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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

MULTI-COLOR CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 26-10910 (MBK)

(Joint Administration Requested)

¹ The last four digits of Debtor Multi-Color Corporation’s tax identification number are 5853. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/MCC>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 3284 Northside Parkway NW, Suite 400, Atlanta, Georgia 30327.



**DEBTORS' MOTION FOR ENTRY OF
INTERIM AND FINAL ORDERS (I) AUTHORIZING THE
DEBTORS TO (A) PAY PREPETITION WAGES, SALARIES, OTHER
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE
EMPLOYEE BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") state as follows in support of this motion (the "Motion"):²

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the "Interim Order" and "Final Order"): (a) authorizing, but not directing, the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses and (ii) continue the Employee Benefits Programs (as defined herein) in the ordinary course, including payment of certain prepetition obligations related thereto; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing approximately thirty (30) days after the commencement of these chapter 11 cases to consider entry of the Final Order approving the relief requested herein.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of New Jersey (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11*, entered July 23, 1984, and amended on June 6, 2025 (Bumb, C.J.). The Debtors confirm their consent to the Court entering a final order

² A detailed description of the Debtors, their business, and the facts and circumstances giving rise to the Debtors' chapter 11 cases is set forth in the *Declaration of Garrett Gabel, Chief Restructuring Officer of Multi-Color Corporation and Certain of Its Affiliates, in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "First Day Declaration"), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 362(d), 363(b), 363(c), 507(a), 541(b)(1), 541(d), 1107, and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2002-1, 9013-1, and 9013-5 of the Local Rules of the United States Bankruptcy Court for the District of New Jersey (the “Local Rules”).

Background

5. The Debtors, together with their non-Debtor affiliates (collectively, “MCC” or the “Company”) are a leading global provider of prime label solutions, supporting prominent brands across end categories, including food and beverage, wine and spirits, home and personal care, and healthcare, among others. Since its inception in 1916 as the Franklin Development Company, MCC has remained a consistent pioneer of label printing. Over the years, the Company has continuously added new print technologies—including pressure sensitive, cut and stack, roll-fed, in-mold, shrink sleeve, and radio frequency identification (RFID)—and innovations to its arsenal to provide customers with the right label solution coupled with value-additive service. Headquartered in Atlanta, Georgia, MCC currently employs approximately 12,800 employees and has exponentially grown its global footprint for over a century, with current operations in over 90 facilities across the globe.

6. On January 29, 2026 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have also filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to

Bankruptcy Rule 1015(b). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

The Employees and Temporary Staff

7. The Debtors' ability to operate is contingent on continuing to pay employee compensation and benefits in the ordinary course of business. As of the Petition Date, the Debtors employ approximately 4,870 individuals across the United States (the "U.S. Employees") and approximately 4,700 individuals outside of the United States (the "Non-U.S. Employees," and collectively with the U.S. Employees, the "Employees"). Approximately 3,640 of the Employees are employed full-time and approximately 5,930 Employees are employed part-time. The Non-U.S. Employees are Employees employed in Canada, Mexico, or South America (collectively, the "Americas Employees"), in Europe, the Middle East, and Africa (collectively, the "EMEA Employees"), and in Australia and New Zealand (collectively, the "ANZ Employees"). In addition, approximately 510 Employees are members of various labor unions in and outside of the United States (the "Unions," and such Employees, the "Union Employees").³

8. In addition to the Employees, the Debtors retain a variety of independent contractors and temporary staff (the "Temporary Staff") through various third-party staffing agencies to fulfill roles in areas including, but not limited to, administration, logistics, and human resources. As of the Petition Date, the Debtors contract with approximately fifteen Temporary Staff.

³ The Debtors are party to fifteen collective bargaining agreements with the Unions (as may be amended or otherwise modified from time to time, the "CBAs").

9. The Employees and the Temporary Staff (collectively, the “Workforce”) perform a wide variety of functions critical to the delivery of high-quality label solutions that are at the core of the Debtors’ business and, ultimately, the preservation of value of the Debtors’ estates. The Workforce includes personnel who are intimately familiar with the Debtors’ business, facilities, and systems and who cannot be easily replaced. Without the continued, uninterrupted services of the Workforce, the Debtors’ business operations will be materially impaired.

10. Further, the vast majority of the Workforce relies exclusively on their compensation and benefits, as applicable, to pay their daily living expenses. These workers will be exposed to significant financial hardship if the Debtors are not permitted to continue paying compensation and providing health and other benefits during these chapter 11 cases. Furthermore, the Debtors and their estates will also be harmed if the Debtors are unable to provide compensation and benefits to their Workforce consistent with past practice. The Workforce is the lifeblood of the Debtors’ business. Their skills, knowledge, and understanding of the Debtors’ operations and infrastructure are essential to preserving operational stability and efficiency. Simply put, without the continued, uninterrupted services of their Workforce, the Debtors’ business operations would suffer immediate and irreparable harm, and the Debtors’ restructuring efforts would be materially impaired. Consequently, the Debtors submit that the relief requested herein is necessary and appropriate under the facts and circumstances of these chapter 11 cases.

Compensation and Benefits

11. To minimize the personal hardship that the Workforce would suffer and the attrition that likely would follow if prepetition employment-related obligations remain unpaid during the administration of these chapter 11 cases, the Debtors seek authority, but not direction, to: (a) pay and honor certain prepetition claims relating to, among other things, wages, salaries, other compensation, federal, state, and local withholding taxes and other amounts withheld (including

garnishments and applicable shares of insurance premiums, retirement plan contributions, and taxes), reimbursable expenses, non-insider severance, non-insider employee bonus plans, the non-insider employee retention plan, health insurance, life insurance, short- and long-term disability coverage, workers' compensation benefits, paid time off, union benefits, and certain other benefits that the Debtors have historically provided to eligible individuals (collectively, the "Compensation and Benefits"),⁴ in each case in the ordinary course; and (b) continue to honor such obligations in the ordinary course on a postpetition basis, as applicable, in each case, on a case-by-case basis and in the Debtors' discretion, as applicable, on an interim and a final basis, as detailed herein and summarized in the chart below. In addition, the Debtors seek to pay all costs incident to the Compensation and Benefits.

12. Subject to the Court's approval, the Debtors intend to continue the prepetition Compensation and Benefits programs in the ordinary course on a postpetition basis. Recognizing that certain of the Compensation and Benefits are mandated by applicable law, out of an abundance of caution, the Debtors further request confirmation of their authority to modify, change, or discontinue any of their Compensation and Benefits and to implement new programs, policies, and benefits in the ordinary course during these chapter 11 cases in the Debtors' sole discretion without the need for further Court approval, subject to applicable law.

⁴ The descriptions of the Compensation and Benefits set forth in this Motion constitute a summary only. The actual terms of the agreements, contracts, plans, programs, policies, and manuals governing the Compensation and Benefits will govern in the event of any inconsistency with the description in this Motion. The Debtors request authority to honor obligations related to Compensation and Benefits in the ordinary course of business consistent with prepetition practices, regardless of whether the Debtors inadvertently failed to include a particular benefit or aspect of compensation in the defined term "Compensation and Benefits." Any such omitted benefit or aspect of compensation is hereby included in the defined terms "Compensation and Benefits" as used herein and in the Interim and Final Orders.

13. As set forth below, the Debtors seek authority, but not direction, to make the following payments related to prepetition amounts owed on account of the Compensation and Benefits:

RELIEF SOUGHT	ESTIMATED INTERIM AMOUNT	ESTIMATED FINAL AMOUNT ⁵
Compensation, Withholding, and Related Obligations		
Unpaid Employee Compensation	\$16,400,000	\$16,400,000
Unpaid Temporary Staff Compensation	\$3,000,000	\$3,000,000
Payroll Deductions and Payroll Taxes	\$10,600,000	\$10,600,000
Unpaid Reimbursable Expenses	\$725,000	\$725,000
Unpaid Non-Insider Severance	\$140,000	\$1,600,000
Non-Employee Director Compensation	\$0	\$0
Incentive and Retention Programs		
Employee Bonus Programs (Final Order Only)	\$0	\$0
Non-Insider Retention Program (Final Order Only)	\$0	\$0
Employee Benefits Programs		
Health Benefit Plans	\$5,520,000	\$5,520,000
Life Insurance, Disability Benefits, and Additional Benefits Programs	\$680,000	\$680,000
Workers' Compensation Programs	\$160,000	\$1,020,000
Retirement Plans	\$2,330,000	\$2,330,000
Accrued PTO	\$0	\$9,100,000
Unpaid Administrator Fees	\$1,900,000	\$1,900,000
Unpaid Payroll Fees	\$200,000	\$1,500,000
TOTAL	\$41,655,000	\$54,375,000

14. As of the Petition Date, the Debtors estimate that approximately \$54.4 million on account of the Compensation and Benefits is accrued and unpaid, approximately \$41.7 million of which will come due between entry of the Interim Order and the Final Order (the “Interim Period”). With the exception of (a) Accrued PTO (as defined herein) for certain Employees, which the Debtors would owe in the ordinary course upon any such Employee’s departure and (b) Severance (as defined herein), to which 26 non-Insider (as such term is defined in

⁵ The final amount is inclusive of the interim amount.

section 101(31) of the Bankruptcy Code) former Employees are entitled, the Debtors do not believe that amounts owed to any Employees or Temporary Staff on account of the Compensation and Benefits exceed the \$17,150 statutory cap under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the “Priority Cap”). With respect to Accrued PTO, pursuant to the Interim Order the Debtors only seek authority to pay amounts owing in excess of the Priority Cap during the Interim Period if a departing Employee resides in a jurisdiction that requires the Debtors to pay out such Employee’s Accrued PTO in accordance with applicable state law. With respect to Severance, the Debtors only seek authority to pay amounts owing to the non-Insider Employees in excess of the Priority Cap pursuant to the Final Order. For the avoidance of doubt, in the event that it is determined that payment of certain prepetition amounts owed on account of other Compensation and Benefits are in excess of the Priority Cap, the Debtors only seek authority to pay such amounts pursuant to the Final Order.

I. Compensation, Withholding, and Related Obligations.

15. In the ordinary course of business, the Debtors incur obligations with respect to their Workforce on account of compensation, payroll taxes, various deductions, reimbursable expenses, non-insider severance, and non-employee director compensation (collectively, the “Compensation Obligations”).

16. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$58.8 million per month on account of the Compensation Obligations. As of the Petition Date, the Debtors estimate that they owe approximately \$32.3 million on account of accrued but unpaid Compensation Obligations, approximately \$30.9 million of which is expected to come due during the Interim Period. The Debtors request the authority, but not direction, to pay the accrued but unpaid Compensation Obligations and to continue paying the

Compensation Obligations in the ordinary course on a postpetition basis consistent with past practice.

A. Unpaid Employee Compensation.

17. The Debtors incur obligations to their Employees for, among other things, wages, salaries, overtime, and other obligations described herein (collectively, excluding reimbursable expenses and paid leave, the “Employee Compensation”). The Debtors pay approximately 5,930 of the Employees on an hourly basis and approximately 3,640 of the Employees on a salaried basis.⁶ The Union Employees are paid pursuant to wage schedules set forth in the CBAs. The Debtors pay their Employees on a weekly, biweekly, or monthly pay cycle, depending on the Employee’s country of employment and whether they are Union Employees, by direct deposit through electronic transfer of funds to the Employees’ bank accounts or the issuance of paper checks. Because Employees are generally paid in arrears, certain Employees will be owed accrued but unpaid Employee Compensation as of the Petition Date. Employee Compensation may also be due and owing as of the Petition Date due to, among other things, pay discrepancies that, upon resolution, may reveal that additional amounts are owed to certain Employees or former Employees (collectively, the “Unpaid Employee Compensation”).

18. Failure to pay the Unpaid Employee Compensation will result in financial hardship for the Employees and risk widespread departures at all levels of the Debtors’ corporate structure. In light of the substantial benefit the Employees will continue to provide to the Debtors’ estates and the costs attendant to filling sudden vacancies, the Debtors hope to avoid imposing such a hardship on their Employees.

⁶ Salaried Employees include certain Employees who are paid through a base salary in addition to hours-based compensation components.

19. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid Employees approximately \$34.0 million per month on account of Employee Compensation. As of the Petition Date, the Debtors estimate that they owe approximately \$16.4 million on account of Unpaid Employee Compensation, all of which is currently owing or is expected to come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay the Unpaid Employee Compensation and to continue paying the Employee Compensation in the ordinary course on a postpetition basis consistent with past practice.

B. Unpaid Temporary Staff Compensation.

20. In the ordinary course of business, the Debtors engage and make payments to the Temporary Staff (the “Temporary Staff Compensation”) indirectly through the agencies that staff such individuals (such agencies, the “Staffing Agencies”) or directly to the Temporary Staff for services rendered. The Debtors pay the Staffing Agencies on a monthly or bi-monthly basis by ACH payments or wire transfers. The Debtors pay the remaining Temporary Staff on a biweekly or monthly basis by direct deposit. Maintaining the authority to continue paying the Temporary Staff is critical to the continued operation of the Debtors’ business and administering the Debtors’ estates.

21. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$2.4 million per month in Temporary Staff Compensation. As of the Petition Date, the Debtors estimate that they owe approximately \$3.0 million in unpaid Temporary Staff Compensation (the “Unpaid Temporary Staff Compensation”), all of which is currently owing or is expected to come due during the Interim Period. Accordingly, the Debtors request authority, but not direction, to pay the Unpaid Temporary Staff Compensation and to continue paying the Temporary Staff Compensation in the ordinary course on a postpetition basis consistent with past practice.

C. Withholding and Deduction Obligations.

22. In the ordinary course of business, the Debtors incur obligations on account of Payroll Deductions and Payroll Taxes (each as defined below and collectively, the “Withholding and Deduction Obligations”). On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$22.0 million per month on account of the Withholding and Deduction Obligations. As of the Petition Date, the Debtors estimate that they have withheld or accrued, as applicable, approximately \$10.6 million on account of the Withholding and Deduction Obligations, all of which the Debtors must remit to the appropriate third parties during the Interim Period. Accordingly, the Debtors request that the Court authorize the Debtors to continue honoring the Withholding and Deduction Obligations and to pay any prepetition claims with respect thereto in the ordinary course of business on a postpetition basis and consistent with past practice.

1. Payroll Deductions.

23. In the ordinary course of business, during each applicable payroll period, the Debtors routinely deduct certain amounts from Employees’ paychecks. Such deductions may include garnishments, child support, and similar deductions, as well as other pre-tax and after-tax deductions payable pursuant to certain employee benefit plans discussed herein, such as an Employee’s share of healthcare benefits and insurance premiums, 401(k), HSA, and FSA contributions, and, with regard to the Union Employees, deductions under the CBA for union dues or other benefits, among others (collectively, the “Payroll Deductions”). With the exception of the Employees’ share of obligations under the Health Benefit Plans, which the Debtors self-fund, the Debtors remit such Payroll Deductions to various third parties.

24. On average, in the twelve months immediately preceding the Petition Date, the Debtors remitted approximately \$8.0 million per month in Payroll Deductions. As of the Petition Date, the Debtors estimate that they have deducted, but not yet remitted, approximately \$3.6 million, all of which is expected to be remitted during the Interim Period. Accordingly, the Debtors request the authority to remit the Payroll Deductions the Debtors are holding and to continue the Payroll Deductions in the ordinary course on a postpetition basis consistent with past practice.

2. Payroll Taxes.

25. In addition to the Payroll Deductions, certain federal and state laws in the United States and laws in non-U.S. jurisdictions where the Debtors have Employees require that the Debtors withhold certain amounts from Employees' gross pay related to, among other things, federal, state, and local income taxes, as well as Social Security and Medicare taxes (collectively, the "Employee Payroll Taxes") for remittance to the appropriate federal, state, or local taxing authorities, as applicable. The Debtors must then match the Employee Payroll Taxes from their own funds and pay, based upon a percentage of gross payroll, additional amounts for, among other things, federal and state unemployment insurance and short-term disability insurance (the "Employer Payroll Taxes," and together with the Employee Payroll Taxes, the "Payroll Taxes"). The Payroll Taxes are generally processed and forwarded to the appropriate federal, state, and local taxing authorities in accordance with each authority's guidelines, rules, schedules, or regulations, as applicable. On average, in the twelve months immediately preceding the Petition Date, the Debtors remitted approximately \$14.0 million per month in Payroll Taxes. As of the Petition Date, the Debtors believe they have incurred approximately \$7.0 million on account of Payroll Taxes, all of which is due to be remitted or paid, as applicable, to the appropriate third

party during the Interim Period. The Debtors request authority to pay all outstanding prepetition amounts incurred on account of the Payroll Taxes and to continue to make all payments as they become due and payable on a postpetition basis in the ordinary course of business.

26. As described further herein, and with the exception of the Employer Payroll Taxes, any amounts held by the Debtors on account of the Withholding and Deduction Obligations are held in trust by the Debtors and are not property of the Debtors' estates. The Debtors do not believe they need authorization to remit such payments to the appropriate third parties. Out of an abundance of caution, however, the Debtors seek authority, but not direction, to remit any Withholding and Deduction Obligations the Debtors are holding to the appropriate third parties and to continue deducting or incurring, as applicable, and remitting the Withholding and Deduction Obligations in the ordinary course on a postpetition basis consistent with past practice.

D. Reimbursable Expenses.

27. Prior to the Petition Date and in the ordinary course of business, the Debtors reimburse Employees for approved expenses the Employees incur with their personal funds on behalf of the Debtors in connection with the performance of their assigned duties (the "Reimbursable Expenses").⁷ The Reimbursable Expenses include, among other expenses, out-of-pocket expenses associated with transportation, lodging, and meals incurred in connection with business travel and certain other work-related expenses. Employees who incur Reimbursable Expenses apply for reimbursement of such expenses by submitting expense reports with itemized

⁷ For the avoidance of doubt, the Debtors also provide certain Employees with credit cards to cover travel and related expenses. However, the Debtors do not seek authority to maintain the credit cards or to pay prepetition amounts related thereto pursuant to this Motion, but rather request such authority pursuant to the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Using the Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Debtor Bank Accounts, Business Forms, and Books and Records, and (D) Continue Intercompany Transactions and (II) Granting Related Relief* filed contemporaneously herewith.

receipts of all costs incurred. Once the Debtors have determined that the charges are for allowable reimbursable business expenses, the Debtors reimburse such Employees for the expenses.

28. Although the Debtors ask that Employees promptly submit reimbursement requests, submission delays occasionally occur, and Employees may submit reimbursement requests for prepetition expenses after the Petition Date. Employees incurred the Reimbursable Expenses as business expenses on the Debtors' behalf and with the understanding that such expenses would be reimbursed fully. The Debtors' inability to reimburse such expenses would impose significant financial hardship on such individuals where the obligations were incurred for the Debtors' benefit.

29. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$150,000 per month in Reimbursable Expenses. As of the Petition Date, the Debtors estimate that approximately \$725,000 of Reimbursable Expenses is awaiting approval, which includes the Debtors' estimate of any Reimbursable Expenses incurred prepetition but not yet submitted for processing, all of which is expected to come due during the Interim Period (the "Unpaid Reimbursable Expenses"). Accordingly, the Debtors request the authority, but not direction, to pay the Unpaid Reimbursable Expenses and to continue paying the Reimbursable Expenses in the ordinary course on a postpetition basis consistent with past practice.

E. Non-Insider Severance Program.

30. In the ordinary course of business, the Debtors provide discretionary severance benefits to certain former non-Insider (as such term is defined in section 101(31) of the Bankruptcy Code) Employees in the event of a termination by the Debtors that is not for "cause" (the "Severance," and the program connected thereto, the "Non-Insider Severance Program"). Under the Non-Insider Severance Program, non-Insider Employees receive Severance upon a qualifying termination and the execution of a separation, waiver, and release in favor of the

Debtors. Employees are not eligible for the payment of Severance if their employment was terminated for cause, performance, or refusal to be reassigned. Severance payments are made to former non-Insider Employees on a biweekly basis. The total amount of Severance for each non-Insider Employee is determined by a combination of the non-Insider Employee's salary, position, and duration of employment by the Debtors. The amount of Severance outstanding that is owed to each non-Insider Employee ranges from approximately \$5,000 to \$200,000. Continuing to offer the Non-Insider Severance Program is critical to maintaining Employee morale and loyalty. Failure to maintain the Non-Insider Severance Program will result in increased instability in the Debtors' workforce, which will undermine the Debtors' ability to attract and retain Employees, strengthen their financial and operational foundation, generate growth, and position themselves for long-term success.

31. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$230,000 per month on account of the Non-Insider Severance Program. As of the Petition Date, the Debtors estimate that there is approximately \$1.6 million of accrued but unpaid amounts owed on account of the Non-Insider Severance Program (the "Unpaid Severance"), approximately \$140,000 of which the Debtors request to pay during the Interim Period. Of the Unpaid Severance, the Debtors request authority, but not direction, to pay up to the Priority Cap only pursuant to the Interim Order and above the Priority Cap only pursuant to the Final Order for the non-Insider former Employees currently receiving Severance. The Debtors also request authority, but not direction, to continue paying Severance arising postpetition for all eligible non-Insider Employees in the ordinary course on a postpetition basis consistent with past practice. For the avoidance of doubt, the relief sought with respect to the Non-Insider Severance Program does not include payment of any obligations to any Insider.

F. Non-Employee Director Compensation.

32. As of the Petition Date, the Debtors have two operative boards of directors, one for LABL, Inc. and one for Labels Buyer, LLC (collectively, the “Boards”). Each of the Boards includes multiple non-Employee individuals who serve as directors (the “Non-Employee Directors”), with two independent and disinterested Non-Employee Directors on the Board of LABL, Inc. (the “Disinterested Directors”) and eight Non-Employee Directors on the Board of Labels Buyer, LLC. The Disinterested Directors receive cash payments payable quarterly in advance, reimbursement of reasonable out-of-pocket expenses incurred in connection with their board service, and a per diem fee on days on which they work over four hours on meetings or activities outside the scope of normal board activities (collectively, the “Disinterested Director Fees”). The other Non-Employee Directors receive an average annual fee, which is paid on a quarterly basis (the “Director Fees,” and together with the Disinterested Director Fees, the “Non-Employee Director Compensation”).

33. As of the Petition Date, the Debtors do not believe that there are any amounts due on account of Non-Employee Director Compensation. Out of an abundance of caution, however, the Debtors seek authority, but not direction, to pay prepetition amounts, if any, on account of the Non-Employee Director Compensation and to continue the Non-Employee Director Compensation in the ordinary course on a postpetition basis consistent with past practice. For the avoidance of doubt, the Debtors will only pay any Non-Employee Director Compensation in an amount up to the Priority Cap during the Interim Period, and the balance after entry of the Final Order.

II. Employee Incentive and Retention Programs.

34. The Debtors maintain several incentive and retention programs to motivate, reward, and retain certain of their Employees.

A. Non-Insider Employee Bonus Programs (Final Order Only).

35. In the ordinary course of business, the Debtors maintain incentive or bonus programs to drive performance among their Employees, including, but not limited to, (a) a non-Insider management incentive plan (the “MIP”) and (b) a sales incentive program (the “Sales Incentive Program”) and, collectively with the MIP and any other incentive or bonus program, the “Non-Insider Employee Bonus Programs”). The Debtors generally offer incentive payments or bonuses to Employees, in addition to their base salary wages, depending on the Employee’s specific employment characterization and based on myriad factors including, but not limited to, the particular Employee’s performance, the Company’s performance, and other identified goals.

36. In particular, awards under the MIP are based on Company and business unit level financial metrics as well as certain individual performance thresholds. Eligibility for the MIP varies given that Employees have entered participation in the MIP at different points in the Company’s history. The total amount of payments pursuant to the MIP (the “MIP Payments”) for each eligible Employee is a target percentage of the applicable Employee’s salary based on such Employee’s job title and other individual metrics. The MIP Payments are generally paid annually in the first half of the year, and the most recent MIP Payments were made in 2025 with respect to the 2024 performance year in the amount of approximately \$600,000 in the aggregate.

37. Additionally, the Sales Incentive Program is administered at the regional level, with a largely consistent framework across regions. The Sales Incentive Program awards generally include: (a) a bonus component with payouts determined relative to (i) a target bonus amount, expressed as a percentage of the applicable Employee’s base salary and (ii) the applicable Employee’s revenue and contribution dollar performance as measured against predefined performance goals; and (b) an additional commission component with payouts determined relative to the applicable Employee’s revenue performance over and above that which was already awarded

under the bonus component. Eligibility for the Sales Incentive Program is determined by the Company's leadership team on an annual basis and is generally limited to full-time Employees with specific job titles who are employed at the time of payment. Payments under the Sales Incentive Program (the "SIP Payments," and together with the MIP Payments, the "Non-Insider Employee Bonus Payments") are paid as follows: (a) to eligible EMEA Employees and eligible ANZ Employees on an annual basis, typically in February or March; and (b) to eligible U.S. Employees and Americas Employees (i) on a quarterly basis for the revenue and commission-based payments, subject to a partial hold-back, and (ii) at the fiscal year end for the overall business contribution and held back revenue and commission-based portions, typically in February or March. In 2025, the Debtors paid approximately \$1,600,000 to eligible Employees in connection with SIP Payments.

38. The Debtors believe that they do not currently have any outstanding prepetition obligations to Employees on account of the Non-Insider Employee Bonus Programs. Out of an abundance of caution, however, the Debtors seek authority, but not direction—and only pursuant to the Final Order—to satisfy any prepetition Non-Insider Employee Bonus Payments that become due during the pendency of these chapter 11 cases. The Debtors also seek authority to continue the Non-Insider Employee Bonus Programs in the ordinary course on a postpetition basis consistent with past practice. For the avoidance of doubt, the relief sought with respect to the Non-Insider Employee Bonus Programs does not include payment of any obligations to any Insider.

B. Non-Insider Retention Program (Final Order Only).

39. In light of the need to retain key members of the Workforce, the Debtors, in consultation with their advisors, developed and implemented a retention program for 420 eligible non-Insider Employees (the "Non-Insider Retention Program") who work in various departments

across the Debtors' business in an effort to retain their valuable Employees. To be eligible for the Non-Insider Retention Program, Employees must be critical to the Debtors' operations, as determined by senior management, and must be employed by the Company at the time the payment under the Non-Insider Retention Program is made. The Non-Insider Retention Program is generally based on a standard set of criteria, such as the non-Insider Employee's responsibilities, skillset, expertise, and performance. Payments under the Non-Insider Retention Program are not earned until the date they are set to be paid out, which is currently expected to be in March 2026. Payments under the Non-Insider Retention Program are sized to provide applicable Employees with target amounts based on historical annual bonuses and the aggregate cost of the Non-Insider Retention Program is aligned with the Debtors' budget for 2026.

40. The Non-Insider Retention Program is another imperative and necessary motivational tool for the Debtors' Employees. The Debtors believe that the Non-Insider Retention Program is crucial to maintaining loyalty and avoiding the disruption that would result if certain key non-Insider Employees were to leave their positions, especially during the pendency of these chapter 11 cases. The Non-Insider Retention Program is therefore meant to prevent Employee attrition and provide a further retention incentive apart from ordinary bonus payments.

41. As of the Petition Date, the Debtors do not believe that there are any prepetition amounts outstanding on account of the Non-Insider Retention Program. Out of an abundance of caution, the Debtors seek authority, but not direction—and only pursuant to the Final Order—to pay prepetition amounts, if any, on account of the Non-Insider Retention Program and to continue the Non-Insider Retention Program in the ordinary course on a postpetition basis consistent with past practice. For the avoidance of doubt, the relief sought with respect to the Non-Insider Retention Program does not include payment of any obligations to any Insider.

III. Employee Benefits Programs.⁸

42. The Debtors offer their Employees the opportunity to participate in a number of insurance and benefits programs, including medical, dental, and vision plans, life insurance, accidental death and dismemberment insurance, disability benefits, workers' compensation, retirement plans, health savings accounts, flexible spending accounts, paid time off, and other employee benefit plans (collectively, the "Employee Benefits Programs"). The Employee Benefits Programs are available to U.S. Employees who work at least 30 hours per week (the "Eligible U.S. Employees"). For all Non-U.S. Employees, the Employee Benefits Programs are available based on varying criteria set forth in the applicable jurisdiction. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$9.7 million per month on account of the Employee Benefits Programs, in addition to approximately \$2.3 million per month in related Administrator Fees and Payroll Fees. As of the Petition Date, the Debtors estimate they owe approximately \$22.1 million on account of accrued but unpaid obligations under the Employee Benefits Programs, Unpaid Administrator Fees, and Unpaid Payroll Fees,⁹ approximately \$10.8 million of which is currently payable or will become payable during the Interim Period.

43. As described below, failure to continue the Employee Benefits Programs could cause the Debtors' Employees to experience severe hardship. In light of the substantial contributions the Employees have made and will continue to make to the Debtors' estates, the Debtors wish to avoid imposing such a hardship. Accordingly, the Debtors seek authority, but not

⁸ As described below, the Employee Benefits Programs available to specific Employees will depend on their country of employment and whether they are Union Employees.

⁹ This amount includes accrued balances for accumulated paid time off, open workers' compensation claims, and estimated incurred-but-not-reported medical and workers' compensation claims.

direction, to pay prepetition amounts outstanding on account of the Employee Benefits Programs and to continue to administer the Employee Benefits Programs in the ordinary course on a postpetition basis consistent with past practice. The Employee Benefits Programs are described in greater detail below.

A. Health Benefit Plans.

44. The Debtors offer a comprehensive health and welfare benefits package to their Employees across the globe (collectively, the “Health Benefit Plans”). Though the specific offerings vary by country, the available health and welfare benefits include, among other things: (a) medical insurance and prescription medication coverage; (b) dental insurance; (c) vision insurance; (d) health savings accounts and flexible spending account programs; and (e) the COBRA Benefits (as defined herein).

45. The Debtors offer their Employees the opportunity to participate in a number of the Health Benefit Plans depending on their country of employment. In the twelve months immediately preceding the Petition Date, the Debtors incurred an average of approximately \$6.1 million per month on account of the Health Benefit Plans. As of the Petition Date, the Debtors estimate that they owe approximately \$5.5 million in the aggregate on account of the Health Benefit Plans, all of which is or will come due during the Interim Period.

1. Health Insurance, Dental, and Vision Plans.

46. *U.S. Health Insurance, Dental, and Vision Plans.* The Debtors offer medical insurance plans to U.S. Employees through three different providers, all of which offer in-network and out-of-network benefits with all services, except preventive care, subject to a deductible (collectively, the “U.S. Health Insurance Plans”). U.S. Employees in California purchase medical insurance coverage through Kaiser Foundation Health Plan, Inc., while U.S. Employees who are a member of the Rochester union purchase medical insurance coverage through MVP Health Plan,

Inc. All other U.S. Employees purchase medical insurance coverage through Anthem Insurance Companies, Inc. (“Anthem”). With respect to dental insurance, participants’ plan options depend on the state they work in and whether they are a Union Employee (collectively, the “U.S. Dental Plans”). U.S. Employees who are a member of the Rochester union purchase dental insurance coverage through the Guardian Life Insurance Company of America, while all other U.S. Employees purchase dental insurance coverage through the Delta Dental Plans Association. Additionally, the Debtors offer vision insurance, which varies based on the state the Employee works in and whether they are a Union Employee (the “U.S. Vision Plan,” and together with the U.S. Dental Plans and the U.S. Health Insurance Plans, the “U.S. Medical Plans”). Union Employees in Rochester purchase vision insurance coverage through Vision Service Plan. All other U.S. Employees purchase vision insurance coverage through Anthem.

47. For each of the U.S. Medical Plans, U.S. Employees select their coverage option, or waive coverage, during the Debtors’ open enrollment period. The Debtors self-fund the U.S. Medical Plans, and U.S. Employees pay premiums through regular Payroll Deductions. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$4.5 million per month on account of the U.S. Medical Plans. As of the Petition Date, the Debtors estimate that they owe approximately \$4.0 million on account of the U.S. Medical Plans,¹⁰ all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the U.S. Medical Plans and to continue paying amounts owed on account of the U.S. Medical Plans in the ordinary course on a postpetition basis consistent with past practice.

¹⁰ This estimate reflects amounts estimated to be paid out in claims (including incurred but not reported claims) under the U.S. Medical Plans.

48. *Americas Health Insurance, Dental, and Vision Plans.* The Debtors offer medical insurance plans to Americas Employees through multiple different providers, which vary by country (collectively, the “Americas Health Insurance Plans”). The Americas Health Insurance Plans providers vary by region and include: (i) the Canadian Association of Blue Cross Plans in Montreal, Canada, (ii) ManuLife Financial Corporation (“ManuLife”) in Leamington, Canada, and (iii) MetLife Mexico, S.A. De C.V. (“MetLife”) in all Mexico locations. With respect to dental insurance, participants’ plan options and providers also depend on the jurisdiction they work in (collectively, the “Americas Dental Plans”). The Americas Dental Plan providers include: (i) Medavie Inc. (“Medavie”) in Montreal, Canada, (ii) ManuLife in Leamington, Canada, and (iii) MetLife in all Mexico locations. The Debtors also offer their Americas Employees vision insurance, which similarly vary based on the Americas Employee’s jurisdiction (the “Americas Vision Plan,” and together with the Americas Dental Plans and the Americas Health Insurance Plans, the “Americas Medical Plans”). The Americas Vision Plan providers include: (i) Blue Cross Life Insurance Company in Montreal, Canada, (ii) ManuLife in Leamington, Canada, and (iii) MetLife in all Mexico locations.

49. For each of the Americas Medical Plans, Americas Employees select their coverage option, or waive coverage, during the Debtors’ open enrollment period. The Debtors are fully insured with respect to the Americas Medical Plans, and Americas Employees pay premiums through regular Payroll Deductions. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$360,000 per month on account of the Americas Medical Plans. As of the Petition Date, the Debtors estimate that they owe approximately

\$300,000 on account of the Americas Medical Plans,¹¹ all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the Americas Medical Plans and to continue paying amounts owed on account of the Americas Medical Plans in the ordinary course on a postpetition basis consistent with past practice.

50. ***EMEA Health Insurance Plans.*** The Debtors offer bundled medical, dental, and vision insurance plans to EMEA Employees through seven different providers, which vary by country (collectively, the “EMEA Health Insurance Plans”). The EMEA Health Insurance Plans providers vary by region and include: (i) Medcover Sp. Z o.o. in Poznan, Poland, (ii) Irish Life Health dac in Drogheda, Ireland, (iii) Bupa Insurance Limited in Cwmbran, Wales, Glasgow, United Kingdom, and Daventry, United Kingdom, (iv) Aviva plc in Cardiff, Wales, (v) AXA S.A. in France, (vi) DKV Belgium S.A. in Belgium, and (vii) Allianz SE in Germany. EMEA Employees select their coverage option, or waive coverage, during the Debtors’ open enrollment period. The Debtors are fully insured with respect to the EMEA Health Insurance Plans, and EMEA Employees pay premiums through regular Payroll Deductions.

51. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$200,000 per month on account of the EMEA Health Insurance Plan. As of the Petition Date, the Debtors estimate that they owe approximately \$170,000 on account of the EMEA Health Insurance Plans,¹² all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on

¹¹ This estimate reflects amounts estimated to be paid out in claims (including incurred but not reported claims) under the Americas Medical Plans.

¹² This estimate reflects amounts estimated to be paid out in claims (including incurred but not reported claims) under the EMEA Health Insurance Plans.

account of the EMEA Health Insurance Plans and to continue paying amounts owed on account of the EMEA Health Insurance Plans in the ordinary course on a postpetition basis consistent with past practice.

52. ***ANZ Health Insurance Plan.*** The Debtors offer a bundled medical, dental, and vision insurance plan to certain ANZ Employees through Bupa Insurance Limited (the “ANZ Health Insurance Plan”). ANZ Employees select their coverage option, or waive coverage, during the Debtors’ open enrollment period. The Debtors are fully insured with respect to the ANZ Health Insurance Plan, and ANZ Employees pay premiums through regular Payroll Deductions. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$40,000 per month on account of the ANZ Health Insurance Plan. As of the Petition Date, the Debtors estimate that they owe approximately \$40,000 on account of the ANZ Health Insurance Plan,¹³ all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the ANZ Health Insurance Plan and to continue paying amounts owed on account of the ANZ Health Insurance Plan in the ordinary course on a postpetition basis consistent with past practice.

2. Prescription Plan.

53. The Debtors offer prescription benefits to U.S. Employees through a program (the “Prescription Plan”) administered by Express Scripts Holding Company. Under the Prescription Plan, participating pharmacies contract with the Debtors to charge U.S. Employees reduced fees for covered prescription drugs at levels determined by the type of drug as well as the

¹³ This estimate reflects amounts estimated to be paid out in claims (including incurred but not reported claims) under the EMEA Health Insurance Plans.

applicable U.S. Employee's U.S. Medical Plan. The Debtors do not offer prescription plans outside of the United States to the Non-U.S. Employees.

54. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$1.0 million per month on account of the Prescription Plan. As of the Petition Date, the Debtors estimate that they owe approximately \$900,000 on account of the Prescription Plan, all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the Prescription Plan and to continue paying amounts owed on account of the Prescription Plan in the ordinary course on a postpetition basis consistent with past practice.

3. Flexible Spending Accounts and Health Savings Accounts.

55. The Debtors provide U.S. Employees with the opportunity to contribute to a health care flexible spending account administered by Wex Inc. ("Wex") or Benefits Resource Inc. ("Benefits Resource," and the relevant account in connection therewith, the "Health Care FSA")¹⁴ and a dependent care flexible spending account (the "Dependent Care FSA," and together with the Health Care FSA, the "FSAs") and a health savings account administered by Fidelity Investments (the "HSA"). The FSAs and the HSA allow U.S. Employees to voluntarily set aside pre-tax funds to pay for eligible health and welfare expenses. The HSA is only available to U.S. Employees enrolled in one of the high-deductible health plans; conversely, the Health Care FSA is available to all U.S. Employees regardless of which U.S. Health Benefits Plan they are enrolled in, if any. U.S. Employees enrolled in an HSA are not also permitted to enroll in a Health Care FSA and instead may enroll in a limited purpose flexible spending account specifically for eligible dental

¹⁴ The Debtors offer Health Care FSAs through Benefits Resource to Union Employees in Rochester and through Wex to all other U.S. Employees.

and vision expenses. The Debtors do not offer HSAs or FSAs to Non-U.S. Employees outside of the United States.

56. For the 2025 calendar year, U.S. Employees were able to contribute up to \$5,000 for the FSAs¹⁵ and up to \$8,550 for the HSAs, depending on a U.S. Employee's familial status,¹⁶ and immediately draw on contributions to pay for eligible health care and child and dependent care expenses. U.S. Employee contributions to the FSAs and HSAs are pro-rated per pay period, and the Debtors automatically remit U.S. Employee contributions via Payroll Deductions. In addition, for each U.S. Employee enrolled in an HSA, the Debtors contribute to such U.S. Employee's HSA per calendar year, with contributions ranging from \$300 per year to \$6,467 per year, depending on the Employee's U.S. Health Insurance Plan, whether such Employee is a Union Employee, and whether such Employee elects coverage for their dependents (the "Debtor HSA Contributions"). As of the Petition Date, the Debtors estimate that approximately \$110,000 in Debtor HSA Contributions is owing, all of which will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to make the outstanding Debtor HSA Contributions and to continue making the Debtor HSA Contributions in the ordinary course on a postpetition basis consistent with past practice.

4. COBRA.

57. Pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), former U.S. Employees of the Debtors (the "COBRA Participants") may continue

¹⁵ 2025 contribution limits for the Health Care FSA are \$3,300 and for the Dependent Care FSA are \$2,500 or \$5,000, depending on the U.S. Employee's marital and tax filing status. 2026 contribution limits are \$3,400 for the Health Care FSA and \$3,750 or \$7,500 for the Dependent Care FSA, depending on the U.S. Employee's marital and tax filing status.

¹⁶ 2025 contribution limits for the HSAs were \$4,300 for self-coverage and \$8,550 for family coverage. 2026 contribution limits are \$4,400 and \$8,750, respectively.

coverage under the U.S. Health Benefit Plans (the “COBRA Benefits”). Non-U.S. Employees are not covered by any program similar to COBRA. COBRA Participants are entitled by law to continue to receive COBRA Benefits for up to eighteen months, and in some instances up to 36 months, following termination of employment. The COBRA Benefits are administered through Wex. COBRA Participants are responsible for paying all premium costs associated with the COBRA Benefits except with respect to those COBRA Participants who are eligible for Company-paid COBRA Benefits as previously negotiated in such COBRA Participants’ employment and/or separation agreements. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$2,000 per month to Wex to administer the COBRA Benefits.¹⁷ The Debtors request authorization to (a) pay any prepetition amounts outstanding on account of any fees owed to Wex to administer the COBRA Benefits, (b) continue to offer the COBRA Benefits, including to those U.S. Employees who may be terminated after the Petition Date, and honor all obligations related thereto in the ordinary course on a postpetition basis consistent with past practice, and (c) continue to pay fees related to the COBRA Benefits on a postpetition basis in the ordinary course of business and consistent with past practice.

B. Life Insurance, Disability Benefits, and Additional Benefits Programs.

58. The Debtors also offer Employees life insurance, disability benefits, and other additional benefits described further below.

¹⁷ The prepetition amounts due and owing as of the Petition Date with respect to the COBRA Benefits are included in the total for the Unpaid Administrator Fees described below.

1. Life and AD&D Insurance.

59. The Debtors provide life insurance (the “Basic Life Insurance”) and accidental death and dismemberment insurance (the “Basic AD&D Insurance,” and together with the Basic Life Insurance, the “Basic Life and AD&D Insurance”) to eligible Employees through various providers depending on the Employee’s country of employment, including: (i) Sun Life Assurance Company of Canada (“Sun Life”) and Cigna Healthcare in the U.S., (ii) Medavie and ManuLife in the Americas, and (iii) PZU S.A., Zurich Insurance Plc, Lourmel Solutions Assurances S.A. (“Lourmel”), Mutex S.A., Unum Limited, and MetLife UK Limited in the EMEA. The Debtors do not offer similar insurance to the ANZ Employees. In the event of an Employee’s death, the Basic Life Insurance provides for coverage of 100% of covered annual earnings up to a maximum of \$1,000,000. In the event of an Employee’s death or other injury resulting from a covered accident, the Basic AD&D Insurance pays 100% of the covered amount under the Basic Life Insurance for loss of life and a lesser percentage for other injuries. The Debtors automatically enroll Employees in Basic Life and AD&D Insurance at no cost to the Employees, and many Employees’ long-term planning consists solely of the benefits under the Basic Life and AD&D Insurance.

60. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$100,000 per month on account of the Basic Life and AD&D Insurance. As of the Petition Date, the Debtors estimate that they owe approximately \$100,000 on account of the Basic Life and AD&D Insurance, all of which is currently payable or will become payable during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the Basic Life and AD&D Insurance and to

continue paying amounts owed on account of the Basic Life and AD&D Insurance in the ordinary course on a postpetition basis consistent with past practice.

61. In addition, U.S. Employees who wish to supplement the Basic Life and AD&D Insurance can purchase additional life and accidental death and dismemberment insurance (the “Supplemental Life and AD&D Insurance”) covering themselves and their spouses and dependents through Sun Life. The Supplemental Life and AD&D Insurance is funded by participating U.S. Employees through after-tax Payroll Deductions but administered by the Debtors.

2. Disability Benefits.

62. The Debtors offer disability benefits to their Employees across the globe (collectively, the “Disability Plans”), with the exception of the ANZ Employees, to whom the Debtors do not offer similar benefits. The Disability Plans are administered by various entities depending on the Employee’s work location.

63. ***U.S. Disability Benefits.*** The Debtors automatically enroll non-New York-based U.S. Employees in one of three disability plans, administered through Sun Life, that work together to replace a portion of a U.S. Employee’s income in the event of an inability to work due to illness, injury, or medical condition. Under the short-term disability plan, benefits (the “U.S. Short-Term Disability Benefits”) commence after the first week of a U.S. Employee’s disability and pay up to 60% of a U.S. Employee’s weekly earnings, up to a maximum amount of \$1,200 per week, for up to 26 weeks. Following the period of the U.S. Short-Term Disability Benefits, U.S. Employees are eligible to receive long-term disability benefits (the “U.S. Long-Term Disability Benefits”). U.S. Long-Term Disability Benefits commence on the 181st consecutive day of a U.S. Employee’s disability and pay up to 60% of a U.S. Employee’s monthly salary, up to a maximum amount of

\$15,000. The Debtors also provide their U.S. Employees the opportunity to enroll in plans for increased short- and long-term disability benefits at the U.S. Employees' own expense.

64. As required by law, the Debtors also participate in New York's disability and family leave program (the "New York Disability Program" and together with the U.S. Short-Term Disability Benefits and the U.S. Long-Term Disability Benefits, the "U.S. Disability Benefits"), which is a short-term disability program for wage replacement when Employees are disabled due to an off-the-job injury, illness, or pregnancy. The Debtors make monthly premium payments of approximately \$20,000 to maintain the New York Disability Program.¹⁸

65. In the aggregate, the Debtors pay approximately \$200,000 in premium monthly to maintain the U.S. Disability Benefits. As of the Petition Date, the Debtors estimate that they owe approximately \$200,000 on account of the U.S. Disability Benefits, all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay prepetition amounts on account of the U.S. Disability Benefits and to continue providing the U.S. Disability Benefits in the ordinary course on a postpetition basis consistent with past practice.

66. ***Americas Disability Benefits.*** The Debtors maintain a comprehensive disability benefits program for their Americas Employees in Canada (the "Americas Disability Benefits") which is administered by ManuLife and Medavie. In the aggregate, the Debtors pay approximately \$30,000 in premium monthly to maintain the Americas Disability Benefits. As of the Petition Date, the Debtors estimate that they owe approximately \$30,000 on account of the Americas Disability Benefits, all of which is or will come due during the Interim Period. Accordingly, the

¹⁸ Other state disability programs and benefits are funded by ordinary course payroll tax withholdings, discussed previously.

Debtors request the authority, but not direction, to pay prepetition amounts on account of the Americas Disability Benefits and to continue providing the Americas Disability Benefits in the ordinary course on a postpetition basis consistent with past practice. For the avoidance of doubt, the Debtors do not maintain disability benefits for eligible Americas Employees working in Mexico.

67. ***EMEA Disability Benefits.*** The Debtors maintain a comprehensive disability benefits program for their EMEA Employees (the “EMEA Disability Benefits”) which is administered by PZU S.A., Lournel, Mutex S.A, Gan Prevoyance S.A., and Apicil Prevoyance. In the aggregate, the Debtors pay approximately \$60,000 in premium monthly to maintain the EMEA Disability Benefits. As of the Petition Date, the Debtors estimate that they owe approximately \$50,000 on account of the EMEA Disability Benefits, all of which is or will come due during the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay prepetition amounts on account of the EMEA Disability Benefits and to continue providing the EMEA Disability Benefits in the ordinary course on a postpetition basis consistent with past practice.

3. Additional Benefits Programs.

68. In addition to the above-mentioned benefits programs, the Debtors offer their eligible Employees various other resources and benefits programs (collectively, the “Additional Benefits Programs”). These include mental health resources such as virtual counseling sessions, certain pre-paid online legal services, financial wellness services, and a safety eyewear program, among others. The Debtors engage a number of providers for these services, including, among others, SupportLinc, UnitedHealthcare, HealthEquity, Inc., ManuLife, and Benefit Systems S.A., in order to implement the Additional Benefits Programs.

69. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$300,000 per month on account of the Additional Benefits Programs. As of the Petition Date, the Debtors estimate that they owe approximately \$300,000, all of which is or will come due during the Interim Period. Accordingly, the Debtors request authority, but not direction, to pay prepetition amounts on account of the Additional Benefits Program and to continue providing the Additional Benefits Program in the ordinary course on a postpetition basis consistent with past practice.

C. Workers' Compensation Programs.

70. The Debtors maintain workers' compensation plans for their eligible Employees depending on their country of employment. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$160,000 per month on account of the Workers' Compensation Programs (as defined below). As of the Petition Date, the Debtors estimate that they owe approximately \$1.0 million on account of the Workers' Compensation Programs, approximately \$160,000 of which is or will come due in the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the Workers' Compensation Programs and to continue paying amounts owed on account of the Workers' Compensation Programs in the ordinary course on a postpetition basis consistent with past practice.

71. ***U.S. Workers' Compensation Program.*** The Debtors maintain a workers' compensation plan for their U.S. Employees at the statutorily required level for each jurisdiction in which the Debtors have Employees (collectively, the "U.S. Workers' Compensation Program") to satisfy any claims made by U.S. Employees for workers' compensation (each, a "Workers' Compensation Claim"). The U.S. Workers' Compensation Program provides U.S. Employees or

their beneficiaries with certain benefits in the event of job-related illness, injury, or accidental death.

72. The U.S. Workers' Compensation Program for U.S. Employees is administered by the Travelers Companies, Inc. In addition, pursuant to certain state laws, the Debtors maintain insurance coverage through different providers. For example, in Ohio, the U.S. Workers' Compensation Program is administered by the Ohio Bureau of Workers' Compensation and the Debtors pay premiums for this program. On average, over the past twelve months, the Debtors paid approximately \$110,000 per month on account of the U.S. Workers' Compensation Program. The Debtors estimate they owe approximately \$710,000 on account of such program, approximately \$110,000 of which is or will come due during the Interim Period.

73. ***Americas Workers' Compensation Program.*** The Debtors offer voluntary accident at work coverage to eligible Americas Employees working in Canada (the "Canadian Workers' Compensation Program"). The Canadian Workers' Compensation Program is administered by American International Group, Inc. ("AIG") and Aon Plc ("AON"). On average, over the past twelve months, the Debtors paid approximately \$20,000 on account of the Canadian Workers' Compensation Program. As of the Petition Date, the Debtors believe that they owe approximately \$110,000 on account of the Canadian Workers' Compensation Program, approximately \$20,000 of which will come due in the Interim Period. For the avoidance of doubt, the Debtors do not maintain accident at work coverage for eligible Americas Employees working in Mexico.

74. ***EMEA Workers' Compensation Program.*** The Debtors maintain accident at work coverage to eligible EMEA Employees working in Belgium and offer voluntary coverage to eligible EMEA Employees working in Cardiff, Wales (collectively, the "EMEA Workers'

Compensation Programs”). The EMEA Workers’ Compensation Programs are administered by AIG, AON, and AXA Belgium, N.V. (“AXA”). On average, over the past twelve months, the Debtors made monthly payments to AIG, AON, and AXA totaling approximately \$20,000 on account of the EMEA Workers’ Compensation Programs. As of the Petition Date, the Debtors believe that they owe approximately \$170,000 on account of the EMEA Workers’ Compensation Programs, approximately \$20,000 of which will come due in the Interim Period.

75. ***ANZ Workers’ Compensation Program.*** The Debtors maintain accident at work coverage to eligible ANZ Employees working in Australia (the “Australian Workers’ Compensation Program,” and together with U.S. Workers’ Compensation Program, the Canadian Workers’ Compensation Program, and the EMEA Workers’ Compensation Programs, the “Workers’ Compensation Programs”). The Australian Workers’ Compensation Program is administered by GIO General Insurance Limited (“GIO”). On average, over the past twelve months, the Debtors made monthly payments to GIO totaling approximately \$10,000 on account of the Australian Workers’ Compensation Program. As of the Petition Date, the Debtors believe that they owe approximately \$30,000 on account of the Australian Workers’ Compensation Program, approximately \$10,000 of which will come due in the Interim Period.

76. Because in certain jurisdictions the Debtors are statutorily and/or contractually obligated to maintain the Workers’ Compensation Programs, their inability to do so may result in adverse legal consequences that disrupt the reorganization process. The Debtors seek authority to continue the Workers’ Compensation Programs in the ordinary course of business on a postpetition basis, including by making payment on any prepetition obligations owed thereunder and continuing to pay any such obligations as they come due in the ordinary course of business postpetition and consistent with prepetition practice. Moreover, the Workers’ Compensation

Programs may change postpetition in the ordinary course of business due to changes in applicable laws and regulations and the Debtors' ability to meet requirements thereunder. The Debtors request authority, but not direction, to continue the Workers' Compensation Programs postpetition, including making any changes to current policy and practices that become necessary.

77. Finally, to the extent any Employees assert Workers' Compensation Claims over the course of these chapter 11 cases, the Debtors request that the Court modify the automatic stay under section 362 of the Bankruptcy Code solely to allow Employees to proceed with such claims. For the avoidance of doubt, this requested modification of the automatic stay pertains solely to claims under the Workers' Compensation Programs.

D. The Retirement Plans.

78. The Debtors offer eligible Employees the opportunity to participate in various retirement plans depending on their country of employment (collectively, the "Retirement Plans"). On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$2.8 million per month on account of the Retirement Plans. As of the Petition Date, the Debtors estimate that they owe approximately \$2.3 million on account of the Retirement Plans, all of which is or will come due in the Interim Period. Accordingly, the Debtors request the authority, but not direction, to pay any amounts owed on account of the Retirement Plans and to continue paying amounts owed on account of the Retirement Plans in the ordinary course on a postpetition basis consistent with past practice.

79. ***U.S. 401(k) Plan.*** The Debtors offer Eligible U.S. Employees the opportunity to participate in a 401(k) plan (the "MCC 401(k) Plan") and a 401(k) Plan for Union Employees (the "Union 401(k) Plans," and collectively with the MCC 401(k) Plan, the "401(k) Plans"). The 401(k) Plans provide for pre-tax salary deductions of compensation up to limits set by the Internal Revenue Code.

80. Each pay period, the Debtors deduct the U.S. Employees' 401(k) contributions from the U.S. Employees' paychecks (the "401(k) Deductions") and hold such amounts in trust until they are forwarded to Fidelity Brokerage Services LLC. The Debtors deduct approximately \$2.0 million in the aggregate each month from U.S. Employees' paychecks on account of the 401(k) Deductions.¹⁹ As described further herein, the Debtors believe that the 401(k) Deductions are not property of their estates, and as such, the Debtors do not believe they need authority to remit such payments to the appropriate third parties. Nevertheless, the Debtors include this description out of an abundance of caution and seek authority to remit 401(k) Deductions that have not yet been remitted if any become due during the pendency of these chapter 11 cases.

81. The Debtors will match a U.S. Employee's 401(k) contributions in an amount equal to up to 4% of eligible earnings, so long as the U.S. Employee contributes 5% or more of their eligible earnings, for any plan year (collectively, the "401(k) Match Contributions"). The 401(k) Match Contributions are funded each pay period. In the twelve months before the Petition Date, the Debtors' 401(k) Match Contributions each month averaged approximately \$1.0 million for the MCC 401(k) Plan and approximately \$100,000 for the Union 401(k) Plan. As of the Petition Date, the Debtors estimate that they owe approximately \$900,000 on account of 401(k) Match Contributions (the "Unpaid 401(k) Match Contributions"), all of which is or will become payable during the Interim Period. Many U.S. Employees' retirement savings consist solely of the 401(k) Plans, and many U.S. Employees choose to participate in the 401(k) Plans because of the 401(k) Match Contributions. Continuing the 401(k) Plans and the 401(k) Match Contributions are

¹⁹ The prepetition amounts due and owing as of the Petition Date with respect to the 401(k) Deductions are included in the total for the Withholding and Deduction Obligations described above.

essential to maintaining U.S. Employee morale and protecting U.S. Employee expectations, both of which are critical to a successful resolution of these chapter 11 cases.

82. The Debtors seek authority, but not direction, to (i) continue the 401(k) Plans, including the 401(k) Match Contributions, in the ordinary course of business on a postpetition basis, (ii) remit any 401(k) Deductions that have not yet been remitted in the ordinary course of business, and (iii) pay any Unpaid 401(k) Match Contributions in the ordinary course of business if any become due during the pendency of these chapter 11 cases.

83. ***Americas Retirement Plan.*** The Debtors offer Americas Employees employed in Canada the opportunity to participate in a defined contribution retirement plan (the “Canada Retirement Plan”) administered by Sun Life. Additionally, the Debtors offer Americas Employees employed in Mexico the opportunity to participate in a defined contribution retirement plan (the “Mexican Retirement Plan” and together with the Canada Retirement Plan, the “Americas Retirement Plans”). In the twelve months before the Petition Date, the Debtors’ obligations for the Americas Retirement Plans each month averaged approximately \$800,000. As of the Petition Date, the Debtors estimate that they owe approximately \$700,000 on account of the Americas Retirement Plans, all of which is or will become payable during the Interim Period.

84. ***EMEA Retirement Plans.*** The Debtors offer EMEA Employees the opportunity to participate in retirement plans (the “EMEA Retirement Plans”). The EMEA Retirement Plans are administered by various entities depending on the EMEA Employee’s jurisdiction: (i) Pracownicze Plany Kapitałowe in Poland, (ii) AG Insurance SA/NV and NN Insurance Belgium NV in Belgium, (iii) Invesco Investment Management Limited in Drogheda, Ireland, (iv) Aegon UK plc in Cwmbran, Wales, (v) The Royal London Mutual Insurance Society Limited in Cardiff, Wales and Daventry, United Kingdom, (vi) New Ireland Assurance Company plc in

Castlebar, Ireland, (vii) Scottish Widows Limited in Glasgow, United Kingdom, (viii) Allianz S.E. in Germany, and (ix) Lourmel, Quatrem SA, and Malakoff Humanis Prevoyance in France. In the twelve months before the Petition Date, the Debtors' obligations for the EMEA Retirement Plans each month averaged approximately \$460,000. As of the Petition Date, the Debtors estimate that they owe approximately \$400,000 on account of the EMEA Retirement Plans, all of which will become payable during the Interim Period.

85. ***ANZ Retirement Plans.*** The Debtors offer ANZ Employees the opportunity to participate in retirement plans (the "ANZ Retirement Plans"). The ANZ Retirement Plans are administered by governmental entities in both Australia and New Zealand. In the twelve months before the Petition Date, the Debtors' obligations for the ANZ Retirement Plans each month averaged approximately \$400,000. As of the Petition Date, the Debtors estimate that they owe approximately \$330,000 on account of the ANZ Retirement Plans, all of which will become payable during the Interim Period.

86. Many Employees' retirement savings consist primarily of the Retirement Plans, and continuing the Retirement Plans is essential to maintaining Employee morale and protecting their future well-being. Accordingly, the Debtors seek authority to continue operating the Retirement Plans in the ordinary course and consistent with past practice.

E. Paid and Unpaid Leave.

87. In the ordinary course of business, the Debtors provide paid time off to certain eligible Employees ("Paid Time Off"). Paid Time Off generally includes vacation days, sick days, and personal days. Paid Time Off accrues at specified rates up to a maximum number of days which varies based on (i) the Employee's country of employment and (ii) the years the Employee has been at the Company. Upon an Employee's termination or resignation, such Employee is paid their Paid Time Off accruals ("Accrued PTO"). With respect to departing full-time Union

Employees, any such Union Employee is paid their Accrued PTO to a maximum of the current year's Accrued PTO eligibility allotment, as required by the CBAs.

88. Because Accrued PTO is not paid until an Employee's termination or resignation, it is not a current cash payment obligation. As of the Petition Date, the Debtors estimate that approximately \$9.1 million in non-cash obligations associated with Accrued PTO has accrued. The Debtors request authority, but not direction, to pay out Accrued PTO, if necessary, up to the Priority Cap, unless any departing Employee resides in a state that requires payout of Accrued PTO.

89. In addition, the Debtors provide certain other forms of paid leave (together with the Paid Time Off, the "Paid Leave"), including, for example, paid holidays, leave under the Family and Medical Leave Act, and other paid leaves of absence for personal reasons, including those required by law. The Debtors also offer unpaid leave when circumstances require or pursuant to the terms of the CBAs for Union Employees ("Unpaid Leave"). These other forms of Paid Leave and Unpaid Leave do not involve incremental cash outlays beyond standard payroll obligations.

90. The Debtors believe that the continuation of Paid Leave and Unpaid Leave is essential to maintaining Employee morale during these chapter 11 cases. Further, the policies are broad-based programs upon which Employees have come to depend. With the exception of any Employees required to be paid their Accrued PTO upon resignation or termination, should that occur, the Debtors anticipate that their Employees will utilize the Paid Leave and Unpaid Leave in the ordinary course of business, which will not create any cash flow requirements beyond the Debtors' regular payroll obligations. Out of an abundance of caution, however, the Debtors seek authority to continue the Paid Leave and Unpaid Leave policies in the ordinary course of business on a postpetition basis and pay prepetition claims, if any, with respect thereto, including making

any cash-out payments of Accrued PTO to certain Employees who are terminated or resign after the Petition Date as may be required by state law.

F. Union Benefits.

91. The Employees include approximately 510 Union Employees who are members of nineteen different Unions in and outside of the United States. As of the Petition Date, the Debtors are party to fifteen CBAs with the Unions. The benefits specifically provided to Union Employees are set forth in the CBAs and include the Union 401(k) Plan and the Accrued PTO and Unpaid Leave for Union Employees, all as further described in this Motion.

G. Administrative Fees.

92. As part of the effective and efficient administration of the Compensation and Benefits, the Debtors use certain third parties to administer the Employee Benefits Programs, including, as described in this Motion and among others, various administrators of the Additional Benefits Programs and advisors who assist with the 401(k) Plans (collectively, the "Administrators"). The Debtors pay fees to the Administrators for their services (the "Administrator Fees").

93. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$2.1 million per month in Administrator Fees. As of the Petition Date, the Debtors estimate that they owe approximately \$1.9 million in the aggregate on account of accrued but unpaid Administrator Fees (the "Unpaid Administrator Fees"), all of which is currently payable or will become payable during the Interim Period. Accordingly, the Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Administrator Fees and to continue paying the Administrator Fees in the ordinary course on a postpetition basis consistent with past practice.

H. Payroll Fees.

94. The Debtors process and administer the Employee Compensation, payments on account of certain Withholding and Deduction Obligations and 401(k) Match Contributions using payroll processing services historically provided by Dayforce US, Inc. ("Dayforce"), SD Worx People Solutions S.A. ("SD Worx"), and VEDA GmbH ("VEDA," and together with Dayforce and SD Worx, the "Payroll Processors").²⁰ The Debtors pay the Payroll Processors certain software and other administrative fees (the "Payroll Fees") on a monthly basis. Failure to satisfy the Payroll Fees could lead to a delay in payroll processing and disbursement of Withholding and Deduction Obligations to the appropriate third parties to the detriment of the Debtors' operations. Continuing to pay the Payroll Fees is thus critical to the Debtors' continued operations while in chapter 11.

95. On average, in the twelve months immediately preceding the Petition Date, the Debtors paid approximately \$200,000 per month on account of the Payroll Fees. As of the Petition Date, the Debtors estimate they owe approximately \$1.5 million on account of accrued but unpaid Payroll Fees (the "Unpaid Payroll Fees"), approximately \$200,000 of which is currently payable or will become payable during the Interim Period. Accordingly, the Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Payroll Fees and to continue to honor the Payroll Fees in the ordinary course on a postpetition basis consistent with past practice.

²⁰ Dayforce is used by the Debtors for certain U.S. Employees and Americas Employees. SD Worx is used by the Debtors for certain EMEA Employees in Belgium. All other payrolls are handled directly by the Company.

Basis for Relief Requested

I. Sufficient Cause Exists to Authorize the Debtors to Honor the Compensation and Benefits Obligations.

A. Certain of the Compensation and Benefits Are Entitled to Priority Treatment.

96. Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code entitle certain of the Compensation and Benefits to priority treatment to the extent such payments do not exceed \$17,150 for each individual as provided for under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code. As priority claims, the Debtors are required to pay these claims in full to confirm a chapter 11 plan. *See* U.S.C. § 1129(a)(9)(B) (requiring payment of certain allowed unsecured claims, given priority under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, for (a) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual and (b) contributions to an employee benefit plan). To the extent that an Employee receives no more than \$17,150 on account of claims entitled to priority, the relief sought with respect to compensation only affects the timing of payments to Employees and does not have any material negative impact on recoveries for general unsecured creditors. To the extent the Debtors seek to pay outstanding prepetition amounts on account of the Compensation and Benefits in excess of the Priority Cap, the Debtors submit that the full payment of such obligations in the ordinary course is warranted under section 363(b)(1) of the Bankruptcy Code and the doctrine of necessity. For the avoidance of doubt, for the payment of any prepetition amounts in excess of the Priority Cap, the Debtors request such relief solely pursuant to the Final Order, with the exception of any Accrued PTO which may be required to be paid during the Interim Period pursuant to applicable state law.

97. The Employees are essential to the Debtors' business and the success of these chapter 11 cases, and payment of the Compensation and Benefits at this time is necessary to avoid

potential material disruption to the Debtors' ordinary-course operations. Finding, attracting, and training new qualified talent would be extremely difficult, and such recruitment efforts may likely require, among other things, higher salaries, guaranteed bonuses, and more comprehensive compensation packages than are currently provided to Employees. Even if ultimately successful, such recruitment efforts would most likely leave the Debtors with personnel vacancies at a critical business juncture and, one replacement personnel were hired, leave the Debtors to invest additional resources in training new staff members. The additional uncertainty created by needing to expect time, manpower, and money recruiting and training new personnel at a critical time would be non-accretive. In light of the Debtors' ongoing restructuring efforts, losing the Debtors significant talent base would create additional challenges to maximizing value in these chapter 11 cases.

B. Payment of Certain Compensation and Benefits Is Required by Law.

98. As discussed above, the Debtors seek authority to pay the Withholding and Deduction Obligations to the appropriate third-party payees. These amounts principally represent Employee earnings that governments, Employees, and judicial authorities have designated for deduction from Employees' wages. Certain Withholding and Deduction Obligations are not property of the Debtors' estates because the Debtors have withheld such amounts from Employees' wages on another party's behalf. *See* 11 U.S.C. §§ 541(b)(1), (d). Further, federal, state, and local laws require the Debtors to withhold certain tax payments from Employees' wages and to pay such amounts to the appropriate taxing authority. 26 U.S.C. §§ 6672, 7501(a); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95–97 (3d Cir. 1994) (finding that state law requiring a corporate debtor to withhold city income tax from its employees' wages created a trust relationship between debtor and the city for payment of withheld income taxes); *In re DuCharmes & Co.*, 852 F.2d 194, 196 (6th Cir. 1988) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the Withholding and Deduction

Obligations may not be property of the Debtors' estates, the Debtors request authorization to transmit the Withholding and Deduction Obligations to the proper parties in the ordinary course of business. *See In re Dameron*, 155 F.3d 718, 721 (4th Cir. 1998).

99. Similarly, state laws and certain foreign laws require the Debtors to maintain the Workers' Compensation Program. If the Debtors fail to maintain the Workers' Compensation Program, these laws may prohibit the Debtors from operating in those jurisdictions. Payment of all obligations related to the Workers' Compensation Program is therefore crucial to the Debtors' continued operations and the success of these chapter 11 cases.

II. Payment of the Compensation and Benefits Is Warranted Under Section 363(b) and 363(c) of the Bankruptcy Code and the Doctrine of Necessity.

100. Section 363(c)(1) of the Bankruptcy Code expressly grants the Debtors the authority to "enter into transactions . . . in the ordinary course of business" and "use property of the estate in the ordinary course of business without notice or a hearing." Therefore, the Debtors believe they are permitted to pay all postpetition amounts due pursuant to the Compensation and Benefits as such actions are in the ordinary course of the Debtors' business. Out of an abundance of caution, however, the Debtors seek entry of an order granting the relief requested herein to avoid any destruction to the value of their estates.

101. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing,

these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims.

102. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (collecting cases); *see also In re James A. Phillips*, 29 B.R. at 397 (relying on section 363 of the Bankruptcy Code to allow a contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *In re Ionosphere Clubs*, 98 B.R. at 175 (finding that a sound business justification existed to justify payment of certain prepetition wages); *In re Phx. Steel Corp.*, 82 B.R. 334, 335-36 (Bankr. D. Del. 1987) (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b) of the Bankruptcy Code). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty of the debtor in possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)). In turn, section 1108 of the Bankruptcy Code authorizes a debtor in possession to “operate the debtor’s business.” 11 U.S.C. § 1108.

103. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies

a bankruptcy court's inherent equitable powers to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor's business. See *In re Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the "necessity of payment" rule (also referred to as the "doctrine of necessity"). See, e.g., *In re Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there "is the possibility that the creditor will employ an immediate economic sanction, failing such payment"); see also *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court's use of its equitable powers to "authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *In re Ionosphere Clubs*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286, 311–12 (1882)). Indeed, at least one court has recognized that there are instances when a debtor's fiduciary duty can "only be fulfilled by the preplan satisfaction of a prepetition claim." *In re CoServ*, 273 B.R. at 497.

104. These standards are satisfied here. The Employees and Temporary Staff are essential to the success of these chapter 11 cases. As the Debtors seek to effectuate a value-maximizing restructuring, it is imperative that the Workforce remains fully engaged, motivated, and productive. Absent timely payment of amounts owed to the Workforce, the Debtors risk attrition and resulting business disruption, which stands to materially impair estate

value. Paying the Compensation and Benefits in the ordinary course will help minimize the adverse effect of commencement of these chapter 11 cases on the Debtors' business operations as they pursue a value-maximizing restructuring.

105. In addition, the majority of the Workforce relies exclusively on the Compensation and Benefits to satisfy their daily living expenses and expects and requires that their wages be paid on a timely basis. Consequently, the Workforce will be exposed to significant financial difficulties if the Debtors are not permitted to pay the Compensation and Benefits in the ordinary course. Failure to timely satisfy such obligations will also jeopardize Workforce morale and loyalty at this critical time, when needed most. Furthermore, if this Court does not grant the relief requested herein, Employees will not receive health coverage and, thus, may be obligated to pay certain healthcare claims that the Debtors have not satisfied. The loss of healthcare coverage will result in considerable anxiety for Employees (and likely attrition) at a time when the Debtors need all Employees to perform their best. Accordingly, the relief requested herein is a necessary and critical element of the Debtors' efforts to maximize estate value and will give the Debtors the greatest likelihood of retention of their Workforce as the Debtors seek to operate their business in these chapter 11 cases.

106. The importance of a debtor's workforce to its operations has been repeatedly recognized by courts in this district, and those courts have granted relief similar to the relief requested herein. *See, e.g., In re STG Logistics, Inc.*, No. 26-10258 (MEH) (Bankr. D.N.J. Jan. 14, 2026) (authorizing the debtors, on an interim basis, to (a) pay prepetition wages, salaries, and other compensation, and reimbursable expenses, and (b) continue employee benefits programs); *In re Del Monte Foods Corp. II*, No. 25-16984 (MBK) (Bankr. D.N.J. Aug. 13, 2025) (authorizing the debtors, on a final basis, to (a) pay prepetition wages, salaries, and other

compensation, and reimbursable expenses, and (b) continue employee benefits programs); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. April 4, 2024) (same); *In re Invitae Corp.*, No. 24-11362 (MBK) (Bankr. D.N.J. March 18, 2024) (same); *In re Careismatic Brands, LLC*, No. 24-10561 (VFP) (Bankr. D.N.J. Feb. 29, 2024) (same); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D.N.J. Jan. 1, 2024) (same); *In re WeWork Inc.*, No. 23-19865 (JKS) (Bankr. D. N. J. Dec. 6, 2023) (same).²¹

107. Accordingly, the Debtors request that the Court authorize the Debtors to continue the Compensation and Benefits and pay related obligations in the ordinary course of business.

III. A Limited Waiver of the Automatic Stay for Workers' Compensation Claims Is Appropriate Here.

108. Section 362(a) of the Bankruptcy Code operates to stay:

[T]he commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title[.]

11 U.S.C. § 362(a)(1).

109. Section 362 of the Bankruptcy Code, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for “cause.” *Id.* at § 362(d)(1). In accordance with section 362(d) of the Bankruptcy Code, the Debtors seek to modify the automatic stay to permit Employees to proceed with their workers’ compensation claims in the appropriate judicial or administrative forum. Cause exists here to modify the automatic stay because staying the workers’ compensation claims could have a detrimental effect on the financial wellbeing and morale of certain Employees and lead to the departure of Employees

²¹ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors’ proposed counsel.

who are critical at this juncture. Such departures could cause a severe disruption in the Debtors' business, which would be to the detriment of all parties in interest.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

110. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations, anticipated debtor-in-possession financing, and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

The Requirements of Bankruptcy Rule 6003(a) Are Satisfied

111. Bankruptcy Rule 6003(a) empowers a court to grant certain relief within the first twenty-one (21) days after the Petition Date to the extent that such "relief is needed to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003(a). As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the viability of the Debtors' operations. Failure to receive the requested relief during the first twenty-one (21) days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture and cause immediate and irreparable harm. The requested relief is necessary for the Debtors to operate their business in the ordinary course, preserve the ongoing value of their operations, and maximize value of their estates for the benefit of all stakeholders. The Debtors have demonstrated that the

requested relief is “needed to avoid immediate and irreparable harm,” as contemplated by Bankruptcy Rule 6003(a), and the Court should grant the requested relief.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

112. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h) for the reasons set forth herein.

Reservation of Rights

113. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission by the Debtors as to the validity, priority, enforceability, or perfection of any lien (contractual, common law, statutory, or otherwise) on, security interest in, or other encumbrance on property of the Debtors’ estates; (g) a waiver or limitation of the Debtors’ or any other party in interest’s claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection

or seek avoidance of all such liens; or (i) a waiver of the obligation of any party in interest to file a proof of claim. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

No Prior Request

114. No prior request for the relief sought in this Motion has been made to this Court or any other court.

Notice

115. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee for the District of New Jersey; (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) co-counsel to the Sponsor and the Plan Sponsor; (d) each of the Agent/Trustees; (e) counsel to the ABL Agent; (f) counsel to the Secured Ad Hoc Group; (g) the office of the attorney general for each of the states in which the Debtors operate; (h) the United States Attorney's Office for the District of New Jersey; (i) the Internal Revenue Service; (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

[Remainder of page intentionally left blank.]

WHEREFORE, the Debtors request that the Court enter the Interim Order and the Final Order, in substantially the forms submitted herewith, granting the relief requested herein and such other relief as is just and proper under the circumstances.

Dated: January 29, 2026

/s/ Michael D. Sirota

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
In re: MULTI-COLOR CORPORATION, <i>et al.</i> Debtors. ¹	Chapter 11 Case No. 26-10910 (MBK) (Joint Administration Requested)

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS
TO (A) PAY PREPETITION WAGES, SALARIES, OTHER
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE
EMPLOYEE BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered three (3) through eleven (11), is
ORDERED.

¹ The last four digits of Debtor Multi-Color Corporation's tax identification number are 5853. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/MCC>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 3284 Northside Parkway NW, Suite 400, Atlanta, Georgia 30327.

Caption in Compliance with D.N.J. LBR 9004-1(b)

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(Page | 3)

Debtors: MULTI-COLOR CORPORATION, *et al.*
Case No. 26-10910 (MBK)
Caption of Order: Interim Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief

Upon the *Debtors' Motion for Entry of Interim And Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* (the "Motion"),² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of an interim order (this "Interim Order") (a) authorizing the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses and (ii) continue the Employee Benefits Programs in the ordinary course, including payment of certain prepetition obligations related thereto, (b) granting related relief, and (c) scheduling a final hearing (the "Final Hearing") to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on June 6, 2025 (Bumb, C.J.); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that it may enter an interim order consistent with Article III of the United States Constitution; and this Court having found that the Debtors' notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing,

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion.

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establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth herein.

2. The Final Hearing on the Motion will be held on _____, **2026 at _____**

(Eastern Time). Objections, if any, that relate to the Motion shall be filed and served so as to be actually received by the following parties on or before _____, **2026 at 4:00 p.m.**

(Eastern Time): (i) proposed co-counsel to the Debtors, (a) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Steven N. Serajeddini, P.C. (steven.serajeddini@kirkland.com), and Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois 60654, Attn.: Rachael M. Bentley (rachael.bentley@kirkland.com), Peter A. Candel (peter.candel@kirkland.com), and Ashley L. Surinak (ashley.surinak@kirkland.com) and (b) Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601, Attn.: Michael D. Sirota (msirota@coleschotz.com), Warren A. Usatine (wusatine@coleschotz.com), and Felice R. Yudkin (fyudkin@coleschotz.com); (ii) the Office of the United States Trustee for the District of New Jersey, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, New Jersey 07102, Attn.: Jeffrey M. Sponder (jeffrey.m.sponder@usdoj.gov) and Jane M. Leamy (jane.m.leafy@usdoj.gov); (iii) counsel to the Secured Ad Hoc Group, Milbank LLP, 55 Hudson Yards, New York, New York 10001, Attn.: Evan Fleck (efleck@milbank.com) and Matt Brod (mbrod@milbank.com); (iv) co-counsel to the Sponsor and the Plan Sponsor, (a) Debevoise & Plimpton LLP, 66 Hudson Boulevard, New York, New York 10001, Attn.: Scott B. Selinger

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(sbselinger@debevoise.com) and Brett Novick (bmnovick@debevoise.com) and (b) Latham & Watkins LLP, 1271 Avenue of the Americas, New York, New York 10020, Attn.: Ray C. Schrock (ray.schrock@lw.com), Ryan P. Dahl (ryan.dahl@lw.com), and Candace M. Arthur (candace.arthur@lw.com); (v) counsel to the ABL Agent, Cahill, Gordon & Reindell LLP, 32 Old Slip, New York, New York 10005, Attn.: Timothy B. Howell (thowell@cahill.com); and (vi) if any statutory committee has been appointed in these chapter 11 cases, counsel to such committee. If no objections are filed to the Motion, the Court may enter an order approving the relief requested in the Motion on a final basis without further notice or hearing.

3. Any objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.

4. Notwithstanding anything to the contrary contained in the Motion or this Interim Order, any payment made or to be made pursuant to the authority granted herein, and any authorization contained herein, shall be subject to and in accordance with any interim and final orders, as applicable, entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or the Debtors' use of cash collateral (such orders, the "DIP Orders") and any budget in connection with any use of cash collateral and/or postpetition debtor-in-possession financing authorized therein (subject to any permitted variances). To the extent there is any inconsistency between the terms of the DIP Orders and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Orders shall control. Nothing in the Motion or this Interim Order shall constitute a waiver or substitution of any consent right required under the DIP Orders.

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5. The Debtors are authorized, but not directed, on an interim basis, to continue, modify, and/or discontinue the Compensation and Benefits, in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices, and to honor and pay any prepetition amounts related thereto as and when such obligations are due, in their business judgment during these chapter 11 cases and without need for further Court approval, subject to applicable law and the terms of this Interim Order; *provided* that nothing herein shall be deemed to authorize the Debtors to make any payments in excess of the amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the "Priority Cap") to any individual Workforce member without further order of this Court, with the exception of any Accrued PTO that may be required to be paid out upon termination or resignation of an Employee during the Interim Period pursuant to applicable federal, state, or foreign nonbankruptcy law; *provided further* that (a) the Debtors shall seek court approval, on notice, under a separate motion at a later time of any modification or change that would implicate any portion of section 503(c) of the Bankruptcy Code and nothing herein shall prejudice the Debtors' ability to do so, and (b) nothing in this Interim Order shall be deemed to authorize the Debtors to make any payments to any individual Workforce member, including "insiders" (as defined in section 101(31) of the Bankruptcy Code) of the Debtors on account of the incentive and bonus programs or severance programs, including the Non-Insider Severance Program, the Non-Insider Employee Bonus Programs, or the Non-Insider Retention Program, without further order of this Court and nothing herein shall be deemed to authorize the payment of any amounts that violate, implicate, or are otherwise subject to section 503(c) of the Bankruptcy Code. The Debtors shall provide seven (7)

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calendar days' notice of any material change to the Compensation and Benefits and any other programs described in the Motion to the U.S. Trustee, counsel to the Secured Ad Hoc Group, co-counsel to the Sponsor and Plan Sponsor, counsel to the ABL Agent, and counsel to any statutory committees appointed in these cases. Notwithstanding anything to the contrary in this Interim Order, the Debtors' authorization to make payments in satisfaction of the prepetition Compensation and Benefits is allowed to the extent set forth in the Motion.

6. Nothing in the Motion or this Interim Order shall constitute a determination by the Court as to whether any individual seeking payment pursuant to this Interim Order is or is not an "insider" as that term is defined in section 101(31) of the Bankruptcy Code.

7. This Interim Order does not implicitly or explicitly approve any bonus plan, incentive plan, severance plan, or other plan covered by section 503(c) of the Bankruptcy Code.

8. No payments shall be made pursuant to this Interim Order pursuant to the Non-Insider Retention Program and the Non-Insider Employee Bonus Programs.

9. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are authorized to so proceed. The Debtors are authorized to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business in accordance with the Debtors' prepetition policies and practices. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program, and any such claims must be pursued in accordance with the Workers' Compensation

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Program. Payment on account of any recoveries obtained in connection with a claim brought pursuant to this paragraph is limited to the terms and conditions of the Workers' Compensation Program, including with regard to any policy limits or caps.

10. The Debtors are authorized to forward any unpaid amounts on account of Withholding and Deduction Obligations to the appropriate third-party recipients or taxing authorities in the ordinary course of business in accordance with the Debtors' prepetition policies and practices.

11. The Debtors are authorized, but not directed, on an interim basis, to pay in the ordinary course of business any costs and expenses incidental to payment of the Compensation and Benefits obligations, including the Unpaid Payroll Fees and Unpaid Administrator Fees, in accordance with the Debtors' prepetition policies and practices.

12. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits.

13. The Debtors are authorized, but not directed, on an interim basis, to pay and honor all claims and obligations, whether arising prepetition or postpetition, on account of the Non-Insider Severance Program; *provided* that the Debtors shall not make any Severance payment to, or on account of, any individual with respect to any prepetition claim in excess of the Priority Cap; *provided, further*, that any non-Insider Severance payment on account of a postpetition termination may be paid in the ordinary course of business.

14. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order is intended as or shall be deemed to be: (a) an

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implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Interim Order or the Motion or any order granting the relief requested by the Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission by the Debtors as to the validity, priority, enforceability, or perfection of any lien (contractual, common law, statutory, or otherwise) on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Interim Order are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; or (i) a waiver of the obligation of any party in interest to file a proof of claim. Any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

15. The Debtors are authorized, but not directed, on an interim basis, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks

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or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein and to the extent authorized by this Interim Order.

16. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

17. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due.

18. Within two (2) business days of the entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on each applicable bank and financial institution that is directed to comply with the terms of this Interim Order.

19. The requirements set forth in Bankruptcy Rule 6003(a) are satisfied by the contents of the Motion or otherwise deemed waived.

20. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

21. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, the terms and conditions of this Interim Order shall be effective and enforceable immediately upon entry hereof.

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22. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

23. The Debtors shall serve by email (if available) or by first class mail, a copy of this Interim Order and the Motion on all parties required to receive such service pursuant to Local Rule 9013-5(f).

24. Any party may move for modification of this Interim Order in accordance with Local Rule 9013-5(e).

25. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Exhibit B

Proposed Final Order

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
In re: MULTI-COLOR CORPORATION, <i>et al.</i> Debtors. ¹	Chapter 11 Case No. 26-10910 (MBK) (Joint Administration Requested)

**FINAL ORDER (I) AUTHORIZING THE DEBTORS
TO (A) PAY PREPETITION WAGES, SALARIES, OTHER
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE
EMPLOYEE BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered three (3) through eight (8) is
ORDERED.

¹ The last four digits of Debtor Multi-Color Corporation's tax identification number are 5853. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/MCC>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 3284 Northside Parkway NW, Suite 400, Atlanta, Georgia 30327.

Caption in Compliance with D.N.J. LBR 9004-1(b)

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*Proposed Co-Counsel to the Debtors and
Debtors in Possession*

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Debtors: MULTI-COLOR CORPORATION, *et al.*
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Upon the *Debtors' Motion for Entry of Interim And Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* (the "Motion"),² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of a final order (this "Final Order") (a) authorizing the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses and (ii) continue the Employee Benefits Programs in the ordinary course, including payment of certain prepetition obligations related thereto, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on June 6, 2025 (Bumb, C.J.); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that the Debtors' notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"), if any; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing, if any, establish just cause for the relief granted herein; and upon all of the proceedings had before

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion.

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the Court and after due deliberation and sufficient cause appearing therefor **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on a final basis as set forth herein.
2. Any objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
3. Notwithstanding anything to the contrary contained in the Motion or this Final Order, any payment made or to be made pursuant to the authority granted herein, and any authorization contained herein, shall be subject to and in accordance with any interim and final orders, as applicable, entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or the Debtors' use of cash collateral (such orders, the "DIP Orders") and any budget in connection with any use of cash collateral and/or postpetition debtor-in-possession financing authorized therein (subject to any permitted variances). To the extent there is any inconsistency between the terms of the DIP Orders and any action taken or proposed to be taken under this Final Order, the terms of the DIP Orders shall control. Nothing in the Motion or this Final Order shall constitute a waiver or substitution of any consent right required under the DIP Orders.
4. The Debtors are authorized, but not directed, to continue, modify, and/or discontinue the Compensation and Benefits, in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices, and to honor and pay any prepetition amounts related thereto as and when such obligations are due, in their business judgment during these chapter 11 cases and without need for further Court approval, subject to applicable law and the

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terms of this Final Order, including, for the avoidance of doubt, any prepetition obligations relating to the Compensation and Benefits that exceed the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code; *provided* that (a) the Debtors shall seek court approval, on notice, under a separate motion at a later time of any modification or change that would implicate any portion of section 503(c) of the Bankruptcy Code and nothing herein shall prejudice the Debtors' ability to do so, and (b) nothing in this Final Order shall be deemed to authorize the Debtors to make any payments to any individual Workforce member, including "insiders" (as defined in section 101(31) of the Bankruptcy Code) of the Debtors on account of the incentive and bonus programs or severance programs, including the Non-Insider Severance Program, the Non-Insider Employee Bonus Programs, or the Non-Insider Retention Program, without further order of this Court and nothing herein shall be deemed to authorize the payment of any amounts that violate, implicate, or are otherwise subject to section 503(c) of the Bankruptcy Code. The Debtors shall provide seven (7) calendar days' notice of any material change to the Compensation and Benefits and any other programs described in the Motion to the U.S. Trustee, counsel to the Secured Ad Hoc Group, co-counsel to the Sponsor and Plan Sponsor, counsel to the ABL Agent, and counsel to any statutory committees appointed in these cases.

5. Nothing in the Motion or this Final Order shall constitute a determination by the Court as to whether any individual seeking payment pursuant to this Final Order is or is not an "insider" as that term is defined in section 101(31) of the Bankruptcy Code.

6. This Final Order does not implicitly or explicitly approve any bonus plan, incentive plan, severance plan, or other plan covered by section 503(c) of the Bankruptcy Code.

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7. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are authorized to so proceed. The Debtors are authorized to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business in accordance with the Debtors' prepetition policies and practices. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program, and any such claims must be pursued in accordance with the Workers' Compensation Program. Payment on account of any recoveries obtained in connection with a claim brought pursuant to this paragraph is limited to the terms and conditions of the Workers' Compensation Program, including with regard to any policy limits or caps.

8. The Debtors are authorized to forward any unpaid amounts on account of Withholding and Deduction Obligations to the appropriate third-party recipients or taxing authorities in the ordinary course of business in accordance with the Debtors' prepetition policies and practices.

9. The Debtors are authorized, but not directed, to pay in the ordinary course of business any costs and expenses incidental to payment of the Compensation and Benefits obligations, including the Unpaid Payroll Fees and Unpaid Administrator Fees, in accordance with the Debtors' prepetition policies and practices. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits.

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10. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order is intended as or shall be deemed to be: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Final Order or the Motion or any order granting the relief requested by the Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission by the Debtors as to the validity, priority, enforceability, or perfection of any lien (contractual, common law, statutory, or otherwise) on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Final Order are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; or (i) a waiver of the obligation of any party in interest to file a proof of claim. Any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

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11. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein and to the extent authorized by this Final Order.

12. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

14. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, the terms and conditions of this Final Order shall be effective and enforceable immediately upon entry hereof.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

16. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.