

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

MOLECULAR TEMPLATES, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10739 (BLS)

(Joint Administration Requested)

Re: D.I. 15

NOTICE OF FILING OF ADDITIONAL SCHEDULE TO DECLARATION
OF CRAIG JALBERT IN SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS
AND FIRST DAY MOTIONS (D.I. 15)

PLEASE TAKE NOTICE that, on April 21, 2025, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Declaration of Craig Jalbert in Support of Debtors' Chapter 11 Petitions and First Day Motions* (D.I. 15) (the "First Day Declaration").

PLEASE TAKE FURTHER NOTICE that, the Debtors hereby file a copy of that certain restructuring support agreement term sheet, dated as of April 20, 2025, by and between the Debtors and K2 HealthVentures, LLC (the "RSA Term Sheet") as Schedule 2 to be attached to the First Day Declaration.

PLEASE TAKE FURTHER NOTICE that a copy of the RSA Term Sheet, as Schedule 2 to the First Day Declaration, is attached hereto as **Exhibit A**.

[Signature page to follow]

¹ The Debtors in these chapter 11 cases, along with the Debtors' federal tax identification number are: Molecular Templates, Inc. (9596) and Molecular Templates OpCo, Inc. (6035). The Debtors' mailing address is: 124 Washington Street, Ste. 101, Foxboro, MA 02035. All Court filings can be accessed at: <https://www.veritaglobal.net/MolecularTemplates>.



Dated: April 21, 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Austin T. Park

Eric D. Schwartz (No. 3134)
Andrew R. Remming (No. 5120)
Austin T. Park (No. 7247)
Jake A. Rauchberg (No. 7444)
1201 N. Market Street, 16th Floor
Wilmington, Delaware 19801
Telephone: (302) 658-9200
Facsimile: (302) 658-3989
eschwartz@morrisnichols.com
aremming@morrisnichols.com
apark@morrisnichols.com
jrauchberg@morrisnichols.com

*Proposed Counsel to the Debtors and Debtors in
Possession*

Exhibit A

Schedule 2

Schedule 2

RSA Term Sheet



HealthVentures

RESTRUCTURING SUPPORT
AGREEMENT PROPOSAL

for:



April 20, 2025

ATTN:
Craig Jalbert, President, Chief Executive Officer

Molecular Templates, Inc.
9301 Amberglen Boulevard Suite 100
Austin, TX 78729

THIS TERM SHEET (THIS “**TERM SHEET**”) DESCRIBES A PROPOSED TRANSACTION FOR MOLECULAR TEMPLATES, INC. (“**MTEM**”) AND MOLECULAR TEMPLATES OPCO, INC. (TOGETHER, THE “**DEBTORS**”) PURSUANT TO BOTH A PLAN OF REORGANIZATION, WHICH WOULD BE FILED BY THE DEBTORS IN CONNECTION WITH CONTEMPLATED CHAPTER 11 FILINGS OF EACH OF THE DEBTORS (THE “**CASES**”) IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE “**COURT**”) AND A DEBT-FOR-EQUITY RESTRUCTURING PURSUANT TO THE CHAPTER 11 PLAN, EACH OF WHICH WILL BE CONDUCTED IN ACCORDANCE WITH THE RESTRUCTURING SUPPORT AGREEMENT (AS DEFINED HEREIN) AND THIS TERM SHEET. THIS TERM SHEET IS BEING AGREED TO IN CONNECTION WITH, AND CONSTITUTES AN INTEGRAL PART OF, THE RESTRUCTURING SUPPORT AGREEMENT (THE “**RESTRUCTURING SUPPORT AGREEMENT**”) ENTERED INTO BY AND AMONG (A) THE DEBTORS, (B) K2 HEALTHVENTURES LLC and/or any of its subsidiaries (“**K2**”), AND (C) ANY OTHER PERSON THAT BECOME PARTY TO THE RESTRUCTURING SUPPORT AGREEMENT FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS THEREOF. PURSUANT TO, AND SUBJECT TO THE TERMS AND CONDITIONS OF, THE RESTRUCTURING SUPPORT AGREEMENT, THE DEBTORS AND K2 HAVE AGREED TO SUPPORT THE TRANSACTIONS CONTEMPLATED THEREIN AND HEREIN.

FOR THE AVOIDANCE OF DOUBT, THIS TERM SHEET IS NOT AN OFFER OR SOLICITATION WITH RESPECT TO ANY SECURITIES OF MTEM OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING HEREIN SHALL BE DEEMED TO BE THE SOLICITATION OF AN ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN. THIS TERM SHEET DOES NOT ADDRESS ALL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH THE RESTRUCTURING.

THIS TERM SHEET IS PROTECTED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER APPLICABLE STATUTES OR DOCTRINES PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL SETTLEMENT DISCUSSIONS. NOTHING HEREIN SHALL BE DEEMED TO BE AN ADMISSION OF FACT OR LIABILITY BY ANY PARTY.

Overview of the Transaction.

Summary: The Debtors shall effectuate a debt-for equity transaction (the “**Transaction**”) through the filing of the Cases with the Court, which cases shall seek confirmation of a chapter 11 plan of reorganization (as it may be amended or supplemented from time to time, including all exhibits, schedules, supplements, appendices, and annexes and attachments thereto (the “**Plan**”). The Plan shall be consistent with this Term Sheet, subject to the terms and conditions set forth in the Restructuring Support Agreement.

Transaction: The Debtors shall file on the Petition Date (as defined below) a Plan, which shall propose the cancellation and discharge of all existing equity interests in MTEM and the issuance of new equity interests in MTEM to K2 HealthVentures Equity Trust LLC, a subsidiary of K2, in final satisfaction of all or a portion the Prepetition Secured Claims, and as otherwise agreed to by the Debtors and K2, the DIP Claims.

Transaction Milestones:¹ The Debtors will implement the Transaction in accordance with the following milestones (the “**Milestones**”):

1. The Debtors shall file the Cases seeking relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) by no later than April 21, 2025 (the “**Petition Date**”).
2. Within one (1) day of the Petition Date, the Debtors shall file a motion for entry of an order (i) approving a combined disclosure statement and Chapter 11 Plan of reorganization on an interim basis; (ii) establishing solicitation procedures; (iii) fixing the date, time, and place for the Confirmation Hearing; and (iv) granting related relief (the “**Solicitation Motion**”), along with the combined

¹ To the extent any milestone date (including any extension thereof) does not consist of a date certain, it shall be calculated under Bankruptcy Rule 9006.

disclosure statement and Plan, which Solicitation Motion and Plan shall be in accordance with the terms of this Term Sheet and the Restructuring Support Agreement and which shall be in form and substance reasonably acceptable to K2.

3. By no later than three (3) business days following the Petition Date, the Court shall have entered an interim order approving the DIP Facility, which order shall be in form and substance reasonably acceptable to K2.
4. By no later than thirty (30) days following the Petition Date, the Court shall have entered a final order approving the DIP Facility, which order shall be in form and substance reasonably acceptable to K2 (the **"Final DIP Order"**).
5. By no later than thirty (30) days following the Petition Date, the Court shall have entered an order approving the Solicitation Motion, which order shall be in form and substance reasonably acceptable to K2.
6. By no later than thirty-four (34) days following the Petition Date, and subject to confirmation by the solicitation and claims agent, the Debtors shall have completed solicitation of the Plan.
7. By no later than sixty-five (65) days following the Petition Date, the Court shall have entered an order confirming the Plan, which order shall be in form and substance reasonably acceptable to K2 (the **"Confirmation Order"**).
8. The effective date of the Plan (the **"Plan Effective Date"**) shall occur by no later than June 29, 2025.

DIP Financing: The Cases shall be financed by the DIP Facility, which DIP Facility shall be consistent with that certain DIP financing term sheet, dated April 20, 2025, by and between the Debtors and K2 and filed as an exhibit to the motion to approve the DIP Facility.

TREATMENTS OF CLAIMS AND INTERESTS IN THE RESTRUCTURING

Holders of claims against and equity interests in the Debtors will receive the following treatment in final satisfaction (in whole or in part) of such claims and interests, which shall be released and discharged under the Plan, except as otherwise set forth herein.

Administrative and

Priority Claims:

On the Plan Effective Date, each holder of an allowed administrative, priority tax or other priority claim (the **"Administrative and Priority Claims"**) shall have such claim satisfied in full in cash, or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

Impairment / Voting: N/A

DIP Claims:

All DIP Claims shall be deemed Allowed on the Effective Date (the **"DIP Claims"**) in an amount equal to (i) the principal amount outstanding under the DIP Facility on such date, (ii) all interest accrued and unpaid thereon to the date of the payment, and (iii) all accrued and unpaid fees, expenses, and non-contingent indemnification obligations payable under the DIP Facility and the interim and final orders approving the same. The DIP Claims shall receive, in final satisfaction, compromise, settlement, release, and discharge of such DIP Claim (in whole or in part), (i) payment in full in Cash or (ii) such other treatment as agreed in writing among K2 and the Debtors, including, but not limited to, issuance of new equity in the reorganized MTEM (the **"New MTEM Common Equity"**).

Impairment / Voting: N/A

Other Secured Claims:

On the Plan Effective Date, or as soon as reasonably practicable thereafter, except to the

extent that a holder of an Allowed Other Secured Claim and the Debtors agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Other Secured Claim, each holder thereof shall receive, at the option of the Debtors, as applicable: (i) Cash in an amount equal to the Allowed amount of such Claim; (ii) reinstatement of such holder's Allowed Other Secured Claim; (iii) such other treatment sufficient to render such holder's Allowed Other Secured Claim Unimpaired; or (iv) return of the applicable collateral in satisfaction of the Allowed amount of such Other Secured Claim.

Impairment / Voting: Unimpaired; Not Entitled to Vote (Deemed to Accept).

Other Priority Claims:

On the Plan Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a holder of an Allowed Other Priority Claim and the Debtors agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Other Priority Claim, each holder thereof shall receive Cash in an amount equal to the unpaid portion of such Allowed Other Priority Claim.

Impairment / Voting: Unimpaired; Not Entitled to Vote (Deemed to Accept).

Prepetition Secured Claims:

On the Plan Effective Date, the Prepetition Secured Claims shall be deemed Allowed in the full aggregate principal amount of \$16,329,989.48, plus any and all accrued and unpaid interest, unreimbursed costs, fees, expenses, and indemnities owed thereunder. The Prepetition Secured Claims shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of \$15,000,000 of such Prepetition Secured Claim, 100% of the New MTEM Common Equity, subject to dilution on account of any distribution of New MTEM Common Equity on account of and in satisfaction of any additional portion of the Prepetition Secured Claims or for the DIP Facility.

Impairment / Voting: Impaired; Entitled to Vote.

General Unsecured Claims:

On the Plan Effective Date, in full and final satisfaction of the General Unsecured Claims, each holder shall receive its pro rata share of (i) the proceeds, if any, from the prosecution of the Avoidance Actions; and (ii) the General Unsecured Claims Distribution.

Impairment / Voting: Impaired; Entitled to Vote.

Intercompany Claims:

On the Plan Effective Date, all intercompany claims shall be released without any distribution on account of such claims.

Impairment / Voting: Impaired; Not Entitled to Vote (Deemed to Reject).

Existing Equity Interests:

On the Plan Effective Date, the existing interests of the Debtors (the "Interests") shall be deemed canceled, extinguished and discharged and of no further force or effect, and the Holders of such Interests shall not be entitled to receive or retain any property on account of such Interests.

Impairment / Voting: Impaired; Not Entitled to Vote (Deemed to Reject).

OTHER TERMS OF THE RESTRUCTURING AND PLAN

**Executory Contracts/
Unexpired Leases:**

The Debtors shall prepare a list of executory contracts and unexpired leases (and any allowed rejection damage claims associated therewith) and the costs to cure any defaults

under the executory contracts and unexpired leases. Such executory contracts and unexpired leases shall either be assumed or rejected at the option of K2. The Debtors may file a motion to reject certain unexpired non-residential leases on or before the Plan Effective Date.

Conditions to Effectiveness:

The occurrence of the Plan Effective Date shall be subject to the satisfaction of certain conditions precedent acceptable to each of the Debtors and K2, including the following:

- The Court shall have entered the Final DIP Order, in form and substance acceptable to K2, and the final order shall not have been vacated, stayed, or modified without the prior written consent of K2 and there shall be no default or event of default existing under the DIP Facility;
- All financing necessary for the Plan shall have been obtained, and any documents related thereto shall have been executed, delivered, and be in full force and effect (with all conditions precedent thereto, other than the occurrence of the Plan Effective Date or certification by the Debtors that the Plan Effective Date has occurred, having been satisfied or waived);
- All related expenses shall have been paid in full in cash in accordance with the terms and conditions set forth in this Term Sheet and the Final DIP Order;
- All requisite filings with governmental authorities and third parties shall have become effective, and all such governmental authorities and third parties shall have approved or consented to the Restructuring Transactions, to the extent required;
- The Debtors and K2 have agreed on a wind-down budget;
- All documents contemplated hereby to be executed and delivered on or before the Plan Effective Date shall have been executed and delivered, including the plan administrator agreement (as provided for in the Plan supplement);
- The Court shall have entered the Confirmation Order, which shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified, unless waived by each of the Debtors and K2; and

The conditions to effectiveness of the Plan may be waived, in whole or in part, in writing by the Debtors and K2 (in their respective sole and absolute discretion).

Means for Plan Implementation:

On the Plan Effective Date, the Debtors shall execute the Transactions contemplated by this Term Sheet and shall make all distributions necessary to satisfy the claims on the terms set forth herein from Cash, other assets then held by the Debtors, or from the DIP Facility.

Releases and Indemnities:

The Plan shall provide for customary releases (including third party releases) for key stakeholders including each of the Debtors and K2 to the maximum extent permitted under applicable law, as set forth in **Annex B** attached hereto. The Plan shall also provide for customary exculpations for the Debtors, their officers and directors who served on or after the Petition Date, the Debtors' attorneys and advisors, and any Committee appointed in these cases, as set forth in **Annex B** attached hereto. In exchange for the



Health Ventures

Molecular Templates, Inc. RSA Term Sheet

Page 1

6

treatment set forth herein, K2 agrees to release the Debtors and their directors and officers to the fullest extent of applicable law, as set forth in **Annex B** attached hereto.


Definitive Documentation: The Plan will provide that all definitive documents (the “**Definitive Documents**”), including the Confirmation Order and each other document necessary to implement or consummate the Transactions contemplated hereby (whether or not included in the plan supplement), shall be in form and substance acceptable to K2 in their sole and absolute discretion.

Other Customary Plan Provisions: The Plan will provide for other standard and customary provisions, including in respect of the cancellation of existing claims and interests, the vesting of assets, the compromise and settlement of claims, the retention of jurisdiction by the bankruptcy court and the resolution of disputed claims.

Binding Term Sheet: Subject to the terms and conditions set forth herein, and upon signature of the Term Sheet by each of the parties hereto, K2 Term Sheet shall be deemed a binding obligation of the Parties.

Molecular Templates, Inc.

K2 Health Ventures, LLC

By: 
 Name: Craig Jalbert
 Title: Chief Executive Officer

By: _____
 Name: Parag Shah
 Title: Chief Executive Officer

treatment set forth herein, K2 agrees to release the Debtors and their directors and officers to the fullest extent of applicable law, as set forth in **Annex B** attached hereto.

Definitive Documentation: The Plan will provide that all definitive documents (the “**Definitive Documents**”), including the Confirmation Order and each other document necessary to implement or consummate the Transactions contemplated hereby (whether or not included in the plan supplement), shall be in form and substance acceptable to K2 in their sole and absolute discretion.

**Other Customary
Plan Provisions:**

The Plan will provide for other standard and customary provisions, including in respect of the cancellation of existing claims and interests, the vesting of assets, the compromise and settlement of claims, the retention of jurisdiction by the bankruptcy court and the resolution of disputed claims.

Binding Term Sheet: Subject to the terms and conditions set forth herein, and upon signature of the Term Sheet by each of the parties hereto, K2 Term Sheet shall be deemed a binding obligation of the Parties.

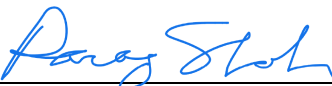
Molecular Templates, Inc.

K2 Health Ventures, LLC

By: _____

Name: Craig Jalbert
Title: Chief Executive Officer

By: _____



Name: Parag Shah
Title: Chief Executive Officer

Annex A - Definitions

"A&R CVR" means that certain Amended and Restated Secured Contingent Value Right Agreement, dated February 20, 2025, which as of the Petition Date is the sum of a principal amount of \$24,300,515.15, plus all other amounts accrued but unpaid in connection with the Bridge Loan, including, but not limited to, accrued and unpaid interest, unreimbursed costs, fees, expenses, and indemnities owed thereunder.

"Administrative Agent" means K2 HealthVentures LLC or one of its subsidiaries, in its capacity as administrative agent.

"Affiliate" has the meaning set forth in section 101(2) of the Bankruptcy Code as if such entity was a debtor in a case under the Bankruptcy Code.

"Allowed" means with respect to any Claim, except as otherwise provided in the Plan: (i) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been Filed; or (ii) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; provided that with respect to a Claim described in clause (i) above, such Claim shall be considered Allowed only if, and to the extent that, with respect to such Claim, no objection to the allowance thereof has been Filed by the Debtors or any other party in interest within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Court, or such an objection was so Filed and the Claim shall have been Allowed by a final order of the Court. Notwithstanding anything to the contrary herein, no claim of any entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the Debtors. "Allow" and "Allowing" shall have correlative meanings.

"Avoidance Actions" means any and all actual or potential avoidance, recovery, subordination, or other Claims, Causes of Action, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including Claims, Causes of Action, or remedies under sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar local, state, federal, or foreign statutes and common law, including fraudulent and voidable transfer laws.

"Bankruptcy Rule" means Federal Rule of Bankruptcy Procedure.

"Bridge Loan" means that certain Loan and Security Agreement, dated February 20, 2025, which as of the Petition Date is the sum of a principal amount of \$1,366,231.92 plus all other amounts accrued but unpaid in connection with the Bridge Loan, including, but not limited to, accrued and unpaid interest, unreimbursed costs, fees, expenses, and indemnities owed thereunder.

"Cash" means cash in legal tender of the United States of America and cash equivalents, including bank deposits, checks, and other similar items.

"Collateral Trustee" means Ankura Trust Company, LLC, as collateral trustee for the DIP Secured Parties.

"Consummation" means the occurrence of the Effective Date.

"DIP Facility" means that certain senior secured superpriority debtor-in-possession term loan credit facility by and between the Debtors and K2 in the aggregate amount of \$12 million, which amount consists of (i) new money loan commitments in the aggregate maximum principal amount of up to \$3 million, plus (ii) loans representing a "roll up" of a portion of the outstanding Prepetition Secured Claims equal to \$9 million.

"DIP Lender" means K2 HealthVentures LLC and/or one of its subsidiaries, along with its successors and assigns.

"DIP Secured Parties" means the (i) Collateral Trustee, (ii) Administrative Agent, (iii) DIP Lender, and (iv) any of their respective successors or assigns.

“Entity” has the meaning set forth in section 101(15) of the Bankruptcy Code.

“Estate” means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor’s Chapter 11 Case.

“Exculpated Parties” means collectively, and in each case, in its capacity as such: (i) the Debtors; (ii) the Debtors’ directors and officers that have served on or after the Petition Date; (iii) the Debtors’ attorneys, financial advisors, consultants, or other professional or advisors; (iv) the Official Committee of Unsecured Creditors, if any; (v) the members of the Official Committee of Unsecured Creditors, if any, in their capacity as such; (vi) the successors and assigns, subsidiaries, members, employees, partners, officers, directors, agents, attorneys, advisors, accountants, financial advisors, investment bankers, consultants, and other professionals of or for any of the Persons identified in (i) through (v) above on or after the Petition Date solely in their capacity as such.

“General Unsecured Claim” means any claim other than an Administrative and Priority Claim, a DIP Claim, an Other Secured Claim, an Other Priority Claim, or a Prepetition Secured Claim.

“General Unsecured Claims Distribution” shall mean, the cash remaining, if any, following payment in full of all allowed administrative expense claims, including Fee Claims, DIP Claims, priority tax claims, other secured claims, prepetition secured claims, or any other priority claims. Any amount remaining in the wind-down budget, if any, following the winddown of these chapter 11 cases (including the payment of all costs and expenses of the Liquidating Trust, Liquidating Trustee, and the professionals retained by the Liquidating Trust and the Liquidating Trustee) shall be deemed to be cash available for the General Unsecured Claims Distribution.

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

“Other Secured Claim” means any Claim against a Debtor where, pursuant to section 506(a) of the Bankruptcy Code, the Claim is secured by a valid, perfected, and enforceable Lien that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law in or upon any right, title, or interest of the Debtor in and to property of the Estate, to the extent of the value of the Debtor’s interest in such property as of the relevant determination date.

“Prepetition Secured Claims” means, in the aggregate, the Bridge Loan and the A&R CVR.

“Related Party” means each of, and in each case in its capacity as such, current and former directors, managers, officers, committee members, members of any governing body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, Affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such person’s or entity’s respective heirs, executors, estates, and nominees.

“Released Party” means, each of, and in each case in its capacity as such: (i) the Debtors and each of the Debtors’ Estates; (ii) the DIP Secured Parties; (iii) the Official Committee of Unsecured Creditors, if any, and its members, each in their capacities as such; (iv) any other Releasing Party; (v) each current and former Affiliate of each entity in clauses (i) through clause (iv); and (vi) each Related Party of each entity in clauses (i) through clause (iv); provided, that, in each case, an entity shall not be a Released Party if it: (a) elects to opt out of the releases provided by the Plan, (b) is deemed to reject the Plan, or (c) timely objects to the releases provided by the Plan through a formal objection filed on the docket of these Cases that is not resolved before the hearing on confirmation of the Plan. Notwithstanding the foregoing, any party who is a Released Party shall also be a Releasing Party and any party who is a Releasing Party shall also be a Released Party.

“Releasing Party” means each of, and in each case in its capacity as such: (i) the Debtors and each of the Debtors’ Estates; (ii) the DIP Secured Parties; (iii) the Official Committee of Unsecured Creditors, if any, and its members, each in their capacities as such; (iv) all holders of claims or interests that vote to accept the Plan; (v) all holders of claims or interests that are deemed to accept the Plan and who do not affirmatively execute and timely return a release opt-out form; (vi) all holders of claims or interests whose vote to accept or reject the Plan is solicited but who do not vote either to accept or to reject the Plan and do not affirmatively execute and timely return a release opt-out form; (vii) all holders of claims or interests that vote to reject the Plan or are deemed to reject the Plan and who do not affirmatively execute and timely return a release opt-out form; (viii) each current and former Affiliate of each Entity in clause (i) through clause (vii); and (ix) each Related Party of each Entity in clauses (i) through clause (vii) solely to the extent such Related Party may assert Claims or Causes of Action on behalf of or in a derivative capacity by or through an Entity in clause (i) through clause (vii); provided, that, in each case, an entity shall not be a Releasing Party if it: (a) elects to opt out of the third party release; (b) is deemed to reject the Plan, or (c) timely objects to the third party release through a formal objection filed on the docket of the Cases that is not resolved before the hearing on confirmation of the Plan. Notwithstanding the foregoing, any party who is a Released Party shall also be a Releasing Party and any party who is a Releasing Party shall also be a Released Party.

Annex B - Releases**Debtor Releases:**

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, effective on the Plan Effective Date, each Released Party is hereby deemed to be hereby released and discharged by the Debtors and their estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any causes of action, directly or derivatively, by, through, for, or because of the foregoing entities on behalf of the Debtors, from any and all derivative claims and causes of action asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors or their estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any claim against, or Interest in, a Debtor or other entity, or that any holder of any claim against, or Interest in, a Debtor or other entity could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to claims asserted against the Debtors), intercompany transactions, the Cases, the formulation, preparation, dissemination, negotiation, or filing of the disclosure statement, the DIP Facility loan documents, the Plan (including, for the avoidance of doubt, the plan supplement), the restructuring support agreement, or any aspect of the Transactions, including any contract, instrument, release, or other agreement or document (including any legal opinion requested by any entity regarding any transaction, contract, instrument, document or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the restructuring support agreement, the disclosure statement, the DIP Facility loan documents, the Plan, the plan supplement, before or during the Cases, the filing of the Cases, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Plan Effective Date, except for claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual intentional fraud, willful misconduct, or gross negligence of such Person. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Plan Effective Date obligations of any party or entity under the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the plan supplement) executed to implement the Plan or any claim or obligation arising under the Plan. Notwithstanding anything to the contrary in the foregoing, the releases under this section only release claims held by the Debtors or claims that could be asserted by the Debtors under applicable law.

Third Party Releases:

Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Plan Effective Date, and with respect to all other Releasing Parties, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released by each Releasing Party from any and all derivative claims and causes of action asserted on behalf of the Debtors, whether known or

unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors or their estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any claim against, or Interest in, a Debtor or other entity, or that any holder of any claim against, or Interest in, a Debtor or other entity could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to claims asserted against the Debtors), intercompany transactions, the Cases, the formulation, preparation, dissemination, negotiation, or filing of the disclosure statement, the DIP Facility loan documents, the Plan (including, for the avoidance of doubt, the plan supplement), the restructuring support agreement, or any aspect of the Transactions, including any contract, instrument, release, or other agreement or document (including any legal opinion requested by any entity regarding any transaction, contract, instrument, document or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the restructuring support agreement, the disclosure statement, the DIP Facility loan documents, the Plan, the plan supplement, before or during the Cases, the filing of the Cases, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Plan Effective Date, except for claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual intentional fraud, willful misconduct, or gross negligence of such Person. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Plan Effective Date obligations of any party or entity under the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the plan supplement) executed to implement the Plan or any claim or obligation arising under the Plan.

Exculpations:

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from any cause of action for any claim related to any act or omission taking place between the Petition Date and the Plan Effective Date in connection with, relating to, or arising out of, the Cases, the disclosure statement, the Plan, the DIP Facility loan documents, the restructuring support agreement, or any aspect of the Transaction, including any contract, instrument, release or other agreement or document (including providing any legal opinion requested by any entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the disclosure statement or the Plan, the DIP Facility loan documents, the filing of the Cases, the pursuit of confirmation, the administration and implementation of the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a final order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.