED DEBTORS.

6.1 General

The following provides a summary of various important considerations and risk factors associated with the Plan; however, it is not exhaustive. In considering whether to vote to accept or reject the Plan, Holders of Claims and Interests should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise incorporated by reference in this Disclosure Statement.

6.2 Risks Relating to the Plan and Other Bankruptcy Law Considerations

(a) A Holder of a Claim or Interest May Object to, and the Bankruptcy Court May Disagree with, the Debtors' Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created ten (10) Classes of Claims or Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests in each such Class. However, a Holder of a Claim or Interest could challenge the Debtors' classification. In such an event, the cost of the Chapter 11 Cases and the time needed to confirm the Plan may increase, and there can be no assurance that the Bankruptcy Court will agree with the Debtors' classification. If the Bankruptcy Court concludes that the classifications of Claims and Interests under the Plan do not comply with the requirements of the Bankruptcy Code, the Debtors may need to modify the Plan. Such modification could require re-solicitation of votes on the Plan. The Plan may not be confirmed if the Bankruptcy Court determines that the Debtors' classification of Claims and Interests is not appropriate.

(b) The Debtors May Not Be Able to Satisfy the Voting Requirements for Confirmation of the Plan

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors may seek, as promptly as practicable thereafter, Confirmation. If the Plan does not receive the required support from Classes 1, 2, and 6, the Debtors may elect to amend the Plan, seek to sell their assets pursuant to section 363 of the Bankruptcy Code, or proceed with liquidation. There can be no assurance that the terms of any such alternative chapter 11 plan or sale pursuant to section 363 of the Bankruptcy Code would be similar or as favorable to the Holders of Allowed Claims or Interests as the Restructuring Transactions contemplated by the Plan.

(c) The Bankruptcy Court May Not Confirm the Plan or May Require the Debtors to Re-Solicit Votes with Respect to the Plan

The Debtors cannot assure you that the Plan will be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code, which sets forth the requirements for confirmation of a plan of reorganization, requires, among other things, a finding by the Bankruptcy Court that the plan of reorganization is "feasible," that all claims and interests have been classified in compliance with the provisions of section 1122 of the Bankruptcy Code, and that, under the plan of reorganization, each holder of a claim or interest within each impaired class either accepts the plan of reorganization or receives or retains cash or property of a value, as of the date the plan of reorganization becomes effective, that is not less than the value such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. With respect to any impaired Classes of Claims or Interests that do not accept the Plan or are deemed not to accept the Plan, section 1129(b) requires that the Plan be fair and equitable (including, without limitation, with respect to the "absolute priority rule") and not discriminate unfairly with respect to such classes. There can be no assurance that the Bankruptcy Court will conclude that the feasibility test and other requirements of section 1129 of the Bankruptcy Code (including, without limitation, finding that the Plan satisfies the "new value" exception to the absolute priority rule, if applicable) have been met with respect to the Plan. There can be no assurance that modifications to the Plan will not be required for Confirmation, or that such modifications would not require a re-solicitation of votes on the Plan.

The Bankruptcy Court could fail to approve this Disclosure Statement and determine that the votes in favor of the Plan should be disregarded. The Debtors then would be required to recommence the solicitation process, which would include re-filing a plan of reorganization and disclosure statement. This process includes a Bankruptcy Court hearing with respect to the required approval of a disclosure statement, followed (after Bankruptcy Court approval) by solicitation of claim or equity interest holder votes for the plan of reorganization, followed by a confirmation hearing at which the Bankruptcy Court will determine whether the requirements for confirmation have been satisfied, including the requisite claim or interest holder acceptances.

If the Plan is not confirmed, the Chapter 11 Cases may be converted into cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims or Interests and the Debtors' analysis thereof are set forth in the unaudited Liquidation Analysis, attached hereto as **Exhibit C**. The Debtors believe that liquidation under chapter 7 of the Bankruptcy Code would result in, among other things, smaller distributions being made to creditors and interest holders than those provided for in the Plan because of:

- the likelihood that the Debtors' assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner, affecting the business as a going concern;

- additional administrative expenses involved in the appointment of a chapter 7 trustee; and

- additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation.

(d) **Even if the Debtors Receive All Necessary Acceptances for the Plan to Become Effective, the Debtors May Fail to Meet All Conditions Precedent to Effectiveness of the Plan**

Although the Debtors believe that the Effective Date would occur shortly after the Confirmation Date, there can be no assurance as to such timing.

The Confirmation and Consummation of the Plan are subject to certain conditions that may or may not be satisfied. The Debtors cannot assure you that all requirements for Confirmation and effectiveness required under the Plan will be satisfied. If each condition precedent to Confirmation is not met or waived, the Plan will not be confirmed, and if each condition precedent to Consummation is not met or waived, the Effective Date will not occur. In the event that the Plan is not confirmed or is not consummated, the Debtors may seek to confirm of an alternative plan of reorganization.

(e) **The Bankruptcy Court May Find the Solicitation of Acceptances Inadequate**

Usually, votes to accept or reject a plan of reorganization are solicited after the filing of a petition commencing a chapter 11 case. Nevertheless, a debtor may solicit votes prior to the commencement of a chapter 11 case in accordance with sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018(b).

Bankruptcy Rule 3018(b) provides that a holder of a claim or interest who has accepted or rejected a plan before the commencement of the case under the Bankruptcy Code will not be deemed to have accepted or rejected the plan if the court finds after notice and a hearing that the plan was not transmitted in accordance with reasonable solicitation procedures. Section 1126(b) of the Bankruptcy Code provides that a holder of a claim or interest that has accepted or rejected a plan before the commencement of a case under the Bankruptcy Code is deemed to have accepted or rejected the plan if (i) the solicitation of such acceptance or rejection was in compliance with applicable nonbankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation or (ii) there is no such law, rule, or regulation, and such acceptance or rejection was solicited after disclosure to such holder of adequate information (as defined by section 1125(a) of the Bankruptcy Code). While the Debtors believe that the requirements of sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018(b) will be met, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(f) **There is a Risk of Loss of Support for the Plan**

The Plan is currently supported by Holders of more than 88.7% in amount of Existing First Lien Claims, Holders of 100% in amount of Existing Second Lien Claims, and the Sponsor, but there is a risk that unforeseen changes in circumstances could result in the loss of support for the Plan by such stakeholders prior to Confirmation and could result in the loss of use of cash collateral by the Debtors under certain circumstances. Any such loss of support could adversely affect the Debtors' ability to confirm and consummate the Plan.

(g) **The Bankruptcy Court May Dismiss Some or All of the Chapter 11 Cases**

Certain parties in interest may contest the Debtors' authority to commence or prosecute the Chapter 11 Cases. If, pursuant to any such proceeding, the Bankruptcy Court finds that some or all of the Debtors could not commence the Chapter 11 Cases for any reason, the Debtors may be unable to consummate the transactions contemplated by the Plan. If some or all of the Chapter 11 Cases are dismissed, the Debtors may be forced to cease operations due to insufficient funding or liquidate their business in another forum to the detriment of all parties in interest.

(h) **The United States Trustee or Other Parties May Object to the Plan on Account of the Debtors' Releases, Third-Party Releases, Exculpations, or Injunction Provisions**

Any party in interest, including the United States Trustee for the District of Delaware (the "U.S. Trustee"), could object to the Plan on the grounds that, among other things, the (i) debtor release contained in Article IX of the Plan is to be given without adequate consideration, (ii) the third-party release contained in Article IX of the Plan is not given consensually or in a permissible non-consensual manner, (iii) the exculpation contained in Article IX of the Plan extends to non-estate fiduciaries, or (iv) the injunction contained in Article IX of the Plan is overly broad. In response to such an objection, the Bankruptcy Court could determine that any of these provisions are not valid under the Bankruptcy Code. If the Bankruptcy Court makes such a determination, the Plan could not be confirmed without modifying the Plan to alter or remove the applicable provision. This could result in substantial delay in Confirmation of the Plan or the Plan not being confirmed at all.

(i) **The Debtors May Seek To Amend, Waive, Modify, or Withdraw the Plan at Any Time Prior to Confirmation**

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, and consistent with the terms of the Plan, to amend the terms of the Plan or waive any conditions thereto if and to the extent such amendments or waivers are necessary or desirable to consummate the Plan. The potential impact of any such amendment or waiver on the Holders of Claims or Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes. All Holders of Claims or Interests will receive notice of such amendments or waivers required by applicable law and the Bankruptcy Court. If, after receiving sufficient acceptances, but prior to Confirmation of the Plan, the Debtors seek to modify the Plan, the previously solicited acceptances will be valid only if (1) all classes of adversely affected creditors and interest holders accept the modification in writing, or (2) the Bankruptcy Court determines, after notice to designated parties, that such modification was *de minimis* or purely technical or otherwise did not adversely change the treatment of Holders of accepting Claims and Interests or is otherwise permitted by the Bankruptcy Code.

(j) **The Cases May Have Material Adverse Effects on the Debtors' Operations**

The commencement of the Chapter 11 Cases could adversely affect the relationships between the Debtors and their respective customers, employees, partners, and other parties. While the Debtors expect to continue normal operations during the Chapter 11 Cases, such adverse effects could materially impair the Debtors' operations and adversely affect the Debtors' ability to reorganize and emerge.

(k) **The Debtors Cannot Predict the Amount of Time Spent in Bankruptcy for the Purpose of Implementing the Plan, and Lengthy Bankruptcy Cases Could Disrupt the Debtors' Business, as Well as Impair the Prospect for Reorganization on the Terms Contained in the Plan**

While the Debtors believe that the Chapter 11 Cases will be of short duration and will not be materially disruptive to the Debtors' business, there can be no assurance as to such timing or lack of disruptiveness. The Chapter 11 Cases could last considerably longer than anticipated if, for example, Confirmation is contested or the conditions to Confirmation or Consummation are not satisfied or waived.

Although the Plan is designed to minimize the length of the bankruptcy proceedings, it is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy, and the Debtors cannot be certain that the Plan will be confirmed. Even if confirmed on a timely basis, a bankruptcy proceeding to confirm the Plan could itself have an adverse effect on the Debtors' business. There is a risk, due to uncertainty about the Debtors' futures that, among other things:

- customers could move to the Debtors' competitors;
- employees could be distracted from performance of their duties or more easily attracted to other career opportunities; and
- suppliers, vendors, or other business partners could terminate their relationships with the Debtors or demand financial assurances or enhanced performance, any of which could impair the Debtors' future prospects.

A lengthy bankruptcy case also would involve additional expenses and divert the attention of Management from the operation of the Debtors' business.

The disruption that the bankruptcy process would have on the Debtors' business could increase with the length of time it takes to complete the Chapter 11 Cases. If the Debtors are unable to obtain Confirmation of the Plan on a timely basis, because of a challenge to the Plan or otherwise, the Debtors may be forced to operate in bankruptcy for an extended period of time while they try to develop a different plan of reorganization that can be confirmed. A protracted bankruptcy case could increase both the probability and the magnitude of the adverse effects described above.

(l) **Other Parties in Interest Might Be Permitted to Propose Alternative Plans of Reorganization That May Be Less Favorable to Certain of the Debtors' Constituencies Than the Plan**

Other parties in interest could seek authority from the Bankruptcy Court to propose an alternative plan of reorganization to the Plan. Under the Bankruptcy Code, a debtor in possession initially has the exclusive right to propose and solicit acceptances of a plan of reorganization for a period of 120 days from the Petition Date. However, such exclusivity period can be reduced or terminated upon order of the Bankruptcy Court. If such an order were to be entered, parties in interest other than the Debtors would then have the opportunity to propose alternative plans of reorganization.

If another party in interest were to propose an alternative plan of reorganization following expiration or termination of the Debtors' exclusivity period, such a plan may be less favorable to existing Holders of Claims or Interests.

(m) **The Debtors May Be Unsuccessful in Obtaining First Day Orders To Permit Them to Continue Operating in the Ordinary Course of Business**

The Debtors have attempted to address potential concerns of their customers, vendors, employees and other key parties in interest that might arise from the filing of Chapter 11 Cases through a variety of provisions incorporated into or contemplated by the Plan and relief to be sought at the outset of the Chapter 11 Cases, including the Debtors' intention to seek appropriate Bankruptcy Court orders to permit the Debtors to pay amounts owed to all general unsecured creditors and employee obligations consistent with their ordinary course practices. However, there can be no guarantee that the Debtors will be successful in obtaining the necessary approvals of the Bankruptcy Court for such arrangements or for every party in interest the Debtors may seek to treat in this manner, and, as a result, the Debtors' business might suffer.

(n) **The Bankruptcy Court May Not Approve the Debtors' Use of Cash Collateral or the DIP Facility**

Upon commencing the Chapter 11 Cases, the Debtors will ask the Bankruptcy Court to authorize the Debtors to enter into postpetition financing arrangements and use cash collateral to fund the Chapter 11 Cases and to provide customary adequate protection to the Existing First Lien Lenders and the Existing Second Lien Lenders under the applicable prepetition debt documents. Such access to postpetition financing and cash collateral will provide liquidity during the pendency of the Chapter 11 Cases. There can be no assurance that the Bankruptcy Court will approve the DIP Facility or such use of cash collateral on the terms requested. Moreover, if the Chapter 11 Cases take longer than expected to conclude, the Debtors may exhaust their available cash collateral. There is no assurance that the Debtors will be able to obtain an extension of the right to obtain further postpetition financing or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' business may be impaired materially.

(o) **Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations**

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Debtors' filing of their petitions or before confirmation of the plan of reorganization (a) would be subject to compromise or treatment under the plan of reorganization or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through a plan of reorganization could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations on a post-reorganization basis.

(p) **The Debtors' Restructuring May Adversely Affect the Debtors' Tax Attributes**

Under federal income tax law, a corporation is generally permitted to deduct from taxable income net operating losses ("NOLs") carried forward from prior years. Any NOLs remaining upon implementation of the Plan may be able to offset future taxable income for up to 20 years in the case of NOLs arising before 2018 and indefinitely for NOLs arising in taxable years that begin in or after 2018, thereby reducing their future aggregate tax obligations. NOLs arising before 2018 may offset 100% of future taxable income and NOLs arising in taxable years that begin 2018, 2019 or 2020 may be used to offset 100% of future taxable income, unless such NOLs are applied to a taxable year beginning on or after January 1, 2021, in which case such NOLs may be used to offset 80% of taxable income. The Debtors estimate that, as of January 1, 2023, they will have approximately $62.6 million of federal NOLs. These NOLs provide the potential for material future tax savings or other tax structuring possibilities in these Chapter 11 Cases.

Other significant tax attributes include tax credits and deferred interest deductions. The Debtors believe that, as of January 1, 2021, they have approximately $540,000 in federal tax credit carryforwards. Generally, tax credit carryforwards may be used to offset federal taxable income of a corporation on a dollar-for-dollar basis. Thus, the Debtors' tax credit carryforwards also present the opportunity for material tax savings or other tax structuring possibilities. The Debtors also estimate that, as of the close of December 31, 2021, they have approximately $95 million of interest deductions that have been deferred under section 163(j) of the Code (the "163(j) Carryforwards"). These 163(j) Carryforwards also provide the potential for material future tax savings.

The Reorganized Debtors' ability to utilize their NOL carryforwards and other tax attributes to offset future taxable income and to reduce federal income tax liability is subject to certain additional requirements and restrictions. In general, such NOLs and other tax attributes could be reduced by the amount of cancellation of debt income ("COD Income") arising in a chapter 11 case under section 108 of the Internal Revenue Code of 1986, as amended (the "IRC") or to offset any taxable gains recognized by the Debtors attributable to the Restructuring Transactions. In addition, if the Debtors experience an "ownership change," as defined in section 382 of the IRC, then the Reorganized Debtors' ability to use the NOL carryforwards or other tax attributes may be substantially limited, which could have a negative impact on the Reorganized Debtors' financial position and results of operations. Generally, there is an

"ownership change" if one or more stockholders owning 5 percent or more of a corporation's stock have aggregate increases in their ownership of such stock of more than 50 percentage points over the prior three-year period. Following the implementation of a plan of reorganization, it is possible that an "ownership change" may be deemed to occur. Under sections 382 and 383 of the IRC, absent an applicable exception, if a corporation undergoes an "ownership change," the amount of its NOLs, tax credit carryforwards and 163(j) Carryforwards that may be utilized to offset future taxable income generally is subject to an annual limitation. The Debtors believe that one or more "ownership changes" have occurred and currently expect that their NOL carryforwards and other tax attributes may be significantly further reduced, eliminated, or limited in connection with the Restructuring Transactions through a combination of one or more of the above factors.

For a detailed description of the effect Consummation of the Plan may have on the Debtors' tax attributes, see the section entitled "Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders" below.

(q) **Risk of Termination of the Restructuring Support Agreement**

The Restructuring Support Agreement contains certain provisions that give the parties thereto the ability to terminate the applicable agreement upon the occurrence or non-occurrence of certain events, including failure to achieve certain milestones in these Chapter 11 Cases or breach of any variance or reporting covenants contemplated thereunder. Termination of the Restructuring Support Agreement could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers.

6.3 Risks Relating to the Restructuring Transactions

(a) **The Debtors Will Be Subject to Business Uncertainties and Contractual Restrictions Prior to the Effective Date**

Uncertainty about the effects of the Plan on employees may have an adverse effect on the Debtors. These uncertainties may impair the Debtors' ability to retain and motivate key personnel and could cause customers and others that deal with the Debtors to defer entering into contracts with the Debtors or making other decisions concerning the Debtors or seek to change existing business relationships with the Debtors. In addition, the Debtors are highly dependent on the efforts and performance of their senior management team. If key employees depart because of uncertainty about their future roles and potential complexities of the Restructuring Transactions, the Debtors' business, financial condition, liquidity, and results of operations could be adversely affected.

(b) **There Is Inherent Uncertainty in the Debtors' Financial Projections Such that the Reorganized Debtors May Not Be Able to Meet the Projections**

The Financial Projections attached hereto as **Exhibit D** includes projections covering the Debtors' operations through December 2025. These projections are based on assumptions that are an integral part of the projections, including Confirmation and Consummation of the Plan in accordance with its terms, the anticipated future performance of the Debtors, industry

performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize.

In addition, unanticipated events and circumstances occurring after the date hereof may affect the actual financial results of the Debtors' operations. These variations may be material and may adversely affect the value of the New Convertible Preferred Equity or the Reorganized Common Equity and the ability of the Debtors to make payments with respect to their indebtedness. Because the actual results achieved may vary from projected results, perhaps significantly, the Financial Projections should not be relied upon as a guarantee or other assurance of the actual results that will occur.

Further, during the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as restructuring activities and expenses significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date. In addition, if the Debtors emerge from the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

Lastly, the business plan was developed by the Debtors with the assistance of their advisors. There can be no assurances that the Debtors' business plan will not change, perhaps materially, as a result of decisions that the Debtors' boards of directors may make after reevaluating the strategic direction of the Debtors and their business plan. Any deviations from the Debtors' existing business plan would necessarily cause a deviation from the Financial Projections, and could result in materially different outcomes from those projected.

(c) **Failure to Implement the Restructuring Transactions and Confirm and Consummate the Plan Could Negatively Impact the Debtors**

If the Restructuring Transactions are not implemented, the Debtors may consider other restructuring alternatives available at that time, which may include the filing of an alternative chapter 11 plan, conversion to chapter 7, commencement of section 363 sales of the Debtors' assets, or any other transaction that would maximize value of the Debtors' estates. Any alternative restructuring proposal may be on terms less favorable to Holders of Claims against and Interests in the Debtors than the terms of the Plan.

Any material delay in Confirmation of the Plan, or the Chapter 11 Cases, or the threat of rejection of the Plan by the Bankruptcy Court, would add substantial expense and uncertainty to the process.

If the Plan is not confirmed and consummated, the ongoing business of the Debtors may be adversely affected and there may be various consequences, including:

- the adverse impact to the Debtors' business caused by the failure to pursue other beneficial opportunities due to the focus on the Restructuring Transactions, without realizing any of the anticipated benefits of the Restructuring Transactions;

- the incurrence of substantial costs by the Debtors in connection with the Restructuring Transactions, without realizing any of the anticipated benefits of the Restructuring Transactions;

- the possibility, for the Debtors, of being unable to repay indebtedness when due and payable; and

- the Debtors pursuing non-prepackaged chapter 11 or chapter 7 proceedings, resulting in recoveries for creditors and interest holders that are less than contemplated under the Plan, or resulting in no recovery for certain creditors and interest holders.

(d) **Even if the Restructuring Transactions are Successful, the Debtors Will Continue to Face Risks**

The Restructuring Transactions are generally designed to reduce the amount of the Debtors' cash interest expense and improve the Debtors' liquidity and financial and operational flexibility to generate long-term growth. Even if the Restructuring Transactions are implemented, the Debtors will continue to face a number of risks, including certain risks that are beyond the Debtors' control, such as changes in economic conditions or in the Debtors' industry. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

6.4 Risks Relating to the New Convertible Preferred Equity, the Reorganized Common Equity and the CVR Certificates

(a) **The Value of the New Convertible Preferred Equity, Reorganized Common Equity and CVR Certificates is not intended to Represent Potential Market Value, and May Become Depressed Following the Effective Date**

Despite the Debtors' best efforts to value the New Convertible Preferred Equity, the Reorganized Common Equity and the CVR Certificates, various uncertainties and contingencies, including market conditions, the Debtors' potential inability to implement their business plan or lack of a market for such interests may cause fluctuations or variations in the value of the New Convertible Preferred Equity, the Reorganized Common Equity and the CVR Certificates not fully accounted for in the Plan. All of these factors are difficult to predict. Actual market prices of such instruments at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets and other factors that generally influence the prices of similar instruments. Actual market prices of such instruments also may be affected by other factors not possible to predict. In addition, following the Effective Date, holders of such instruments may elect to engage in sales to satisfy withholding tax requirements or to obtain liquidity. Such sales

and the volume of such instruments available for trading could cause the related trading prices to be depressed, particularly in the absence of established trading markets therefor.

(b) **A Liquid Trading Market May Not Develop for the New Convertible Preferred Equity, the Reorganized Common Equity or the CVR Certificates**

Each of the New Convertible Preferred Equity, the Reorganized Common Equity and the CVR Certificates are being newly issued in connection with the Plan and, accordingly, there is currently no established public trading market therefor. The Debtors do not currently contemplate applying to list any of the foregoing instruments on any national securities exchange or to arrange for quotation on any automated dealer quotation system and, as such, make no assurance that liquid trading markets for the New Convertible Preferred Equity, the Reorganized Common Equity or the CVR Certificates will develop. The liquidity of any market for the New Convertible Preferred Equity, the Reorganized Common Equity or the CVR Certificates will depend, among other things, upon the number of Holders of New Convertible Preferred Equity, Reorganized Common Equity or CVR Certificates, respectively, the Reorganized Debtors' financial performance, and the market for similar instruments, none of which can be determined or predicted. Therefore, the Debtors cannot assure that an active trading market will develop or, if a market develops, what the liquidity or pricing characteristics of that market will be. In addition, the New Organizational Documents may also contain restrictions on the transferability of the foregoing instruments, which may adversely affect the liquidity in any trading market.

(c) **The Terms of the New Convertible Preferred Equity, Reorganized Common Equity, CVR Certificates, New Organizational Documents and CVR Agreement are Subject to Change Based on Negotiation and the Approval of the Bankruptcy Court**

The final terms of the New Convertible Preferred Equity, the Reorganized Common Equity, the CVR Certificates, the New Organizational Documents and the CVR Agreement are subject to change based on negotiations between the Debtors and the parties to the Restructuring Support Agreement, and other holders of Claims and Interests will not participate in these negotiations and the results of such negotiations may alter the terms of the New Convertible Preferred Equity, Reorganized Common Equity, CVR Certificates, New Organizational Documents or the CVR Agreement in a material manner, and may affect the rights of equityholders in the Reorganized Debtors following the Effective Date. As a result, the final terms of the New Convertible Preferred Equity, Reorganized Common Equity, CVR Certificates, the New Organizational Documents or the CVR Agreement may be different than as described herein and in the Plan and Restructuring Support Agreement thereby giving rise to a potential right to termination under the Restructuring Support Agreement.

(d) **Certain Holders of the Reorganized Common Equity, New Convertible Preferred Equity and CVR Certificates May be Restricted in their Ability to Transfer or Sell such Interests**

The recipients of securities of the Reorganized Debtors under the Plan who are deemed "underwriters" as defined in section 1145(b) of the Bankruptcy Code will be restricted in their ability to transfer or sell their securities. In addition, securities issued under the Plan to affiliates of the Reorganized Debtors will be subject to restrictions on resale. These persons will be

permitted to transfer or sell such securities only pursuant to an effective registration statement under the Securities Act, or pursuant to the provisions of Rule 144 under the Securities Act, if available, or another available exemption from the registration requirements of the Securities Act. These restrictions may adversely impact the value of the Reorganized Debtors' securities and make it more difficult for such persons to dispose of their securities, or to realize value on such securities, at a time when they wish to do so. The Debtors make no representation regarding the right of any holder of securities of the Reorganized Debtors to freely resell such securities. *See* Article VIII of this Disclosure Statement entitled "Important Securities Law Disclosure." In addition, the Reorganized Common Equity, the New Convertible Preferred Equity and CVR Certificates may be subject to restrictions on transferability pursuant to the terms of the New Organizational Documents, New Convertible Preferred Equity Documents or the CVR Agreement, as applicable.

The availability of the exemption under Section 1145 of the Bankruptcy Code, Section 4(a)(2) under the Securities Act, or any other applicable exemption from securities laws will not be a condition to the occurrence of the Effective Date.

(e) **A Small Number of Holders or Voting Blocks May Control the Reorganized Debtors**

Consummation of the Plan may result in a small number of holders owning a significant percentage of the outstanding Reorganized Common Equity in the Reorganized Debtors. These holders, may, among other things, exercise significant influence over the business and affairs of the Reorganized Debtors, including over the election of directors or managers and approval of significant mergers and other material corporate transactions. The interests of such holders may conflict with the interests of other stockholders.

(f) **The Issuance of Reorganized Common Equity Under the Management Incentive Plan Will Dilute the Reorganized Common Equity**

On the Effective Date, a percentage of the Reorganized Common Equity will be reserved for issuance in connection with the Management Incentive Plan. If the Reorganized Debtors distribute such equity-based awards to eligible participants pursuant to the Management Incentive Plan, it is contemplated that such distributions will dilute the Reorganized Common Equity issued under the Plan and the ownership percentage represented by the Reorganized Common Equity distributed under the Plan.

(g) **The Interests in Reorganized Common Equity or New Convertible Preferred Equity are Equity Interests and Therefore Subordinated to the Indebtedness of the Reorganized Debtors**

In any liquidation, dissolution, or winding up of the Reorganized Debtors, the Reorganized Common Equity or New Convertible Preferred Equity would rank junior to all debt claims and other liabilities against the Reorganized Debtors. In addition, the Reorganized Common Equity would rank junior to the New Convertible Preferred Equity. As a result, holders of Reorganized Common Equity or New Convertible Preferred Equity will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or

winding up of the Reorganized Debtors until after all of their obligations to their debt holders or holders of New Convertible Preferred Equity have been satisfied.

(h) **The CVR Certificates May Never Result in Any Payments**

The CVR Certificates represent non-voting economic rights to receive distribution of up to 5%, in the aggregate, of the distribution to be made to the holders of Reorganized Common Equity after payment to the Reorganized Common Equity equal to the value of the Reorganized Common Equity as of the Effective Date, calculated as described in this Disclosure Statement and the Plan. Accordingly, no distribution on account of the CVR Certificates may be made if no excess value of the Reorganized Common Equity of Reorganized Holdings remains after payment to the Reorganized Common Equity as set forth herein and in the Plan.

6.5 Risks Relating to the Debtors' Businesses

(a) **The Debtors May Not Be Able To Implement the Business Plan**

The Debtors may not achieve their business plan and financial restructuring strategy. In such event, the Reorganized Debtors may be unable to restructure their funded debt or be forced to sell all or parts of their business, develop and implement further restructuring plans not contemplated in this Disclosure Statement, or become subject to further insolvency proceedings.

(b) **The Debtors' Financial Projections Are Subject to Inherent Uncertainty Due to the Numerous Assumptions Upon Which They Are Based**

The Debtors' Financial Projections are based on numerous assumptions including: timely Confirmation and Consummation pursuant to the terms of the Plan; the anticipated future performance of the Debtors; industry performance; general business and economic conditions; and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the date that this Disclosure Statement is approved by the Bankruptcy Court may affect the actual financial results of the Debtors' operations. These variations may be material and may adversely affect the ability of the Debtors to make payments with respect to indebtedness following Consummation. Because the actual results achieved throughout the periods covered by the projections may vary from the projected results, the projections should not be relied upon as an assurance of the actual results that will occur. Except with respect to the projections and except as otherwise specifically and expressly stated, this Disclosure Statement does not reflect any events that may occur subsequent to the date of this Disclosure Statement. Such events may have a material impact on the information contained in this Disclosure Statement. The Debtors do not intend to update the Financial Projections and therefore the Financial Projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Financial Projections. Further, the COVID-19 pandemic could continue to have an adverse effect on the Debtors' business and results of operations.

(c) **The Debtors May Not Be Able to Generate Sufficient Cash to Service All of Their Indebtedness**

The Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Debtors' control. The Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Debtors to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, borrowings in connection with emergence.

(d) **Existing and Increased Competition in the Industry or Decreasing Demand for the Debtors' Products May Adversely Affect the Debtors' Business and Results of Operations**

The Debtors compete with numerous other companies in the industry that offer similar products and provide similar services as those offered by the Debtors. The Debtors' competitors may be able to adopt more aggressive pricing and promotional policies, adapt to changes in customer preferences or requirements more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products than the Debtors. In addition, the Debtors' competitors may seek to emulate facets of the Debtors' business strategy, which could result in a reduction of any competitive advantage or special appeal that the Debtors might possess. An inability to overcome potential competitive disadvantages or effectively market the Debtors' products relative to the Debtors' competitors could have an adverse effect on the Debtors' business and results of operations.

(e) **The Debtors' Reliance on Suppliers May Impact the Debtors' Operation and Performance**

The Debtors rely significantly on their suppliers and therefore adverse changes in any of the relationships with their suppliers, or the inability to enter into new relationships with suppliers, could negatively impact the Debtors' operations and performance. The Debtors' current arrangements with suppliers may not remain in effect on current or similar terms, and the impact of changes to those arrangements may adversely impact the Debtors' revenue.

(f) **The Debtors Must Continue to Retain, Motivate, and Recruit Executives and Other Key Employees, Which May Be Difficult in Light of Uncertainty Regarding the Plan, and Failure To Do So Could Negatively Affect the Debtors' Business**

The Reorganized Debtors' success will depend, in part, on the efforts of their executive officers, their management team, and other key employees. These individuals possess sales, marketing, financial, administrative, technological, and other skills that are critical to the operation of the Debtors' business. If the Reorganized Debtors lose or suffer an extended interruption in the services of one or more of their executive officers, managers, or other key employees, the Reorganized Debtors' business, operational results, and financial condition may be negatively impacted.

(g) **The Reorganized Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases**

In the future, the Debtors may become a party to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' business and financial stability, however, could be material.

(h) **UK DB Plan**

The Company currently operates the UK DB Plan. The legislative regime governing such plans, including funding requirements, is onerous.

The Company's UK DB Plan obligations are financed predominantly through invested pension plan assets via externally managed funds and insurance companies. The Trustee, in consultation with the Company, generally prescribes the investment strategies applied by these funds, and thus the Company does not determine their individual investment alternatives. The assets may be invested in different asset classes including equity, fixed income securities, real estate and other investment vehicles. The values attributable to the externally invested pension plan assets are subject to fluctuations in the capital markets that are beyond the Company's influence. Unfavorable developments in the capital markets could result in a substantial coverage shortfall for these pension obligations, resulting in a significant increase in the Company's net pension obligations.

In addition, deterioration in the Company's financial condition could lead to an increased funding commitment to the UK DB Plan by the Company, which could further exacerbate any financial difficulties the Company could face at such time. Any such increases in the Company's net pension obligations could adversely affect the Company's financial condition due to increased additional outflow of funds to finance the pension obligations. Also, the Company is exposed to risks associated with longevity and interest rate and inflation rate changes in connection with its pension commitments, as an interest rate increase or decrease in longevity could have an adverse effect on the Company's liabilities under these pension plans.

Furthermore, a strengthening of the regulatory funding regime in any applicable jurisdiction could increase requirements for cash funding, demanding more financial resources to meet governmentally mandated pension requirements. The realization of any of these risks could require the Company to make significant additional payments to meet its pension commitments, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The pensions regulator in the United Kingdom has statutory moral hazard powers which it can exercise in certain circumstances to issue contribution notices or financial support directions and/or impose criminal sanctions of up to seven years' imprisonment or an unlimited fine. If so, this could result in significant liabilities arising for the Company in relation to the UK DB Plan.

The contribution notice and financial support direction powers can be exercised against: (i) any sponsoring employer of the UK DB Plan; and/or (ii) any person who is connected or associated to the UK DB Plan sponsoring employer within the meaning of the relevant legislation. The definitions of "connected/associated" for these purposes are widely defined and include the entire Company and could cover the Company's significant shareholders, directors and anyone deemed to be a shadow director. Liabilities imposed under a contribution notice or financial support direction may be up to the amount of the buy-out deficit of the UK DB Plan.

In contrast, the criminal sanction powers can be exercised against "any person", which is very widely drafted and includes the entire Company and each current and former director, officer, employee and shareholder of, and any lender to, the Company.

A contribution notice can be issued where the recipient was party to an act or failure to act and: (i) that act or omission has had a materially detrimental effect on the likelihood of plan members receiving their benefits; or (ii) the main purpose or one of the main purposes of the act or failure to act was (A) to prevent the recovery of the whole or part of a debt that was, or might become, due from the employer to the plan; or (B) to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt, which would otherwise become due; or (iii) the act or failure to act materially reduces the amount of an employer debt likely to be recovered by the relevant pension plan, if such a debt had been triggered at the time of the act or failure to act; or (iv) the act or failure to act reduces the value of the resources of a pension plan sponsoring employer where the reduction is material when compared to the estimated buy-out deficit of the relevant pension plan.

A financial support direction can be issued at any time where any sponsoring employer of the UK DB Plan is a services company (meaning it obtains most of its revenue from providing the services of employees to other members of the group), or is "insufficiently resourced", meaning broadly that its net assets are less than half of its share of the plan deficit, and there are other connected or associated parties that have sufficient net assets to make up the difference.

The criminal sanction powers are exercisable in relation to: (i) an act, course of conduct or omission where a person knew, or ought to have known, such conduct would "detrimentally affect in a material way the likelihood of accrued scheme benefits being received" and the person did not have reasonable excuse; or (ii) an act, course of conduct or omission which prevents, reduces or compromises the recovery of an employer debt to the pension plan, where the person intended the act, course of conduct or omission to have such effect and did not have reasonable excuse.

6.6 Certain Tax Implications of the Chapter 11 Cases and the Plan

Holders of Allowed Existing First Lien Claims, Existing Second Lien Claims, he Globalex Secured Note Claims, Vox Unsecured Promissory Note Claims, the OSG February 8 Unsecured Promissory Note Claims, and the Sponsor Globalex Interest should carefully review Article IX of this Disclosure Statement, "Certain U.S. Federal Income Tax Consequences," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors, Reorganized Debtors, and Holders of such Claims.

6.7 Disclosure Statement Disclaimer

(a) Information Contained Herein Is Solely for Soliciting Votes

The information contained in this Disclosure Statement is for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purpose. Specifically, this Disclosure Statement is not legal advice to any Person or Entity. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each reader should consult its own legal counsel and accountant with regard to any legal, tax, and other matters concerning its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote to accept or reject the Plan and whether to object to Confirmation.

(b) Disclosure Statement May Contain Forward-Looking Statements

This Disclosure Statement may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate," or "continue," the negative thereof, or other variations thereon or comparable terminology.

The Debtors consider all statements regarding anticipated or future matters, including the following, to be forward-looking statements:

- any future effects as a result of the filing or pendency of the Chapter 11 Cases;
- financing plans;
- competitive position;
- business strategy;
- budgets;
- projected cost reductions;
- projected dividends;
- projected price increases;
- effect of changes in accounting due to recently issued accounting standards;
- projected and estimated liability costs;
- growth opportunities for existing products and services;
- results of litigation;
- disruption of operations;
- contractual obligations;
- projected general market conditions;
- plans and objectives of management for future operations;
- off-balance sheet arrangements;
- the Debtors' expected future financial position, liquidity, results of operations, profitability, and
- cash flows; and growth opportunities for existing products and services.

Such statements are based on a variety of estimates and assumptions that are inherently uncertain and may be beyond the control of Management. Important factors that may affect whether such forward-looking statements materialize include, but are not limited to, risks and uncertainties relating to the Debtors' business (including their ability to achieve strategic goals, objectives, and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions, and other factors, including management's forecasts of key economic variables which may be significantly impacted by, among other factors, changes in the competitive environment, prices of goods, services, and labor, regulatory changes, or a variety of other factors, including the factors listed in this Disclosure Statement.

Accordingly, statements concerning these and other matters are not guarantees of the Debtors' future performance. The reader is cautioned that all forward-looking statements are necessarily speculative. The Liquidation Analysis, the recovery projections, and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to Holders of Allowed Claims and Interests may be affected by many factors that cannot be predicted. Forward-looking statements represent the Debtors' estimates and assumptions only as of the date such statements were made. There are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be materially different from those they may project, and the Debtors undertake no obligation to update any such statement.

(c) **No Legal, Business, or Tax Advice Is Provided to You by This Disclosure Statement**

THIS DISCLOSURE STATEMENT IS NOT LEGAL, BUSINESS, OR TAX ADVICE TO YOU. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation.

(d) **No Admissions Made**

The information and statements contained in this Disclosure Statement will neither (1) constitute an admission of any fact or liability by any entity (including the Debtors) nor (2) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, Holders of Allowed Claims or Interests, or any other parties in interest.

(e) **Failure to Identify Litigation Claims or Projected Objections**

No reliance should be placed on the fact that a particular litigation Claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. All Parties, including the Debtors, reserve the right to continue to investigate Claims and Interests and file and prosecute objections to Claims and Interests.

(f) **No Waiver of Right to Object or Right to Recover Transfers and Assets**

The vote by a Holder of a Claim for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtors to object to that Holder's Claim, or to bring Causes of Action or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

(g) **Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors**

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained herein.

(h) **The Potential Exists for Inaccuracies and the Debtors Have No Duty to Update**

The Debtors make the statements contained in this Disclosure Statement as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since such date. Although the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered by the Bankruptcy Court.

(i) **No Representations Outside of this Disclosure Statement Are Authorized**

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. In deciding whether to vote to accept or reject the Plan, you should not rely upon any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, unless otherwise indicated herein. You should promptly report unauthorized representations or inducements to the counsel to the Debtors and the U.S. Trustee.

ARTICLE VII

CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

7.1 The Confirmation Hearing

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a plan of reorganization. The Debtors will request, on the Petition Date, that the Bankruptcy Court approve the Plan and Disclosure Statement at a joint hearing. The Confirmation Hearing may, however, be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules, without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. The Debtors, in the same motion requesting a date for the Confirmation Hearing, will request that the Bankruptcy Court set a date and time for parties in interest to file objections to Confirmation of the Plan. An objection to Confirmation of the Plan must be filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the applicable order of the Bankruptcy Court so that it is actually received on or before the deadline to file such objections as set forth therein.

7.2 Confirmation Standards

Among the requirements for Confirmation of the Plan pursuant to Bankruptcy Code section 1129 are: (i) the Plan is in the "best interests" of holders of Claims of Interests; (ii) the Plan is feasible and (iii) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class or if an Impaired Class is deemed to reject, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the Class.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of Bankruptcy Code section 1129. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11; (ii) the Debtors have complied or will have complied with all of the necessary requirements of chapter 11; and (iii) the Plan has been proposed in good faith.

7.3 Best Interests Test/Liquidation Analysis

As described above, section 1129(a)(7) of the Bankruptcy Code requires that each Holder of an Impaired Claim or Interest either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Based on the unaudited Liquidation Analysis attached hereto as **Exhibit C**, the Debtors believe that the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be no greater than the value of distributions under the Plan. As a result, the Debtors believe Holders of Claims and Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

THE LIQUIDATION ANALYSIS HAS BEEN PREPARED SOLELY FOR USE IN THIS DISCLOSURE STATEMENT AND DOES NOT REPRESENT VALUES THAT ARE APPROPRIATE FOR ANY OTHER PURPOSE. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION BY OR ADMISSION OF ANY DEBTOR FOR ANY PURPOSE.

7.4 Feasibility

The Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan of reorganization is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial Projections, which, together with the assumptions on which they are based, are attached hereto as **Exhibit D**. Based on such Financial Projections, the Debtors believe that they will be able to make all payments required under the Plan while conducting ongoing business operations. Therefore, Consummation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

7.5 Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code permits confirmation of a plan even if it is not accepted by all impaired classes, as long as (a) the plan otherwise satisfies the requirements for confirmation, (b) at least one impaired class of claims has accepted the plan without taking into consideration the votes of any insiders in such class and (c) the plan is "fair and equitable" and does not "discriminate unfairly" as to any impaired class that has not accepted the plan. These so-called "cram down" provisions are set forth in section 1129(b) of the Bankruptcy Code.

(a) No Unfair Discrimination

The no "unfair discrimination" test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation.

(b) Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in the class. As to the dissenting (or deemed rejecting) class, the test sets different standards depending upon the type of claims or equity interests in the class. A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all. A plan is fair and equitable as to a class of interests that rejects a

plan if the plan provides (a) for each holder of an interest included in the rejecting class to receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of (i) the allowed amount of any fixed liquidation preference to which such interest holder is entitled, (ii) any fixed redemption price to which such interest holder is entitled, or (iii) the value of such interest; or (b) the holder of any interest that is junior to the interests of the rejecting class will not receive or retain any property under the plan on account of such junior interest.

The Debtors submit that Confirmation of the Plan pursuant to the "cramdown" provisions of Bankruptcy Code section 1129(b), if necessary, is proper, as the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

7.6 Alternatives to Confirmation and Consummation of the Plan

Subject to the Restructuring Support Agreement, if the Plan cannot be confirmed, the Debtors may seek to (a) prepare and present to the Bankruptcy Court an alternative chapter 11 plan for confirmation, (b) effect a merger or sale transaction, including, potentially, a sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (c) liquidate their assets and business under chapter 7 of the Bankruptcy Code. If the Debtors were to pursue a liquidation of their assets and business in chapter 7, the Debtors would convert the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, and a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on creditors' recoveries and the Debtors is described in the unaudited Liquidation Analysis attached hereto as **Exhibit C**.

7.7 Liquidation Analysis

The Debtors, with the assistance of FTI Consulting, Inc. ("FTI"), have prepared an unaudited liquidation analysis, which is attached hereto as **Exhibit C** (the "Liquidation Analysis"), to assist Holders of Claims and Interests in evaluating the Plan. The Liquidation Analysis compares the projected recoveries that would result from the liquidation of the Debtors in a hypothetical case under chapter 7 of the Bankruptcy Code with the estimated distributions to Holders of Allowed Claims and Interests under the Plan. The Liquidation Analysis is based on the value of the Debtors' assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, the Liquidation Analysis is subject to potentially material changes, including with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtors could vary materially from the estimate provided in the Liquidation Analysis. As set forth in the Liquidation Analysis, the Debtors believe that the Plan provides a greater recovery for Holders of Allowed Claims and Interests than they would receive in liquidation under chapter 7 of the Bankruptcy Code.

7.8 Financial Information and Projections

In connection with planning and developing the Plan, the Debtors, with the assistance of their advisors, prepared projections for the four years ending 2022 to 2025, which are attached hereto as **Exhibit D** (the "Financial Projections"), including Management's assumptions related thereto. For purposes of the Financial Projections, the Debtors have assumed an Effective Date of August 31, 2022. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. The Debtors are unaware of any circumstances as of the date of this Disclosure Statement that would require the re-forecasting of the Financial Projections due to a material change in the Debtors' prospects.

The Financial Projections are based on forecasts of key economic variables and may be significantly impacted by, among other factors, changes in the competitive environment, prices of goods, services, and labor, regulatory changes, or a variety of other factors, including the factors listed in this Disclosure Statement. Accordingly, the estimates and assumptions underlying the Financial Projections are inherently uncertain and are subject to significant business, economic, and competitive uncertainties. Therefore, such projections, estimates, and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein. The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement.

ARTICLE VIII

IMPORTANT SECURITIES LAW DISCLOSURE

8.1 Exemption from Registration Requirements

The Plan provides for the New Convertible Preferred Equity, Reorganized Common Equity and CVR Certificates to be distributed to certain Holders of Claims and Interests in accordance with Article III of the Plan, as applicable.

The Debtors believe that the New Convertible Preferred Equity and Reorganized Common Equity will be "securities," and that the CVR Certificates may also be "securities", in each case, as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable Blue Sky Law. The New Convertible Preferred Equity (including the Reorganized Common Equity issuable upon the conversion thereof), the Reorganized Common Equity and, to the extent they constitute "securities", the CVR Certificates, are referred to in this Article VIII as the "Reorganized Securities".

The Debtors are relying on exemptions from the registration requirements of the Securities Act, including Section 4(a)(2) thereof, and applicable Blue Sky Laws, to exempt the offer of the New Convertible Preferred Equity (including the Reorganized Common Equity issuable upon the conversion thereof) and Reorganized Common Equity that may be deemed to be made pursuant to the prepetition solicitation of votes on the Plan. Accordingly, no registration statement will be filed under the Securities Act with respect to the offer of the New Convertible Preferred Equity (including the Reorganized Common Equity issuable upon the conversion thereof) and Reorganized Common Equity that may be deemed to be made pursuant

to the prepetition solicitation of votes on the Plan. To ensure that the prepetition solicitation is exempt from the registration requirements of the Securities Act, the ballots used in the prepetition solicitation of votes on the Plan include a certification that the voting holder of the related Claims is an "accredited investor" or a "qualified institutional buyer" (each as defined under the Securities Act).

Upon consummation of the Plan, except with respect to the New Convertible Preferred Equity (including the Reorganized Common Equity issuable upon the conversion thereof) issuable to the Consenting Second Lien Lenders on account of their new money investment described in Section 2.17 hereof (the "Placement Securities"), which Placement Securities will be issued pursuant to Section 4(a)(2) of the Securities Act or another applicable exemption from registration under the Securities Act and any applicable Blue Sky Laws, all of the Reorganized Securities issued pursuant to the Plan on account of Claims or Interests will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on section 1145(a) of the Bankruptcy Code, to the extent permitted. Section 1145 of the Bankruptcy Code provides that, except with respect to an entity that is deemed an "underwriter" (as such term is defined in section 1145(b) of the Bankruptcy Code), section 5 of the Securities Act and any Blue Sky Law requirements for the offer and sale of a security do not apply to the offer or sale of a security of a debtor, an affiliate thereof participating in a joint plan with the debtor, or a successor of the debtor if (a) the offer or sale occurs under a plan of reorganization, (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense in a case concerning, the debtor or such affiliate, and (c) the securities are issued in exchange for a claim against, an interest in or a claim for an administrative expense in the case concerning, a debtor of such affiliate, or are issued principally in such exchange and partly for cash and property. The Debtors believe that the issuance of the Reorganized Securities in exchange for the Claims and Interests described above satisfy the requirements of section 1145(a) of the Bankruptcy Code. Accordingly, no registration statement will be filed under the Securities Act or any Blue Sky Law with respect to the Reorganized Securities issued pursuant to the Plan on account of Claims or Interests. Recipients of the Reorganized Securities are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable Blue Sky Law. As noted above and discussed further below, the exemptions provided for in section 1145(a) of the Bankruptcy Code do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code. If section 1145(a) of the Bankruptcy Code is unavailable because the recipient of the Reorganized Securities is such an "underwriter", such securities will be issued pursuant to Section 4(a)(2) of the Securities Act or another applicable exemption from registration under the Securities Act and any applicable Blue Sky Laws.

8.2 Resales of the Reorganized Securities

Reorganized Securities issued pursuant to Section 1145(a) of the Bankruptcy Code may be resold without registration under the Securities Act or other federal law or Blue Sky Laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act and similar exemptions provided by the respective laws of the several states, provided, however, that such Reorganized Securities will not be freely tradable if, at the time of transfer, the holder thereof is an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) under the Securities Act, or had been such an "affiliate" within 90 days of such transfer. In addition, as noted above and

below, the exemptions provided for in section 1145(a) of the Bankruptcy Code do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code, or to the Placement Securities.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer with respect to such securities within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all "affiliates," which are all persons who, directly or indirectly, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in rule 405 of the Securities Act, means to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of a person, whether through owning voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor may be deemed to be a "controlling person" of the debtor or successor under a plan of reorganization, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities.

Reorganized Securities issued pursuant to Section 4(a)(2) of the Securities Act (including Reorganized Securities issued to entities that are deemed "underwriters" as well as the Placement Securities) are "restricted securities" (as defined under Rule 144 of the Securities Act) and may not be resold absent an exemption from the registration requirements of the Securities Act and applicable Blue Sky Laws. Under certain circumstances, Holders of Reorganized Securities who are "underwriters" or "affiliates" or whose Reorganized Securities are Placement Securities may be entitled to resell their Reorganized Securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act.

Rule 144 defines an affiliate of the issuer as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer." A non-affiliate of an issuer that is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and who has not been an affiliate of the issuer during the 90 days preceding such sale may resell securities after a one-year holding period whether or not there is current public information regarding the issuer. An affiliate of an issuer that is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act may resell restricted securities after the one-year holding period, if applicable, if at the time of the sale certain current public information regarding the issuer is available. An affiliate must also comply

with certain volume limitations, manner of sale requirements and certain other conditions of Rule 144.

Whether any particular Person would be deemed to be an "underwriter" with respect to the Reorganized Securities or an "affiliate" of the Reorganized Debtors would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the Reorganized Securities or an "affiliate" of the Reorganized Debtors and, in turn, whether any Person may freely resell Reorganized Securities.

Accordingly, the Debtors recommend that potential recipients of the Reorganized Securities consult their own counsel concerning their ability to freely trade such securities without registration under the Securities Act or any applicable Blue Sky Law. In addition, the Debtors do not currently contemplate applying to list these securities on any national securities exchange. The Debtors make no representation concerning the ability of a person to dispose of the Reorganized Securities.

ARTICLE IX

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain United States ("U.S.") federal income tax consequences of the consummation of the Plan to the Debtors, Reorganized Debtors, and to certain holders of Claims. The following summary does not address the U.S. federal income tax consequences to holders of Claims or Interests not entitled to vote to accept or reject the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "IRC"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained. The Debtors do not intend to seek a ruling from the IRS regarding the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors, Reorganized Debtors, or to certain holders of Claims or Interests in light of their individual circumstances. This discussion does not address tax issues with respect to such holders of Claims or Interests subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax exempt organizations, small business investment companies, former citizens or residents of the United States, persons that use the accrual method of accounting that are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements, persons who are related to the Debtors

within the meaning of the IRC, Persons using a mark-to-market method of accounting, holders of Claims who are themselves in bankruptcy, and regulated investment companies and those holding, or who will hold, Claims or Interests, or the Reorganized Common Equity or any other consideration to be received under the Plan, as part of a hedge, straddle, conversion, or other integrated transaction). No aspect of state, local, estate, gift, or non-U.S. taxation is addressed, nor is the 3.8% Medicare Tax on net investment income. Furthermore, this summary assumes that holders of Claims hold only Claims in a single Class and hold Claims as "capital assets" (within the meaning of section 1221 of the IRC). This summary does not address any special arrangements or contractual rights that are not being received or entered into in respect of an underlying Claim, including the tax treatment of any backstop fees or similar arrangements (including any ramifications such arrangements may have on the treatment of a holder under the Plan). This summary also assumes that, except as otherwise mentioned herein, the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form.

For purposes of this discussion, a "U.S. Holder" is a holder of a Claim that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons has authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "Non-U.S. Holder" is any holder of a Claim that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a pass-through entity for U.S. federal income tax purposes) is a holder of a Claim or Interest, the tax treatment of a partner (or other beneficial owner) of such entity generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are holders of Claims or Interests should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

(a) **Certain U.S. Federal Income Tax Consequences to the Debtors and Reorganized Debtors**

(1) **In General**

The Debtors expect that the Restructuring Transactions will be structured as a recapitalization of the existing Debtors under their current corporate structure. Based on the facts as currently understood by the Debtors and except as otherwise described below, the Debtors do not currently expect to recognize material taxable gain or loss as a result of the Restructuring Transactions, but there can be no assurance in this regard. As a result of the Restructuring Transactions, the Debtors will be subject to the application of section 382 of the IRC, and, depending on certain factors, are also expected to be subject to the rules with respect to cancellation of indebtedness income ("COD Income"), as described below.

(2) **Effects of the Restructuring Transactions on Tax Attributes of Debtors**

(a) Preservation of Tax Attributes and Cancellation of Indebtedness Income

The Debtors expect to recognize COD Income resulting from the Restructuring Transactions, and assuming COD Income does arise, the Debtors expect that it could be substantial. In general, absent an exception, a debtor will realize and recognize COD Income upon actual or deemed satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (X) the amount of Cash paid (or deemed paid), (Y) the issue price of any new indebtedness of the debtor issued, and (Z) the fair market value of any other consideration, in each case, given in satisfaction of such indebtedness at the time of the satisfaction. For this purpose, various rules under section 108(e) of the IRC are expected to apply in determining the amount of COD Income recognized by the Debtors. Unless an exception or exclusion applies, COD Income constitutes taxable income like any other item of taxable income.

Pursuant to section 108(a)(1)(A) of the IRC, a debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of indebtedness occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108(a)(1)(A) of the IRC. In general, the tax attributes of a debtor will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers (d) capital loss carryovers; (e) tax basis in assets (subject to the Asset Tax Basis Floor, as described below); (f) passive activity loss and credit carryovers; and (g) foreign tax credits. A debtor with COD Income may elect to first reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the IRC prior to effecting any other reductions in tax attributes set forth above, though it has not been determined whether the Debtors will make this election. The reduction in tax attributes occurs only after the taxable income (or loss) for the taxable year of the debt discharge has been determined. Any excess

COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Pursuant thereto, the tax attributes of each debtor member of an affiliated group of corporations that is excluding COD Income are first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group.

The aggregate tax basis of the Debtors in their assets (determined on an entity-by-entity basis, and in the case of an affiliated group of corporations, subject to the look-through rule described above) is not required to be reduced below the amount of indebtedness (determined on an entity-by-entity basis) that the Debtors will be subject to immediately after the cancellation of debt giving rise to COD Income (the "Asset Tax Basis Floor"). Generally, all of an entity's obligations (including intercompany debt) that are treated as debt under general U.S. federal income tax principles are taken into account in determining an entity's Asset Tax Basis Floor.

The exact amount of the COD Income (if any) that will be realized by the Debtors, and any resulting reduction in the tax attributes of the Debtors and their affiliates, will not be determinable until after the consummation of the Plan.

(b) Limitation of NOL Carryforwards and Other Tax Attributes Under Sections 382 and 383 of the IRC

After giving effect to the reduction in tax attributes resulting from excluded COD Income, the Debtors' ability to use any remaining tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

(i) Limitation of NOL Carryforwards and Other Tax Attributes Under Sections 382 and 383 of the IRC

Under sections 382 and 383 of the IRC, if a corporation undergoes an "ownership change," (as determined for purposes of those sections) the amount of its NOLs and NOL carryforwards, disallowed business interest carryovers under section 163(j) of the IRC ("163(j) Carryovers"), tax credit carryforwards, net unrealized built-in losses, and possibly certain other attributes of the Reorganized Debtors allocable to periods prior to the Effective Date (collectively, "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) and deductions recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000, or (b) 15

percent of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of sections 382 and 383 of the IRC are complicated, but as a general matter, the Debtors anticipate that the issuance of Reorganized Common Equity pursuant to the Plan will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses will be subject to limitation under sections 382 and 383 of the IRC (in addition to any limitations in effect pursuant to such sections prior to the Restructuring) unless an exception to the general rules of sections 382 and 383 of the IRC applies.

(ii) General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject (the "382 Limitation") is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments), multiplied by (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the "ownership change" occurs: 2.54% for August 2022). The 382 Limitation may be increased by the amount of any net unrealized built-in gain (if any) at the time of the ownership change, to the extent that the Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65 (as modified by IRS Notice 2018-30).[11] Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if subsequent to an ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business, or do not use a significant portion of their historic business assets in a new business, for the two years after the ownership change, the annual limitation resulting from the ownership change is zero.

(iii) Special Bankruptcy Exceptions

An exception to the foregoing annual limitation rules generally applies when creditors of a debtor corporation in chapter 11 holding certain qualified indebtedness (generally, indebtedness that (i) was held by the creditor at least 18 months before the date of filing of the

[11] Regulations have been proposed that would significantly change the application of the rules relating to built-in gains and losses for purposes of computing the 382 Limitation. However, proposed regulations have also been released that would "grandfather" companies that undergo an "ownership change" pursuant to an order entered in a bankruptcy case that was commenced prior to, or within 30 days of, the publication of the finalized new rules in this area. In each case, the applicability of these proposed regulations remains uncertain, and the proposed regulations may not become final. Accordingly, the Debtors do not expect the proposed regulations to apply to them or to the Reorganized Debtors with respect to the "ownership change" that will occur pursuant to the Plan.

chapter 11 case or (ii) arose in the ordinary course of the trade or business of the debtor corporation and is held by the person who at all times held the beneficial interest in such indebtedness) receive, in respect of such qualified indebtedness, at least 50 percent of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis, but, instead, NOLs, NOL carryforwards, and 163(j) Carryovers will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Debtors undergo another "ownership change" within two years after the Effective Date, then the Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety. If the Debtors were to undergo another "ownership change" after the expiration of this two-year period, the resulting 382 Limitation would be determined under the regular rules for ownership changes.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for the 382(l)(5) Exception or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the 382 Limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule for determining the 382 Limitation, which requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the ownership change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception because the debtor corporation is not required to reduce its NOLs, NOL carryforwards and 163(j) Carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years without automatically triggering the effective elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

The Debtors do not currently know whether they are or would be eligible for the 382(l)(5) Exception, and regardless of whether the 382(l)(5) Exception is available, the Reorganized Debtors may decide to affirmatively elect out of the 382(l)(5) Exception so that the 382(l)(6) Exception instead applies. Whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, though, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the IRC were to occur after the Effective Date.

(b) **Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims Entitled to Vote**

(1) **In General**

The character of any gain or loss recognized by a U.S. Holder as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder, whether the

Claim was purchased at a discount, and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to significant limitations as discussed below.

(2) Consequences to Holders of Existing First Lien Claims

The tax consequences to a U.S. Holder of Existing First Lien Claims from the exchange of such Claims for Amended and Restated First Lien Loans will depend on whether the Existing First Lien Claims and the Amended and Restated First Lien Claims are treated as "securities" for U.S. federal income tax purposes.

Neither the IRC nor the Treasury Regulations define the term "security." Whether a debt instrument constitutes a "security" for U.S. federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. 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, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued.

(a) Treatment of Holders of Existing First Lien Claims if such Claims Are Treated as Securities

If the Existing First Lien Claims are treated as securities, and the U.S. Holder's Pro-Rata Share of the Amended and Restated First Lien Loans is treated as a security, then (subject to the discussion below of accrued interest) the exchange of such Claims should be tax-free pursuant to sections 368, 354 and 356 of the IRC. Such U.S. Holder should obtain a tax basis in its Pro-Rata Share of the Amended and Restated First Lien Loans equal to the tax basis of the Claim surrendered. The holding period for such property should include the holding period for the exchanged Claims.

(b) Treatment of Holders of Existing First Lien Claims if such Claims or the Amended and Restated First Lien Loans Are Not Treated as Securities

If, however, either or both of the Existing First Lien Claims or the Amended and Restated First Lien Loans are not treated as securities, then the U.S. Holder should recognize gain or loss equal to the issue price of the U.S. Holder's Pro-Rata Share of the Amended and Restated First Lien Loans (determined as described below under "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Loans—(b) Issue Price") minus the Holder's adjusted tax basis in its Existing First Lien Claim. Such U.S. Holder should obtain a tax basis in the Amended and Restated First Lien Loan received equal to its issue price as of

the date it is distributed to the U.S. Holder. The holding period for such property should begin on the day following receipt. For the treatment of the exchange to the extent a portion of the Amended and Restated First Lien Loan received is allocable to accrued but unpaid interest, original issue discount ("OID") or market discount (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

(3) **Consequences to Holders of Existing Second Lien Claims**

The exchange of Existing Second Lien Claims for the New Mezzanine Debt Loans should be treated as a taxable exchange pursuant to section 1001 of the IRC. The exchange of Second Lien Claims for the Reorganized Common Equity should be treated as either (i) a taxable exchange pursuant to section 1001 of the IRC or (ii) if section 351 of the IRC applies to the transfer (as described below in the section entitled "Consequences in respect of the New Convertible Preferred Equity to Holders that Participate in the Sponsor Contributions and Holders of DIP Claims"), a tax-free exchange pursuant to section 351 of the IRC.

A U.S. Holder of an Existing Second Lien Claim should recognize in respect of a taxable exchange gain or loss equal to the (a) sum of (i) the issue price of the U.S. Holder's Pro-Rata Share of the New Mezzanine Debt Loans (determined as described below under "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Loans—(b) Issue Price") plus (ii) if the exchange for Reorganized Common Equity is taxable, the fair market value of the U.S. Holder's Pro-Rata Share of the Reorganized Common Equity (subject to the "investment unit" rules discussed below (see "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans—(b) Issue Price—(i) *Investment Unit Rules*")), minus (b) the Holder's adjusted tax basis in its Second Lien Claim (or, if the exchange for Reorganized Common Equity is not taxable, the portion thereof that is attributable to the New Mezzanine Debt Loan received).

With respect to property received in a taxable exchange, such U.S. Holder should obtain a tax basis equal to the consideration's issue price or fair market value (determined as described below under "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans – (b) Issue Price") as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

With respect to Reorganized Common Equity received in a tax-free exchange, such U.S. Holder should obtain a tax basis equal to the tax basis in the portion of the Existing Second Lien Claims exchanged therefor, unless the U.S. Holder and OSG Group Holdings, Inc. jointly elect under Section 362(e)(2)(C) to step down such U.S. Holder's basis in the Reorganized Common Equity to an amount equal to the fair market value of the portion of the Existing Second Lien Claims exchanged thereby. The holding period for any such property should include the holding period in such Existing Second Lien Claims.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

(4) **Consequences to Holders of DIP Claims in respect of New Mezzanine Debt**

The exchange of DIP Claims for the New Mezzanine Debt Loans should be treated as a taxable exchange pursuant to section 1001 of the IRC.

A U.S. Holder of a DIP Claim should recognize in respect of a taxable exchange gain or loss equal to (a) the issue price (determined as described below under "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Loans—(b) Issue Price") of the U.S. Holder's Pro-Rata Share of the New Mezzanine Debt Loans, minus (b) the Holder's adjusted tax basis in its DIP Claim.

With respect to property received in a taxable exchange, such U.S. Holder should obtain a tax basis equal to the consideration's issue price or fair market value (determined as described below under "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans – (b) Issue Price") as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

(5) **Consequences in respect of New Convertible Preferred Equity to Holders that Participate in the Sponsor Contributions and Holders of DIP Claims**

The exchange of the Sponsor Contributions or DIP Claims for New Convertible Preferred Equity should be treated as a taxable exchange pursuant to section 1001 of the IRC, except to the extent the exchange of the Globalex Secured Note Claims, the Sponsor Globalex Interest, and/or the DIP Claims (taken together with the exchange of the Second Lien Claims for Reorganized Common Equity and the other Restructuring Transactions) is treated as a section 351 transaction (as discussed further below), and except as noted below regarding the Vox Unsecured Promissory Note and the OSG February 8 Unsecured Promissory Note. Subject to the "investment unit" rules discussed below (see "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans—(b) Issue Price—(i) *Investment Unit Rules*"), a U.S. Holder that participates in the Sponsor Contributions or exchange of DIP Claims that is subject to taxable exchange treatment should recognize gain or loss equal to: (a) the fair market value of the New Convertible Preferred Equity received, minus (b) the Holder's adjusted tax basis in the relevant Sponsor Contributions or DIP Claims, as applicable.

It is also possible that in the case of the Vox Unsecured Promissory Note and the OSG February 8 Unsecured Promissory Note only, each of the Vox Unsecured Promissory Note and the OSG February 8 Unsecured Promissory Note will be treated as a "security" for U.S. tax purposes, in which case, if certain requirements are met, the exchange of such interests for New Convertible Preferred Equity could be treated as a tax-free reorganization, similar to the treatment described above for Holders of First Lien Claims under "— (2) Consequences to Holders of Existing First Lien Claims—(a) Treatment of Holders of First Lien Claims if such Claims Are Treated as Securities." However, such determination is highly fact-specific and because the Vox Unsecured Promissory Notes and the OSG February 8 Unsecured Promissory Notes have a maturity of less than five years, it is uncertain if they will so qualify. Accordingly, Holders of the Vox Unsecured Promissory Note and the OSG February 8 Unsecured Promissory Note should consult their own tax advisors regarding the potential treatment of this exchange as a tax-free reorganization.

Subject to the "investment unit" rules discussed below (see "—(8) Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans—(b) Issue Price—(i) *Investment Unit Rules*"), if the exchange of Sponsor Contributions or DIP Claims is a taxable exchange, then such U.S. Holder should obtain a tax basis in the New Convertible Preferred Equity equal to its fair market value on the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

In the event the exchange of the Globalex Secured Note Claims, the Sponsor Globalex Interest, and/or the DIP Claims is treated as a section 351 transaction, such U.S. Holder would obtain a tax basis in the New Convertible Preferred Equity equal to its adjusted tax basis in the Globalex Secured Note Claims, the Sponsor Globalex Interest, and/or the DIP Claims, unless the U.S. Holder and OSG Group Holdings, Inc. jointly elect under Section 362(e)(2)(C) to step down such U.S. Holder's basis in the Reorganized Common Equity to an amount equal to the fair market value of the portion of the Existing Second Lien Claims exchanged thereby. The holding period for any New Convertible Preferred Equity received as a result of such transaction should include the holding period in the Globalex Secured Note Claims, the Sponsor Globalex Interest, and/or the DIP Claims.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

(6) Accrued Interest (and OID)

To the extent that any amount received by a U.S. Holder of a surrendered Claim under the Plan is attributable to accrued but untaxed interest (or OID) on the debt instruments constituting the surrendered Claim, such amount should be taxable to the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). A U.S. Holder of a surrendered Claim may be able to recognize a deductible loss to the extent that any accrued interest on the debt instruments constituting such Claim was previously included in the Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of any non-Cash consideration treated as received in

satisfaction of accrued but untaxed interest (or OID) should equal the amount of such accrued but untaxed interest (or OID). The holding period for such non-Cash consideration should begin on the day following the receipt of such property.

The extent to which the consideration received by a U.S. Holder of a surrendered Claim will be attributable to accrued but untaxed interest on the debt constituting the surrendered Claim is unclear. Certain legislative history and case law indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but untaxed interest. The Plan provides that amounts paid to Holders of Claims will be allocated first to unpaid principal and then to unpaid interest. The IRS could take the position that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. Holders of Claims are urged to consult their tax advisor regarding the allocation of consideration and the deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

To the extent any U.S. Holder receives consideration as a part of a transaction described in section 351 of the IRC (as discussed above), these rules will not apply to such transaction or may be modified in their application.

(7) **Market Discount**

Under the "market discount" provisions of sections 1276 through 1278 of the IRC, some or all of any gain realized by a U.S. Holder exchanging the debt instruments constituting its Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt constituting the surrendered Claim.

Any gain recognized by a U.S. Holder on the taxable disposition (determined as described above) of a Claim that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such debt instruments were considered to be held by the U.S. Holder (unless the U.S. Holder elected to include such market discount in its income as the market discount accrued). To the extent that a U.S. Holder surrendered Claims that were acquired by the U.S. Holder with market discount in exchange for other property pursuant to a tax-free or other reorganization transaction for other property, any market discount that accrued on such surrendered Claims and was not recognized by the U.S. Holder may be required to be carried over to the property received therefor and any gain recognized by the U.S. Holder on the subsequent sale, exchange, redemption, or other disposition of such property may be treated as ordinary income to the extent of the accrued but unrecognized market discount with respect to the surrendered Claim.

(8) **Certain Considerations Regarding the Amended and Restated First Lien Loans and New Mezzanine Debt Loans**

(a) Interest

A portion of the interest on the Amended and Restated First Lien Loans will be payable in kind, and the interest on the New Mezzanine Debt Loans will be payable in kind until the Amended and Restated First Lien Loans are paid. Such portions of interest ("PIK Interest") will

not be qualified stated interest for U.S. federal income tax purposes (even if stated interest is expected to be paid, and actually is paid, in cash). As a result, the Amended and Restated First Lien Loans and the Mezzanine Debt Loans are expected to be treated as issued with OID for U.S. federal income tax purposes in an aggregate amount equal to the excess of the sum of all principal and stated interest payments (other than stated interest that is required to be paid in cash) provided by the Loans (initially taking into account the payment schedule assumption that cash interest will be paid, as described above) over the "issue price" (as described below) of the Amended and Restated First Lien Loans and the Mezzanine Debt Loans, respectively.

A U.S. Holder generally will be required to include OID in income before the receipt of the associated cash payment, regardless of the U.S. Holder's accounting method for U.S. federal income tax purposes. The amount of OID with respect to a Loan that a U.S. Holder must include in income is the sum of the "daily portions" of the OID for the Loan for each day during the taxable year (or portion of the taxable year) in which the U.S. Holder held the Loan. The daily portion is determined by allocating a pro rata portion of the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the Loan, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the product of the "adjusted issue price" of the Loan at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period). The adjusted issue price of a Loan at the beginning of any accrual period generally is the sum of the issue price of the Loan plus the amount of OID allocable to all prior accrual periods reduced by any payments received on the Loan that were not in the form of PIK Interest.

Any PIK Interest generally will not be treated as a payment of interest on an original loan for U.S. federal income tax purposes. Instead, any PIK Interest together with the original Loan will be treated as a single debt instrument for U.S. federal income tax purposes.

Each payment (including payments of cash interest and amounts received upon disposition) under a Loan will be treated first as a payment of any accrued OID on the Loan to the extent such accrued OID has not been allocated to prior cash payments and second as a payment of principal on the Loan. U.S. Holders generally will not be required to separately include in income payments on the Loans to the extent such cash payments constitute payments of previously accrued OID or payments of principal.

(b) Issue Price

Holders of Existing First Lien Claims will receive their Pro-Rata Share of Amended and Restated First Lien Loans. The issue price of the Amended and Restated First Lien Loans is expected to equal their fair market value on the date of the Exchange pursuant to the rules applicable to publicly traded debt instruments under section 1273 of the IRC and the regulations thereunder. Fair market value under such rules is generally based on "sales prices", "firm quotes" or "indicative quotes" for the debt instrument that are available at any time during the 31-day period ending 15 days after the date the instrument is issued.

The consideration received by U.S. Holders of Existing Second Lien Claims and DIP Claims will include some combination of Reorganized Common Equity or New Convertible Preferred Equity, as applicable, and New Mezzanine Debt Loans. The determination of the issue price of the New Mezzanine Debt Loans in these circumstances is unclear, and will depend on whether or not the New Mezzanine Debt Loans are publicly traded, whether or not the cash price paid for the other loans issued under the New Mezzanine Debt Facility establishes the issue price for the New Mezzanine Debt Loans, and whether or not the "investment unit" rules apply.

The Debtors may take the position that the issue price of the New Mezzanine Debt Loans will be established by the amount of cash paid for the other loans issued under the New Mezzanine Debt Facility under the Plan. However, because (1) only the minority of the loans in the New Mezzanine Debt Facility issue will be sold for cash and the majority will be sold for property to the same investors (i.e. in exchange for Existing Second Lien Claims), (2) of the potential application of the "investment unit" rules described below, and (3) the New Mezzanine Debt Loans may be treated as publicly traded for purposes of determining their issue price, this position is not free from doubt and the Debtors may take a different position, and the Debtors have not decided at this time which position to take. In the event that the cash issue price for the New Mezzanine Debt Loans does not apply for determining the issue price, then, as a general matter, and subject to the "investment unit" rules discussed below, (a) if the New Mezzanine Debt Loans are "publicly traded," then the trading value of the New Mezzanine Debt Loans determines their issue price; (b) if the New Mezzanine Debt Loans are not "publicly traded," but the Existing Second Lien Claims exchanged therefor are "publicly traded," the trading value of the Existing Second Lien Claims exchanged therefor determines the issue price of the New Mezzanine Debt Loans (unless such trading values represent mere indicative quotes and a position is established that demonstrates that such indicative quote materially misrepresented the fair market value of such property); and (c) if neither the New Mezzanine Debt Loans nor the Existing Second Lien Claims exchanged therefor is "publicly traded," the issue price of the New Mezzanine Debt Loans would be their stated principal amount.

As discussed above, the Amended and Restated First Lien Facility and New Mezzanine Debt Facility are expected to be treated as issued with OID as a result of the PIK Interest feature, and the computation of the amount of OID will also take into consideration the extent to which the issue price of the instrument is less than its stated redemption price at maturity.

(i) ***Investment Unit Rules***

Where, as here, U.S. Holders that receive debt instruments also receive other property (e.g., Reorganized Common Equity or New Convertible Preferred Equity) in exchange for their Claims, the "investment unit" rules may apply to the determination of the "issue price" for any debt instrument received in exchange for their Claims and the amount realized with respect to the other property received. The application of the investment unit rules is complex. Furthermore, it is unclear if the investment unit rules apply to circumstances where the components of the investment unit are issued by different issuers, as will be the case here.

In the event that the investment unit rules do apply, U.S. Holders that receive debt instruments and property subject to those rules will be deemed to have received, instead of such debt instruments and property, solely for the purposes of determining the issue price of the debt instrument and the amount realized with respect to the other property that are components of the

investment unit, a single debt instrument. If, as the Debtors expect, none of the Claims or debt instruments or property exchanged for Claims are publicly traded for purposes of the determination of the issue price of the single debt instrument, it is unclear how to determine the issue price of that debt instrument, and the Debtors have not decided how they will determine the issue price.

In the event that some, but not all, of the property composing the investment unit is publicly traded, then the application of the investment unit rules is unclear. If the Claims being exchanged for the investment unit are publicly traded prior to the exchange, the trading value of such Claims may set the issue price for the investment unit, consistent with the rules described above. Alternatively, if the new debt instrument is publicly traded, the trading price of the new debt instrument may control the issue price of the new debt instrument, without regard to the potential application of the investment unit rules.

The issue price of an investment unit, once determined, is then allocated to each of the investment unit's components on the basis of each component's fair market value; and that allocation determines the issue price of the components of the investment unit. As applied to any Reorganized Common Stock or New Convertible Preferred Equity received in a taxable transaction and subject to the investment unit rules, the amount of gain recognized on such transaction would be based on the amount of the issue price of the investment unit allocated to the Reorganized Common Stock or New Convertible Preferred, as the case may be, instead of solely on their fair market value.

An issuer's allocation of the issue price of an investment unit generally is binding on all U.S. Holders of the investment unit unless a U.S. Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the investment unit.

(c) Acquisition Premium or Amortizable Bond Premium on the Amended and Restated First Lien Loans and New Mezzanine Debt Loans

If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the Amended and Restated First Lien Loans or New Mezzanine Debt Loans is greater than the issue price of such debt but less than the stated principal amount of such debt, such Amended and Restated First Lien Loans and New Mezzanine Debt Loans will have an "acquisition premium." Under the acquisition premium rules, the amount of OID that must be included by the U.S. Holder in its gross taxable income with respect to the applicable Amended and Restated First Lien Loans or New Mezzanine Debt Loans for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year. Alternatively, if a U.S. Holder's initial tax basis in the Amended and Restated First Lien Loans or New Mezzanine Debt Loans exceeds their stated principal amount, the U.S. Holder will be considered to have acquired the Amended and Restated First Lien Loans or New Mezzanine Debt Loans with "amortizable bond premium" and will not be required to include any OID in income. A U.S. Holder may generally elect to amortize the premium over the remaining term of the Amended and Restated First Lien Loans or New Mezzanine Debt Loans on a constant yield method as an offset to stated interest when includible in income under such holder's regular accounting method. If a U.S. Holder elects to amortize bond premium, such holder must reduce its tax basis in the Amended and Restated First

Lien Loans or New Mezzanine Debt Loans by the amount of the premium used to offset stated interest. If a U.S. Holder does not elect to amortize the premium, that premium will decrease the gain or increase the loss otherwise recognized on disposition of the Amended and Restated First Lien Loans or New Mezzanine Debt Loans. If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the Amended and Restated First Lien Loans or New Mezzanine Debt Loans is less than the issue price of such debt, see the above section, entitled "Market Discount."

(9) **Dividends on Reorganized Common Equity and New Convertible Preferred Equity**

Any distributions made on account of the Reorganized Common Equity or New Convertible Preferred Equity will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Holdings as determined under U.S. federal income tax principles. Certain qualified dividends received by a non-corporate taxpayer are taxed at preferential rates. To the extent that a holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the holder's basis in its shares. Any such distributions in excess of the holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain.

Distributions that constitute dividends for U.S. federal income tax purposes and are paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions.

(10) **Potential Constructive Distributions on New Convertible Preferred Equity**

Under section 305 of the IRC, holders of New Convertible Preferred Equity may be treated as receiving distributions with respect to their New Convertible Preferred Equity under certain of the deemed distribution provisions of section 305 of the IRC, including as described further below.

However, certain provisions of section 305 of the IRC apply only if the New Convertible Preferred Equity constitutes "preferred" stock for purposes of section 305 of the IRC (as opposed to "common" stock for purposes of section 305 of the IRC). The determination of whether stock constitutes "preferred" or "common" stock for purposes of section 305 of the IRC depends in large part upon whether the stock participates significantly in corporate growth (such stock colloquially being referred to as "participating preferred stock"). Participating preferred stock is treated as common stock for purposes of section 305 of the IRC and, accordingly, certain of the deemed distribution provisions of section 305 of the IRC are generally inapplicable to such stock.

Although the treatment of the New Convertible Preferred Equity under section 305 of the IRC is subject to uncertainty, the New Convertible Preferred Equity will participate with Reorganized Common Equity in dividends of Reorganized Holdings on an as-converted basis,

and is entitled to receive upon liquidation the greater of (i) 1.4 times the original price per share of the New Convertible Preferred Equity, and (ii) what the holders of the New Convertible Preferred Equity would receive on an as-converted basis. Accordingly, Reorganized Holdings intends to treat the New Convertible Preferred Equity as "common" stock for purposes of section 305 of the IRC. If such treatment under section 305 of the IRC is respected, any preferred original issue discount (*i.e.*, the excess of redemption price over issue price) ("Preferred OID"), should not be subject to the deemed distribution provisions of section 305 of the IRC. Moreover, although subject to uncertainty, the Debtors currently anticipate that Reorganized Holdings will take the position that any dividends made simultaneously to Reorganized Common Equity and New Convertible Preferred Equity should not result in a deemed distribution under section 305 of the IRC.

If the New Convertible Preferred Equity were to be, contrary to the position that the Debtors expect that Reorganized Holdings will take, treated as "preferred" stock under section 305 of the IRC, while subject to uncertainty, it is likely that, because the New Convertible Preferred Equity does not have a maturity date and is not subject to redemption at the option of the holders of New Convertible Preferred Equity or of Reorganized Holdings, the potential entitlement of the holders of New Convertible Preferred Equity to 1.4 times the original price of the New Convertible Preferred Equity would not be treated as giving rise to Preferred OID that must be recognized as a dividend. Nonetheless, it is possible that any Preferred OID on the New Convertible Preferred Equity could be required to be recognized as a dividend over the term of the New Convertible Preferred Equity on a constant-yield-to-maturity basis to the extent of the earnings and profits of Reorganized Holdings (and thereafter first as a return of capital which reduces basis and then, generally, capital gain, under the same rules applicable to other distributions in respect of the New Common Stock and New Convertible Preferred Equity). If recognition of such dividends were required, it is unclear what the maturity date of the New Convertible Preferred Equity would be considered to be for this purpose.

Holders of Claims receiving the New Convertible Preferred Equity are urged to consult their own tax advisors regarding the treatment of the New Convertible Preferred Equity under section 305 of the IRC.

(11) **Conversion of New Convertible Preferred Equity to Reorganized Common Equity**

The conversion of New Convertible Preferred Equity to Reorganized Common Equity should generally be a tax-free exchange, with the result that the basis of the New Convertible Preferred Equity transfers to the Reorganized Common Equity in the hands of the converting U.S. Holder. If, however, the conversion is deemed to be pursuant to a plan to periodically increase a shareholder's proportionate interest in the assets or earnings and profits of Reorganized Holdings within the meaning of Treasury Regulations Section 1.305-7(c)(1)(i), then conversion could result in a deemed distribution if certain other circumstances are present, such as the New Convertible Preferred Equity being treated as "preferred stock" for purposes of section 305 of the IRC, or actual or deemed distributions being made on another class of stock, though the possibility of such a deemed distribution is subject to significant uncertainty.

Holders of Claims receiving the New Convertible Preferred Equity are urged to consult their own tax advisors regarding the tax consequences of converting the New Convertible Preferred Equity.

(12) **Sale, Redemption, or Repurchase of Non-Cash Consideration.**

Unless a non-recognition provision of the IRC applies, and (in the case of the Amended and Restated First Lien Loans or New Mezzanine Debt Loans) subject to the market discount rules discussed above, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of non-Cash consideration received pursuant to the Plan. Such capital gain will be long-term capital gain if, at the time of the sale, exchange, retirement, or other taxable disposition, the U.S Holder held the applicable non-Cash consideration for more than one year. Long-term capital gains of a non-corporate taxpayer generally are taxed at preferential rates. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on such dispositions of the Reorganized Common Equity or New Convertible Preferred Equity as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Claim or recognized an ordinary loss on the exchange of its Claim for Reorganized Common Equity or New Convertible Preferred Equity.

For a description of certain limitations on the deductibility of capital losses, see the section entitled "Limitation on Use of Capital Losses" below. For discussion regarding the potential treatment of certain redemptions and repurchases, see the section entitled "Application of Dividend Equivalence Rules", below.

(13) **Limitations on Use of Capital Losses.**

A U.S. Holder of a Claim who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods), and also ordinary income to the extent of the lesser of (1) $3,000 annually ($1,500 for married individuals filing separate returns) or (2) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them against future capital gains and a portion of their ordinary income for an unlimited number of years. For corporate holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry over unused capital losses for the five years following the capital loss year.

(14) **Application of Dividend Equivalence Rules.**

The discussions above regarding the treatment of transactions involving the Reorganized Common Equity and New Convertible Preferred Equity are subject to the potential application of the "dividend equivalence" rules. As a general matter, if an issuer repurchases or redeems stock, such redemption or repurchase is treated as a sale and subject to the rules discussed above. However, in certain circumstances, a repurchase or redemption will be recharacterized as a distribution that is potentially subject to the dividend taxation rules discussed above. In general, such circumstances apply where the interest of a holder of stock being repurchased or redeemed in the earnings and profits of the issuer is not being sufficiently changed as a result of such repurchase or redemption. Particularly in the context of a company that is not publicly traded, this analysis is fact-specific and takes into account, among other things, a particular holder's overlapping shareholdings in multiple series of stock. Accordingly, Holders of Claims receiving Reorganized Common Equity and New Convertible Preferred Equity must take these dividend

equivalence rules into account in evaluating the consequences of future repurchases and redemptions.

(c) Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Claims

The following discussion includes only certain U.S. federal income tax consequences of the consummation of the Plan to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, state, and local and the foreign tax consequences of the Restructuring Transactions to such Non-U.S. Holder and the ownership and disposition of non-Cash consideration.

(1) Gain Recognition

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is generally determined in the same manner as set forth above in connection with U.S. Holders.

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year in which the exchange occurs and certain other conditions are met, or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, to the extent that any gain is taxable, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

(2) Interest Payments; Accrued but Untaxed Interest.

Payments to a Non-U.S. Holder that are attributable to either (a) interest on (or OID accruals with respect to) debt received under the Plan, or (b) accrued but untaxed interest on their Allowed Claim generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person, unless:

- the Non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of Reorganized Holdings or Reorganized Output Services Group;

- the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to the Debtors (each, within the meaning of the IRC);

- the Non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the IRC; or

- such interest (or OID) is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent), the Non-U.S. Holder (i) generally will not be subject to withholding tax, but (ii) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest under the rules described above generally will be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on (a) interest on debt received under the Plan and (b) payments that are attributable to accrued but untaxed interest on such Non-U.S. Holder's Allowed Claim. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

(3) **Sale, Redemption, or Repurchase of Non-Cash Consideration.**

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other disposition (including a cash redemption) of the non-Cash consideration received under the Plan unless:

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met;

- such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or

- in the case of the sale of Reorganized Common Equity or New Convertible Preferred Equity, Reorganized Holdings (or a relevant successor thereto) is, or has been during a specified testing period, a "U.S. real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes.

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Reorganized Common Equity or New Convertible Preferred Equity under the Foreign Investment in Real Property Tax Act ("FIRPTA"). Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such Non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income pursuant to the application of the second exception described above. Further, the buyer of the Reorganized Common Equity or New Convertible Preferred Equity will be required to withhold a tax equal to 15 percent of the amount realized on the sale. The amount of any such withholding would be allowed as a credit against the Non-U.S. Holder's federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the Non-U.S. Holder properly and timely files a tax return with the IRS. Special rules would apply if the Reorganized Common Equity or New Convertible Preferred Equity were to be regularly traded on an established securities market. However, the Debtors do not expect the Reorganized Common Equity or New Convertible Preferred Equity to be regularly traded on an established securities market as of the Effective Date and have not determined whether the Reorganized Common Equity or New Convertible Preferred Equity will be regularly traded on an established securities market at any time after the Effective Date.

In general, a corporation is a USRPHC as to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds 50 percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition by the Non-U.S. Holder or the period of time the Non-U.S. Holder held stock of such corporation. The Debtors have not determined whether they are, or whether Reorganized Holdings will be (as of the Effective Date or at any point in the future), a USRPHC.

(4) **Dividends on Reorganized Common Equity and New Convertible Preferred Equity**

Any distributions made with respect to Reorganized Common Equity or New Convertible Preferred Equity will constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Holdings' current or accumulated earnings and profits as determined under U.S. federal income tax principles. Unless Reorganized Holdings is considered a USRPHC (see discussion above), to the extent that a Non-U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Non-U.S. Holder's basis in its shares. Any such distributions in excess of a Non-U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain from a sale or exchange (and the respective excess distributions as proceeds from a sale or exchange).

Except as described below, dividends paid with respect to Reorganized Common Equity or New Convertible Preferred Equity held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) will be subject to withholding at a rate of 30 percent (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E (or a successor form) upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to Reorganized Common Equity or New Convertible Preferred Equity held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If Reorganized Holdings is considered a USRPHC, distributions to a Non-U.S. Holder will generally be subject to withholding by Reorganized Holdings at a rate of 15 percent to the extent they are not treated as dividends for U.S. federal income tax purposes. Exceptions to such withholding may also be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations.

(5) **Potential Constructive Distributions With Respect to New Convertible Preferred Equity**

As discussed above in "Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims Entitled to Vote", holders of New Convertible Preferred Equity may be treated as receiving deemed distributions under a variety of circumstances. To the extent that any

such constructive distributions are deemed to occur, they will constitute dividends for U.S. federal income tax purposes to the extent of the issuer's current or accumulated earnings and profits as determined under U.S. federal income tax principles (and thereafter first as a return of capital which reduces basis and then, generally, capital gain), and thus subject to the same withholding and information reporting regimes described above.

Under Treasury Regulations issued pursuant to section 871(m) of the IRC, withholding at a rate of 30 percent (subject to certain treaty considerations) would apply to certain "dividend equivalent" payments made or deemed made to Non-U.S. Holders in respect of financial instruments that reference U.S. stocks. The Treasury Regulations promulgated under section 871(m) do not apply to a payment to the extent that the payment is already treated as a deemed dividend under the rules described above, and therefore generally would not apply in respect of adjustments to the conversion rate of the New Convertible Preferred Equity. However, because the section 871(m) rules are complex, it is possible that they will apply in certain circumstances in which the deemed dividend rules described above do not apply, in which case the section 871(m) rules might require withholding at a different time or amount than the deemed dividend. Under currently-applicable authority, section 871(m) of the IRC is inapplicable to instruments that are not so-called "delta one" instruments and is not expected to apply to the New Convertible Preferred Equity.

(6) **Conversion of New Convertible Preferred Equity to Reorganized Common Equity.**

The characterization of the conversion of New Convertible Preferred Equity to Reorganized Common Equity for a Non-U.S. Holder will generally be the same as for a U.S. Holder, as described above under "Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims Entitled to Vote", and any dividend income that a Non-U.S. Holder realizes as a result of the conversion of New Convertible Preferred Equity to Reorganized Common Equity will be subject to the same withholding and information reporting regimes described above with respect to distributions on the Reorganized Common Equity and New Convertible Preferred Equity.

(7) **FATCA**

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income (including dividends and interest, if any, on shares of Reorganized Common Equity). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

Withholding with respect to the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest has been eliminated under proposed Treasury Regulations, which can be relied on until final regulations become effective.

Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of these rules on such Non-U.S. Holder's ownership of the Claims or the Reorganized Common Equity.

(d) **Information Reporting and Withholding**

The Debtors, Reorganized Debtors, Distribution Agent and applicable withholding agents will be required to withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a holder of a Claim may be subject to backup withholding (at the then-current rate) with respect to distributions or payments made pursuant to the Plan or in connection with payments made on account of consideration received pursuant to the Plan unless that holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds. Holders of Claims subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE X

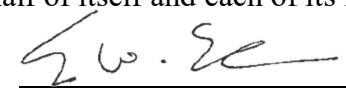
CONCLUSION AND RECOMMENDATION

The Debtors believe that Confirmation and Consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urge all Holders of Claims or Interests entitled to vote with respect to the Plan and to evidence such acceptance by returning their ballots so they will be received by the Solicitation Agent no later than 4:00 p.m. (prevailing Eastern Time) on August 4, 2022.

Dated: July 26, 2022

Respectfully submitted,

OSG Group Holdings, Inc.
on behalf of itself and each of its Debtor affiliates

By: 

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