

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

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In re: : Chapter 11
: :
EASTMAN KODAK COMPANY, *et al.*¹, : Case No. 12-10202 (ALG)
: :
Debtors. : Jointly Administered
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**STIPULATION RESOLVING MOTION PURSUANT TO
11 U.S.C. § 1102(a)(2) FOR APPOINTMENT OF A COMMITTEE
TO REPRESENT HOLDERS OF KERIP AND KURIP CLAIMS**

This Stipulation is entered into this 3rd day of July, 2013, by and between EKRA Ltd. (“**EKRA**”), Sandra Feil, Robert LaRossa, Gary Van Graafeiland, James E. Moxley, Paul Kosieracki, Robert LaPerle, John Chiazza, James Stoffel, Kenneth Hoffman, and Mark Morris (collectively, the “**Movants**”) on the one hand, and Eastman Kodak Company (“**Kodak**”), on behalf of itself and its-above captioned affiliated debtors and debtors in possession (collectively, the “**Debtors**”), on the other hand, through their respective undersigned counsel. The parties hereto are individually referred to in this Stipulation as a “**Party**” and collectively referred to herein as the “**Parties**”.

RECITALS

WHEREAS, on January 19, 2012 (the “**Petition Date**”), the Debtors filed petitions for reorganization under Chapter 11 of Title 11 of the United States Code, 11

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

U.S.C. § 101 et seq. (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), thereby commencing the above-captioned, jointly administered chapter 11 cases (collectively, the “**Chapter 11 Cases**”), and have continued in possession of their assets and management of their businesses as debtors-in-possession since the Petition Date; and

WHEREAS, prior to the Petition Date, Kodak sponsored various retirement benefit plans, including plans known as the Kodak Excess Retirement Income Plan (the “**KERIP**”) and the Kodak Unfunded Retirement Income Plan (the “**KURIP**”); and

WHEREAS, Kodak ceased paying benefits under the KERIP and the KURIP as of the Petition Date; and

WHEREAS, in its Schedules of Assets and Liabilities (each, a “**Schedule**”) filed with the Court in the Chapter 11 Cases, Kodak listed its estimated liabilities under the KERIP and the KURIP on Schedules F7 and F8, respectively, filed on April 18, 2012, and on amended Schedules F7 (“**Amended Schedule F7**”) and F8 (“**Amended Schedule F8**”), respectively, filed on May 16, 2012; and

WHEREAS, in addition to the KERIP and the KURIP, Kodak sponsored the Kodak Company Global Pension Plan for International Employees (the “**GPP**”) and provided supplemental non-qualified pension benefits pursuant to individual letter agreements with certain current and former employees (collectively, the “**Letter Agreements**”); and

WHEREAS, Kodak listed its estimated liabilities under the GPP and the Letter Agreements on Schedule F9 filed on April 18, 2012, and on amended Schedule F9

(“**Amended Schedule F9**,” and together with Amended Schedule F7 and Amended Schedule F8, collectively, the “**Amended Schedules**”) filed on May 16, 2012; and

WHEREAS, on Amended Schedule F7, Kodak estimated its total liability for claims under the KERIP (collectively, the “**KERIP Claims**”) to equal \$48,714,652.34; and

WHEREAS, on Amended Schedule F8, Kodak estimated its total liability for claims under the KURIP (together with the KERIP Claims, collectively, the “**KERIP/KURIP Claims**”) to equal \$128,825,178.96; and

WHEREAS, on Amended Schedule F9, Kodak estimated its total liability for claims under the GPP and the Letter Agreements (collectively, the “**Non-KERIP/KURIP Claims**,” and together with the KERIP/KURIP Claims, each, a “**Claim**,” and collectively, the “**Claims**”) to equal \$40,030,032.86;² and

WHEREAS, the Movants and certain other holders of the KERIP/KURIP Claims disagree with the underlying discount rates and mortality tables used by Kodak to calculate the KERIP/KURIP Claims; and

WHEREAS, on April 30, 2013, the Movants filed their Motion Pursuant to 11 U.S.C. § 1102(a)(2) for Appointment of a Committee to Represent Holders of KERIP and KURIP Claims [Docket No. 3645] (the “**Motion**”), requesting the Court to appoint a committee pursuant to section 1102(a)(2) of the Bankruptcy Code to represent the interests of the holders of the KERIP/KURIP Claims (a “**KERIP/KURIP Committee**”), and specifically so that a KERIP/KURIP Committee could ascertain the underlying

² The total liabilities listed on Amended Schedule F9 were \$40,612,163.50; however, in addition to the Non-KERIP/KURIP Claims, the Debtors also scheduled on Amended Schedule F9 certain liabilities for severance-related claims unrelated to the GPP and the Letter Agreements, which claims are not subject to this Stipulation.

assumptions used by Kodak in calculating the KERIP/KURIP Claims and why the KERIP/KURIP Claims were listed on the Amended Schedules as unliquidated or contingent and unliquidated, determine how many KERIP/KURIP Claims had been disallowed and negotiate for their allowance, and discuss the form of distribution to the holders of KERIP/KURIP Claims under any chapter 11 plan proposed by Kodak; and

WHEREAS, on June 18, 2013, Kodak filed its proposed First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and Its Debtor Affiliates [Docket No. 4073] (as may be amended or modified from time to time, the “**Plan**”), and on June 26, 2013, the Court entered an order [Docket No. 4167] approving the Debtors’ First Amended Disclosure Statement for Debtors’ First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 4143] (as may be amended or modified from time to time) in connection with the Plan; and

WHEREAS, the Parties agree that it is in their respective best interests and in the best interests of the Debtors’ estates and creditors to consensually resolve the issues raised in the Motion, including, without limitation, the appropriate allowed amount and classification of the Claims, pursuant to the terms of this Stipulation; and

WHEREAS, consensually resolving the Claims pursuant to the terms of this Stipulation and obtaining Court approval of this Stipulation will provide the Movants the substantive relief requested in the Motion, and will render the request for a KERIP/KURIP Committee and the Motion moot, thus avoiding the delay and expense attendant to litigating the Motion and the issues raised therein.

NOW, THEREFORE, in consideration of the foregoing, it is hereby stipulated and agreed by the Parties as follows:

1. This Stipulation is conditioned upon the Court's entry of an order, in the form attached hereto as Exhibit 1, approving this Stipulation (the "**Approval Order**"). To the extent entered by the Court, the date on which the Approval Order is entered shall be the "**Stipulation Effective Date.**" If (a) the Court enters an order denying approval of this Stipulation with prejudice or (b) the Approval Order is not entered on or before July 26, 2013 (unless the Parties agree to extend such date), (x) this Stipulation shall be null and void, (y) the Parties shall revert to their pre-Stipulation positions without any prejudice whatsoever from having entered into this Stipulation, and (z) neither of the Parties shall thereafter be bound by this Stipulation or any of its terms, including, without limitation, any of the Recitals.

2. The Claims shall be calculated as follows (collectively, the "**Assumptions**"): (a) for cash balance active and deferred vested participants, the present value of the Claims shall be taken to be the holders' hypothetical account balance estimated at the Petition Date (by applying eighteen (18) days of interest to the December 31, 2011 hypothetical account balance); (b) for traditional active participants, the lump sum present value shall be calculated consistent with the terms of their applicable plan(s) using the interest rate (3.02%) and mortality table (IRS Prescribed 2012 Table) which would have been in use on the Petition Date, and the holders' accrued benefits were estimated based upon compensation, service, and other valuation data; and (c) for all other inactive participants, the present values of future annuity benefits payable to such holders shall be estimated utilizing a discount rate of 3.02%, based on the lump sum interest rate that would have been applied to traditional active KURIP participants receiving a lump sum on the Petition Date, and the Sex-

Distinct RP 2000 Combined Mortality Table for Males and Females with White Collar Adjustment projected Generationally at Scale BB; *provided, however*, that in the event that a holder's Claim as reflected on the Amended Schedules would be greater than the amount of such Claim when calculated utilizing (a), (b) or (c), as applicable, such holder's Claim shall equal to the amount reflected on the Amended Schedules.

3. Based on the Assumptions, in the aggregate, the Claims shall equal \$244,240,699.36 and the individual holders (each, a "**Holder**," and collectively, the "**Holders**") of the Claims shall have allowed, non-priority general unsecured claims in the respective amounts provided for the Holders on Exhibit 2(a) attached hereto (each, an "**Allowed Claim**," and collectively, the "**Allowed Claims**").

4. Based on the Assumptions, in the aggregate, the Allowed Claims on account of the KERIP/KURIP Claims shall equal approximately \$201,000,000.00 and the Allowed Claims on account of the Non-KERIP/KURIP Claims shall equal approximately \$43,000,000.00. The Allowed Claims shall be Allowed General Unsecured Claims (as defined in the Plan) for the purposes of the Plan and section 502(b) of the Bankruptcy Code, without any requirement for a Holder, subsequent to the Stipulation Effective Date, to file a proof of claim in the Chapter 11 Cases on account of his or her Allowed Claim, and without regard to whether a Holder was required to file, or did file, a proof of claim on or before the Bar Date (as defined in that certain Corrected Order Establishing Deadline for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof [Docket No. 1159]) on account of his or her Claim.

5. Within thirty (30) days of the Stipulation Effective Date, Kodak, in consultation with the undersigned counsel for the Movants, shall prepare and transmit a

communication, substantially in the form attached hereto as Exhibit 3 (the “**Stipulation Notice**”), to each Holder, advising each Holder that, by accessing the website (<http://www.kccllc.net/kodak>) of the claims and noticing agent in the Chapter 11 Cases, or by contacting a “hotline” number to be provided in the Stipulation Notice, the Holder may view or learn the amount of his or her Allowed Claim and the Personal Variables utilized in calculating such Allowed Claim. “**Personal Variables**” shall mean *solely* the following: (A) group; (B) age as of the Petition Date; (C) gender; (D) plan benefit amount; (E) form of benefit; and (F) beneficiary age as of the Petition Date, if applicable. Each Holder shall have the right to notify Kodak (a “**Personal Variable Correction**”) that an incorrect Personal Variable has been used with respect to such Holder’s Allowed Claim.³ Any Personal Variable Correction shall: (i) be in writing; (ii) state with specificity, and provide corresponding proof of, the grounds for such Personal Variable Correction; and (iii) be sent to “*Eastman Kodak Company, 343 State Street, Building 7, Floor 16, Rochester, New York 14650-0216, Attention: AlixPartners, Michael DeGraf and Nathan Kramer*”, not later than the deadline set forth in the Stipulation Notice (the “**Personal Variable Correction Deadline**”), which deadline shall be 4:00 p.m. (ET) on the first business day that is not less than fifteen (15) days from the date the Stipulation Notice is mailed (which mailing shall be via first class mail). For the avoidance of doubt, any Personal Variable Correction shall be based solely on the Holder’s Personal Variables, and shall not be based on the Assumptions. If no Personal Variable Correction is received on or before the Personal Variable Correction

³ Personal Variables (A), (B), (C) and (F) are identified on Exhibit 2(a) attached hereto; Personal Variables (D) and (E) are identified on Exhibit 2(b) attached hereto.

Deadline, the Holder shall be forever barred from asserting a Personal Variable Correction, and the Debtors and their estates shall have no obligation whatsoever to consider a Personal Variable Correction received after the Personal Variable Correction Deadline. In the event that a Personal Variable Correction is received by Kodak on or before the Personal Variable Correction Deadline, Kodak and the applicable Holder shall work in a commercially reasonable and good faith manner to resolve the Personal Variable Correction, and in the event that the parties are unable to do so, all rights of the parties shall be reserved.

6. The Plan shall acknowledge that, pursuant to the terms of this Stipulation, the Allowed Claims shall constitute Allowed General Unsecured Claims under the Plan.

7. For the avoidance of doubt, any Holder who, prior to the Stipulation Effective Date, filed a proof of claim in the Chapter 11 Cases on account of a Claim and whose proof of claim was subject to an Omnibus Claims Objection filed by the Debtors and sustained by an order (a "**Claims Objection Order**") of the Court that resulted in modifying such proof of claim to an amount lower than such Holder's Allowed Claim shall, notwithstanding the Claims Objection Order, maintain such Holder's Allowed Claim.

8. With respect to any Holder who, prior to the Stipulation Effective Date, timely filed a proof of claim in the Chapter 11 Cases on account of a Claim and whose proof of claim was filed (a) in an amount higher than such Holder's Allowed Claim or (b) as a priority claim, in whole or in part (each, a "**Higher/Priority Proof of Claim**," and collectively, the "**Higher/Priority Proofs of Claim**"), the Movants and their

counsel, upon receipt from Kodak of a list identifying any such Higher/Priority Proofs of Claim, shall use commercially reasonable and good faith efforts (which the Parties agree shall be satisfied by a letter in substance reasonably acceptable to Kodak signed and sent by EKRA to each Holder of a Higher/Priority Proof of Claim) to cause each such Holder to withdraw such Higher/Priority Proof of Claim with prejudice within thirty (30) days of the Stipulation Effective Date, and any and all rights of the Debtors and their estates with respect to such Higher/Priority Proofs of Claim shall be reserved, including, without limitation, the right to object to such Higher/Priority Proofs of Claim on any and all grounds; *provided, however*, that (x) the Debtors and their estates shall not seek to modify the amount of any Higher/Priority Proof of Claim to an amount less than the corresponding Allowed Claim and (y) the Movants shall not oppose the relief requested in any objection to a Higher/Priority Proof of Claim to the extent such objection seeks to modify the amount of such Higher/Priority Proof of Claim to the amount of the corresponding Allowed Claim and/or reclassify the Higher/Priority Proof of Claim to a general unsecured claim (unless an objection is directed to a Higher/Priority Proof of Claim held by an individual Movant personally (any such objection, a “**Movant Objection**”), in which case such individual Movant, and only that individual Movant, and not EKRA or any of the other Movants, shall be permitted to oppose such Movant Objection as if such individual Movant were not a party to the Motion or this Stipulation). For the avoidance of doubt, nothing herein is intended or shall be deemed to amend, modify or otherwise affect any Claims Objection Order entered on or before the Stipulation Effective Date as such order pertains to any Higher/Priority Proofs of Claim.

9. With respect to any Holder who, prior to the Stipulation Effective Date, timely filed a proof of claim in the Chapter 11 Cases on account of a Claim and whose proof of claim was filed in an amount lower than such Holder's Allowed Claim (collectively, the "**Lower Proofs of Claim**"), nothing herein is intended or shall be deemed to impair, prejudice, waive or otherwise affect the rights of the Debtors and their estates to seek to disallow and expunge such Lower Proofs of Claim as duplicative of the corresponding Allowed Claims.

10. In recognition of the substantial contribution made in these Chapter 11 Cases by the Movants, pursuant to section 503(b)(3)(D) and (4) of the Bankruptcy Code, Kodak shall reimburse the Movants for their actual, necessary expenses ("**Movants' Expenses**"), if any, and for the reasonable fees and actual, necessary expenses of their undersigned counsel ("**Counsel's Fees and Expenses**") (provided that, in the aggregate, any Movants' Expenses and any Counsel's Fees and Expenses shall not exceed \$50,000 without the prior, written consent of Kodak) arising from or related to the execution and delivery of this Stipulation and the Approval Order, promptly upon submission of reasonably detailed invoices to Kodak's undersigned counsel, counsel to the Official Committee of Unsecured Creditors (the "**Creditors' Committee**"), Milbank, Tweed, Hadley & McCloy LLP, and counsel to the ad hoc committee of second lien noteholders (together with the Creditors Committee, the "**Additional Fees and Expenses Notice Parties**"), Akin Gump Strauss Hauer & Feld LLP; *provided, however*, that, for the avoidance of doubt, no Movant shall be entitled to Movants' Expenses arising from or related to any Movant Objection. No separate application or hearing shall be required to authorize such reimbursement, unless Kodak

or the Additional Fees and Expenses Notice Parties object to any Movants' Expenses or any Counsel's Fees and Expenses as unreasonable, in which case the Movants shall be entitled to file a separate application with the Court for allowance of such Movants' Expenses or any Counsel's Fees and Expenses, as applicable, and any and all rights of the Parties and the Additional Fees and Expenses Notice Parties with respect thereto shall be reserved.

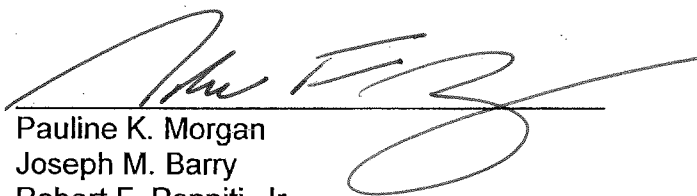
11. For purposes of determining whether a Holder is a 4(2) Eligible Participant (as defined in the Plan), the Holders shall be deemed to have beneficially owned their respective Allowed Claims, in the face amounts set forth on Exhibit 2(a) attached hereto, as of June 17, 2013.

12. This Stipulation reasonably provides or renders moot the relief sought in the Motion and therefore shall fully and finally resolve the Motion, and upon the Stipulation Effective Date, the Motion shall be deemed withdrawn by the Movants, with prejudice, without the need for further action of the Parties or the Court. Upon request by Kodak, EKRA shall advise the Court, in writing, that its concerns regarding the KERIP/KURIP Claims raised in the Motion have been fully resolved by this Stipulation and, to the extent applicable, appointment of a KERIP/KURIP Committee is unnecessary.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned have made and entered into this
Stipulation as of the day and year stated below, effective as of the Stipulation Effective
Date.

Dated: July 3, 2013



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