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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
CENVEO, INC., *et al.*,[1]	)	Case No. 18-22178 (RDD)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT FOR THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF CENVEO, INC. *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, OR A LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST. THIS DISCLOSURE STATEMENT AND THE PLAN ARE SUBJECT TO APPROVAL OF THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS DISCLOSURE STATEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS DISCLOSURE STATEMENT OR THE PLAN FOR ANY PURPOSE (INCLUDING IN CONNECTION WITH THE PURCHASE OR SALE OF THE DEBTORS' SECURITIES) BEFORE THE CONFIRMATION OF THE PLAN BY THE BANKRUPTCY COURT. [2]

[1] The last four digits of Cenveo, Inc.'s tax identification number are 0533. Due to the large number of debtor entities in these chapter 11 cases, which cases are being jointly administered for procedural purposes, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://cases.primeclerk.com/cenveo. The location of the Debtors' service address for purposes of these chapter 11 cases is: 777 Westchester Avenue, Suite 111, White Plains, New York 10604.

[2] This Disclosure Statement is subject to the receipt and review of additional information from the Debtors and remains subject to further review and comment from the Debtors and the Requisite First Lien Creditors and therefore remains subject to change in all respects.

Important Information for You to Read

The Voting Deadline is July [13], 2018 at 4:00 P.M., (Prevailing Eastern Time) with respect to Classes 3 and 5.

For your vote to be counted, your Ballot must be actually received by the Notice and Claims Agent before the applicable Voting Deadline as described herein.

The deadline to submit election forms to opt-out of the Third Party Release is July [13], 2018.

Subject to Bankruptcy Court approval, the Debtors[3] are providing the information in this Disclosure Statement to Holders of Claims for purposes of soliciting votes to accept or reject the Plan, which is attached hereto as Exhibit A. Nothing in this Disclosure Statement may be relied upon or used by any entity for any other purpose. Before deciding whether to vote for or against the Plan, each Holder of a claim entitled to vote should carefully consider all of the information in this Disclosure Statement, including the risk factors described in Article IX herein.

The Debtors urge every Holder of a Claim entitled to vote on the Plan to: (a) read the entire Disclosure Statement and the Plan carefully; (b) consider all of the information in this Disclosure Statement, including, importantly, the risk factors described in Article IX of this Disclosure Statement; and (c) consult with its own advisors with respect to any legal, financial, securities, tax, or business advice in reviewing this Disclosure Statement, the Plan, all documents attached hereto, and the proposed transactions contemplated thereby. Furthermore, the Bankruptcy Court's approval of the adequacy of the information contained in this Disclosure Statement does not constitute the Bankruptcy Court's approval of the Plan.

The Plan contains a series of releases that are part of the overall compromise and settlement of various potential Claims. In that respect, parties should be aware that, if the Plan is confirmed, they may be receiving and giving releases as set forth in Article VIII of the Plan and described in Article VII of this Disclosure Statement.

This Disclosure Statement contains, among other things, summaries of the Plan, certain statutory provisions, and certain events in the Debtors' Chapter 11 Cases. Although the Debtors believe that these summaries are fair and accurate, these summaries are qualified in their entirety to the extent that they do not set forth the entire text of such documents or statutory provisions or every detail of such anticipated events. In the event of any inconsistency or discrepancy between a description in this Disclosure Statement and the terms and provisions of the Plan or any other documents incorporated herein by reference, the Plan or such other documents will govern for all purposes. Factual information contained in this Disclosure Statement has been provided by the Debtors' management except where otherwise specifically noted. The Debtors do not represent or warrant that the information contained herein or attached hereto is without any material inaccuracy or omission.

[3] Capitalized terms used but not defined have the same meaning given to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

This Disclosure Statement has been prepared in accordance with section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily prepared in accordance with federal or state securities laws or other similar laws.

This Disclosure Statement was not Filed with the United States Securities and Exchange Commission (the "SEC") or any state authority and neither the SEC nor any state authority has passed upon the accuracy or adequacy of this Disclosure Statement or upon the merits of the Plan.

In preparing this Disclosure Statement, the Debtors relied on financial data derived from the Debtors' books and records and on various assumptions regarding the Debtors' businesses. While the Debtors believe that such financial information fairly reflects the financial condition of the Debtors as of the applicable presentation date and that the assumptions regarding future events reflect reasonable business judgments, no representations or warranties are made as to the accuracy of the financial information contained herein or assumptions regarding the Debtors' businesses and their future results and operations. The Debtors expressly caution readers not to place undue reliance on any forward looking statements contained herein.

This Disclosure Statement does not constitute, and may not be construed as an admission of fact, liability, stipulation, or waiver. The Debtors or the Reorganized Debtors, as applicable, may seek to investigate, file, and/or prosecute claims and may object to Claims after the Confirmation or Effective Date of the Plan, irrespective of whether this Disclosure Statement identifies any such Claims or objections to Claims.

The Debtors are making the statements and presenting the financial information contained in this Disclosure Statement as of the date hereof, unless otherwise specifically noted. Although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so, and expressly disclaim any duty to publicly update any forward looking statements, whether as a result of new information, future events, or otherwise. Holders of Claims reviewing this Disclosure Statement should not infer that, at the time of their review, the facts set forth herein have not changed since this Disclosure Statement was Filed. Information contained herein is subject to completion, modification, or amendment. The Debtors, with the consent of the Requisite First Lien Creditors, reserve the right to File an amended or modified Plan and related Disclosure Statement from time to time, subject to the terms of the Plan and the Restructuring Support Agreement.

Except where specifically noted, the financial information contained herein has not been audited by a certified public accountant and has not been prepared in accordance with generally accepted accounting principles.

The Debtors have not authorized any entity to give any information about or concerning the Plan other than that which is contained in this Disclosure Statement. The Debtors have not authorized any representations concerning the Debtors or the value of their property other than as set forth in this Disclosure Statement.

The securities described herein will be issued without registration under the United States Securities Act of 1933, as amended (the "Securities Act"), or any similar federal, state, or local law, in reliance on the exemptions set forth in section 1145 of the Bankruptcy Code to the maximum extent permitted and applicable and to the extent that section 1145 is either not permitted or not applicable, the exemption set forth in section 4(a)(2) of the Securities Act, the exemption set forth in section 701 promulgated under the Securities Act or another exemption thereunder. In accordance with section 1125(e) of the Bankruptcy Code, the Debtors or any of their agents that participate, in good faith and

in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the Plan, of the Debtors, of an affiliate participating in the Plan with the Debtors, or of a newly organized successor to the Debtors under the Plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale, or purchase of securities.

If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders of Claims and Interests (including those Holders of Claims who do not submit Ballots to accept or reject the Plan, or who are not entitled to vote on the Plan) will be bound by the terms of the Plan and the restructuring transaction contemplated thereby.

The Debtors support confirmation of the Plan and urge all Holders of Claims whose votes are being solicited to accept the Plan.

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EXHIBITS

I. INTRODUCTION

The Debtors submit this disclosure statement (the "Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code in connection with the solicitation of acceptances with respect to the Plan. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. Although described in further detail below, the Plan provides for the treatment of the following prepetition claims:

- **First Lien Notes Claims:** Each Holder of such claim shall receive its Pro Rata share of, as applicable: (i) Cash proceeds of the Additional Exit Financing (if any); (ii) the New Second Lien Debt (unless substituted in whole, but not in part, with Cash proceeds received from any Additional Exit Financing); and (iii) 100% of Reorganized Cenveo Equity Interests, subject to dilution by the Management Incentive Plan.

- **FILO Notes Claims:** Each Holder of such claim shall receive, its Pro Rata share of: (i) payment in full in Cash of the FILO Notes Claims; and (ii) payment of the reasonable and documented fees and expenses of legal counsel, Willkie Farr & Gallagher LLP, solely in its capacity as counsel to Holders of the FILO Notes Claims, incurred through and including the Effective Date (collectively, the "FILO Professional Fees and Expenses"), and the Reorganized Debtors, as applicable, and the Ad Hoc First Lien Committee shall have ten (10) calendar days from the date of receipt of any such summary invoice (which shall not include billing detail) to object to any such FILO Professional Fees and Expenses based upon reasonableness, and absent a timely objection interposed within such ten-day period, such FILO Professional Fees and Expenses shall be promptly paid by the Reorganized Debtors; provided, however, that to the extent an objection is timely interposed, the Bankruptcy Court shall determine the allowed amount of the FILO Professional Fees and Expenses, and after allowance by the Bankruptcy Court, shall be promptly paid by the Debtors or Reorganized Debtors, as applicable; provided, further, however, that the FILO Professional Fees and Expenses shall not exceed $275,000 in the aggregate.

- **General Unsecured Claims and Second Lien Notes Claims:** Each Holder of such claim shall receive its Pro Rata share of the General Unsecured Claims Recovery Cash Pool.

- **Cenveo Interests** shall be cancelled without any distribution on account of such Interests.

The Debtors believe that the Plan is fair and equitable, provides for a larger distribution to the Debtors' creditors than would otherwise result from liquidation under chapter 7 of the Bankruptcy Code, and maximizes the value of the Debtors' Estates. At this time, the Debtors believe the Plan is the best available alternative. For these reasons and the reasons described herein, the Debtors strongly recommend that each creditor entitled to vote on the Plan vote to accept the Plan.

IMPORTANT DATES

- **Date by which Ballots must be received by the Notice and Claims Agent: July [13], 2018**
- **Date by which objections to the Plan must be Filed and served: July [13], 2018**
- **Date by which election forms to opt-out of the the non-Debtor Third Party Release must be received by the Notice and Claims Agent: July [13], 2018.**

II. PRELIMINARY STATEMENT

The Debtors are one of the largest printing business enterprises in North America and a leader in manufacturing and fulfillment of envelopes, labels, print, and related communication resources. Publicly-held, the Debtors generated gross revenue of approximately $1.326 billion for the fiscal year ending December 30, 2017.

As of January 2018, the Debtors employed approximately 5,100 employees in the United States and approximately 1,380 additional employees abroad. The Debtors' workforce consists of approximately 1,535 active employees subject to collective bargaining agreements. The Debtors serve their customer base from their corporate headquarters in Stamford, Connecticut, its production facilities in approximately 20 states and its international offices. The Debtors in the Chapter 11 Cases consist of 36 entities, each organized under United States law. An organizational chart illustrating the corporate structure in summary format as of the Petition Date is attached hereto as **Exhibit B**. As detailed more fully herein, the Debtors entered chapter 11 to restructure and deleverage their balance sheet.

As described throughout this Disclosure Statement, the Plan provides for a comprehensive restructuring of the Debtors' obligations, preserves the going-concern value of the Debtors' businesses, maximizes recoveries available to all constituents, and preserves thousands of jobs. If confirmed and consummated, the Plan will eliminate hundreds of millions of dollars in debt from the Debtors' balance sheet, provide the Debtors with the capital necessary to fund distributions to certain of their creditors, and provide the Debtors with the working capital necessary to fund ongoing operations. Following the Effective Date, the Debtors will emerge from chapter 11 with an improved, delevered balance sheet. The Debtors intend to emerge from chapter 11 pursuant to the Plan on an expedited timeline within six months following the commencement of the Chapter 11 Cases.

As described more fully below, in developing the Restructuring Support Agreement and Plan, the Debtors engaged in good faith negotiations with the Ad Hoc First Lien Committee. Prior to the Petition Date, the Debtors and the Ad Hoc First Lien Committee also engaged in good faith negotiations with Brigade Capital Management, LP ("Brigade"), the largest holder of Second Lien Notes. Although members of the Ad Hoc First Lien Committee and the Debtors entered into the Restructuring Support Agreement, the parties were unable to reach consensus with Brigade before the commencement of the Chapter 11 Cases. After the Petition Date, the Debtors continued engaging in good faith negotiations with many of their key stakeholders, including, among others, the Committee, the Allianz Parties, and the Ad Hoc First Lien Committee. The Plan is the culmination of those discussions and embodies a settlement of issues between the Debtors, the Committee, and the Ad Hoc First Lien Committee (the "Global Settlement"). Members of the Ad Hoc First Lien Committee have entered into the Restructuring Support Agreement to support the Debtors' restructuring. Additionally, the Allianz Parties have executed an amendment to the Restructuring Support Agreement in support of the Plan (the "RSA Amendment"). The Restructuring Support Agreement, including the RSA Amendment thereto, is attached as **Exhibit F** to this Disclosure Statement and is further described in this Disclosure Statement. As such, the Plan has the support of the Committee (including PBGC and its union members), the Allianz Parties, and the Ad Hoc First Lien Committee. As further described in this Disclosure Statement, the components of the Global Settlement include, among other things:

- assumption of the U.S. Qualified Pension Plan obligations;
- assumption of the unexpired Collective Bargaining Agreements;
- assumption of the unexpired lease in connection with the Debtors' corporate headquarters in Stamford, Connecticut, as amended;
- establishment of a $7 million General Unsecured Claims Cash Pool (which was increased from $1.5 million under the original Plan), payable over two years after the Effective Date; as described in more detail in the Plan;

- appointment of a Claims Oversight Monitor, who will oversee the claims objection process and the reimbursement of up to $100,000 of fees and expenses of the Claims Oversight Monitor (provided that any costs in excess of the $100,000 will be paid from the General Unsecured Claims Cash Pool);

- payment of $400,000 to the Unsecured Notes Indenture Trustee for its substantial contribution to these Chapter 11 Cases and the Estates;

- waiver of the deficiency claim for the Holders of the First Lien Notes Claims;

- waiver and release of all Avoidance Actions arising under chapter 5 of the Bankruptcy Code or any comparable action arising under applicable of non-bankruptcy law against trade vendors and non-insider landlords of the Debtors;

- the Committee's support of the Plan and encouragement of creditors through the Committee Support Letter (as defined below) to vote to accept the plan;

- the Debtors' and the Committee's Investigations will cease, and the Examiner will submit a report after reviewing the Debtors' and the Committee's respective draft reports;

- the New Second Lien Debt shall be decreased from at least $200 million to $100 million;

- the Debtors will provide Debtor Releases in favor of current and former directors and officers, as well as Robert G. Burton, Sr. and related family members and their entities; and

- the right for Holders of Second Lien Notes Claims to receive and retain proceeds of cash collateral under the Plan notwithstanding the applicability of the Second Lien Intercreditor Agreement.

The Global Settlement and the RSA Amendment is a comprehensive settlement of all disputes between the Debtors, the Committee, the Allianz Parties, and the Ad Hoc First Lien Committee. Each provision of the Global Settlement and the RSA Amendment is essential to the entirety of the agreement, and the provisions or settlements contemplated by the Global Settlement and the RSA Amendment are inextricably intertwined. If one aspect of the Global Settlement and the RSA Amendment is not approved by the Bankruptcy Court in connection with the Plan and this Disclosure Statement, the remainder of the Global Settlement and the RSA Amendment will no longer be valid or enforceable.

The Debtors believe that their businesses and assets have significant value that would be materially impaired in a liquidation, either in whole or in substantial part. Consistent with the valuation, liquidation, and other analyses prepared by the Debtors with the assistance of its advisors, the value of the Debtors is substantially greater as a going concern than in a liquidation. The Debtors also believe that any alternative to Confirmation, such as an attempt by another party to obtain confirmation of a competing plan, would result in significant delays, litigation and additional costs and could have a material negative effect on value by, among other things, causing unnecessary uncertainty with the Debtors' key customer and supplier constituencies, which ultimately could reduce the recoveries for all Holders of Allowed Claims.

The Debtors also believe that incentivizing its workforce to remain with the Reorganized Debtors is critical. As such, the Debtors, along with the Ad Hoc First Lien Committee have agreed to establish the Management Incentive Plan, which will provide for issuance on the Effective Date of awards of restricted stock units on up to 2.5% of Reorganized Cenveo Equity Interests, and following the Effective Date, stock options, stock appreciation rights and other similar appreciation awards exercisable for up to 7.0% of Reorganized Cenveo Equity Interests. The participants in the Management Incentive Plan, the timing and

allocations of the awards to participants, and the other terms and conditions of such awards (including, but not limited to, vesting, exercise prices, base values, hurdles, forfeiture, repurchase rights and transferability) shall be set forth as an exhibit to the Plan Supplement; provided that, to the extent any stock options, stock appreciation rights or other similar appreciation awards are granted on, or shortly after, the Effective Date, the exercise price of such stock options, stock appreciation rights and other similar appreciation awards shall be the exercise price that would otherwise provide the holders of the First Lien Notes Claims with an aggregate recovery of 75% of their aggregate outstanding First Lien Notes Claims (including, without limitation, all accrued and unpaid interest), as of the Petition Date, taking into account all distributions received under the Plan, unless otherwise required to avoid additional tax liabilities under Section 409A of the Internal Revenue Code.

The Debtors seek Bankruptcy Court approval of the Plan. Before soliciting acceptances of a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires a plan proponent to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of a chapter 11 plan. This Disclosure Statement is being submitted in accordance with such requirements. This Disclosure Statement includes, without limitation, information about:

- the Debtors' corporate history and corporate structure, business operations, and prepetition capital structure and indebtedness (Article V.A herein);
- events leading to the Chapter 11 Cases, including the Debtors' restructuring negotiations (Article V.D herein);
- significant events in the Chapter 11 Cases (Article VI herein);
- the classification and treatment of Claims and Interests under the Plan, including who is entitled to vote and how to vote on the Plan (Article VII.B and Article VII.C herein);
- certain important effects of Confirmation of the Plan (Article VIII herein);
- releases contemplated by the Plan that are integral to the overall settlement of Claims pursuant to the Plan (Article VII.H herein);
- the statutory requirements for confirming the Plan (Article VIII herein);
- certain risk factors Holders of Claims should consider before voting to accept or reject the Plan and information regarding alternatives to Confirmation of the Plan (Article IX herein);
- certain securities law matters with respect to the Plan (Article X herein); and
- certain U.S. federal income tax consequences of the Plan (Article XI herein).

In light of the foregoing, the Debtors believe this Disclosure Statement contains "adequate information" to enable a hypothetical reasonable investor to make an informed judgment about the Plan and complies with all aspects of section 1125 of the Bankruptcy Code.

The Debtors' boards of directors, boards of managers, and managing members have approved the Plan and the transactions contemplated therein and believe that the Plan is in the best interests of the Debtors, the Estates, and creditors as a whole. As such, the Debtors recommend that all Holders of Claims entitled to vote on the Plan, vote to accept the Plan by returning their ballots, so as to be actually received

by the Debtors' Notice and Claims Agent no later than **July [13], 2018, at 4:00 p.m. prevailing Eastern Time**. Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing.

The Plan and all documents to be executed, delivered, assumed, and/or performed in connection with the Consummation of the Plan, including the documents to be included in the Plan Supplement, are subject to revision and modification from time to time prior to the Effective Date (subject to the terms of the Plan and the Restructuring Support Agreement).

III. TREATMENT OF CLAIMS AND INTERESTS

As set forth in Article III of the Plan, and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Financing Claims, and Priority Tax Claims) are classified into Classes for all purposes, including voting, Confirmation, and distributions pursuant to the Plan. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class. A Claim is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table below summarizes the treatment of all unclassified Claims under the Plan. The treatment and the projected recoveries of unclassified Claims are described in summary form below for illustrative purposes only. Risk factors addressing the effects of the actual amount of Allowed Claims exceeding the Debtors' estimates, and the effect of such variation on creditor recoveries, and other risks related to Confirmation and the Effective Date of the Plan are addressed in Article IX hereof. To the extent that any inconsistency exists between the summary contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

Estimated Allowed Claims identified in this Article III are based on the Debtors' books and records after reasonable inquiry, and are presented assuming a hypothetical Effective Date in late July, 2018. Actual amounts of Allowed Claims could differ materially from the estimates set forth in the Plan, and actual recoveries could differ materially from such estimates, on account of, among other things, any rejection damages that may occur as a result of the Debtors' rejection of Executory Contracts, including those deemed rejected pursuant to Article V of the Plan. The table below summarizes the treatment of all unclassified Claims against the Debtors under the Plan:

Unclassified Claim	Plan Treatment	Estimated Allowed Claims	Estimated % Recovery Under the Plan	Estimated % Recovery Under Chapter 7[1]
Administrative Claims	Unimpaired	$89,576,256	100.0%	6.0% - 9.4%
Professional Fee Claims	Unimpaired	$15,800,000	100.0%	100.0%[2]
DIP Facilities Claims	Unimpaired	$178,534,270	100.0%	71.9% - 99.2%[3]
Priority Tax Claims	Unimpaired	$1,000,000	100.0%	6.0% - 9.4%

The table below summarizes the classification and treatment of all classified Claims against and Interests in, the Debtors under the Plan. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth in the Plan shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth in the Plan. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims or Interests shall be treated as set forth in Article III.G of the Plan. For all purposes under the Plan, each Class will apply for each of the Debtors (*i.e.*, there will be ten (10) Classes for each Debtor).[4]

The classification, treatment, and the projected recoveries of classified Claims are described in summary form below for illustrative purposes only and are subject to material change. In particular, recoveries available to the Holders of General Unsecured Claims are estimates based on information known to the Debtors as of the date hereof and actual recoveries could differ materially based on, among other things, whether the amount of Claims actually Allowed against the applicable Debtor exceed the estimates provided below. In such an instance, the recoveries available to the Holders of General Unsecured Claims could be materially lower when compared to the estimates provided below. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

[1] The Debtors liquidation analysis (the "Liquidation Analysis") is attached hereto as **Exhibit E**.

[2] Professional Fee Claims in a liquidation under chapter 7 will likely be entitled to full recovery because: (a) Professional Fee Claims are projected to be lower in a hypothetical conversion to chapter 7; and (b) professional fees will benefit from the priority arising under the Carve Out (as defined in the DIP Financing Orders).

[3] The DIP Facilities Claims include the ABL DIP Facilities and Term Loan DIP Facilities for the purposes of estimating recovery percentage under a chapter 7 liquidation.

[4] For the avoidance of doubt, estimated Allowed Claim amounts and recoveries in the tables below are aggregate Claim amounts and recoveries for all obligated Debtors other than the FILO Notes claims, which are reported in principal amount and accrued and unpaid interest is considered part of the total Estimated FILO Notes claims

Class	Claim / Interest	Status	Estimated Allowed Claims	Estimated % Recovery Under the Plan	Estimated % Recovery Under Chapter 7
1	Other Priority Claims	Unimpaired	$0.0	100.0%	0.0%
2	Other Secured Claims	Unimpaired	$16,508,000	100.0%	100.0%
3	First Lien Notes Claims	Impaired	$556,292,700	44.1%	0.0%
4	FILO Notes Claims	Unimpaired	$50,000,000[5]	100.0%	70.5% - 100%[6]
5A	General Unsecured Claims (Non-Second Lien Notes Claims)	Impaired	$225,000,000[7]	1.5%	0.0%
5B	General Unsecured Claims (Second Lien Notes Claims)	Impaired	$248,909,486	1.5%	0.0%
6	Section 510(b) Claims	Impaired	N/A	0.0%	0.0%
7	Intercompany Claims	Unimpaired or Impaired	N/A	100.0%	N/A
8	Intercompany Interests	Unimpaired or Impaired	N/A	0.0%	N/A
9	Cenveo Interests	Impaired	N/A	0.0%	N/A

Article VIII of the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and are an essential element of the Plan and the Global Settlement.

All of the Released Parties are either being consensually released, the Debtors have decided in their business judgment that they should be released, or they have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Debtors for the benefit of all parties in interest. Moreover, the exculpation provisions are appropriately limited to the Exculpated Parties' participation in these chapter 11 cases and has no effect on liability resulting from actual fraud, gross negligence, or willful misconduct. Accordingly, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions.

The Released Parties include: (a) the Debtors; (b) the Reorganized Debtors; (c) each of the Estates; (d) the Examiner; (e) the DIP Agents; (f) the DIP Lenders; (g) the Exit Financing Agents; (h) the Exit Financing Lenders; (i) the First Lien Notes Indenture Trustee; (j) the members of the Ad Hoc First Lien Committee; (k) the Committee; (l) the Committee Members; (m) the Consenting First Lien Creditors; (n) with respect to each of the foregoing Entities in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and

[5] Plus accrued and unpaid interest.

[6] The Liquidation Analysis assumes that the aggregate principal amount indebted, plus any unpaid interest as of the Petition Date, under the FILO Notes is $50.2 million.

[7] As set forth in the Plan, Holders of General Unsecured Claims shall receive a recovery in Cash equal to $7,000,000 (which was increased from $1.5 million under the original Plan); as described in more detail in the Plan.

former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

The Releasing Parties include: (a) all Holders of Claims who vote to accept the Plan; (b) Holders of Claims who are deemed to accept the Plan and do not timely submit a duly completed opt-out form in accordance with the Disclosure Statement Order; (c) the members of the Ad Hoc First Lien Committee; (d) the Committee; (e) the Committee Members; (f) all other Holders of Claims and Interests (including Holders of Claims and Interests who are deemed to reject the Plan) who do not timely submit a duly completed opt-out form in accordance with the Disclosure Statement Order; (g) the DIP Agents; (h) the DIP Lenders; (i) the First Lien Notes Indenture Trustee; (j) with respect to each of the Debtors, the Reorganized Debtors, and each of the foregoing Entities in clauses (a) through (k), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, and officers, to the extent such director, manager, or officer provides express consent, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; provided that the Debtors' current and former directors, managers, and officers that are Interest Holders shall be deemed a "Releasing Party" regardless of whether such party submits a duly completed opt-out form.

Based on the foregoing, the Debtors believe that the releases and exculpations in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Second Circuit. Moreover, the Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions. Additional discussion regarding the Debtors' justification for providing the releases contained in Article VIII are discussed in Article VIII.B.1 herein.

IV. SOLICITATION, VOTING, AND CONFIRMATION DEADLINES

A. Solicitation Packages

On [●], 2018, the Bankruptcy Court entered the Disclosure Statement Order. For purposes of this Article IV, capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Disclosure Statement Order. Pursuant to the Disclosure Statement Order, Holders of Claims who are eligible to vote to accept or reject the Plan will receive appropriate solicitation materials (collectively, the "Solicitation Package"), including:

(a) a copy of the Solicitation and Voting Procedures;

(b) a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;

(c) the Cover Letter;

(d) the Disclosure Statement (and exhibits thereto, including the Plan);

(e) the Order (without exhibits, except the Solicitation and Voting Procedures);

(f) the Committee's letter in support of the Plan (the "Committee Support Letter")

(g) the Confirmation Hearing Notice; and

(h) such other materials as the Court may direct.

The Solicitation Package may also be obtained: (1) from the Debtors' Notice and Claims Agent by (a) visiting https://cases.primeclerk.com/cenveo (free of charge), (b) writing to Cenveo, Inc. c/o Prime Clerk LLC 830 Third Avenue 3rd Floor New York, New York 10022 or (c) calling (855) 252-2156; or (2) for a fee via PACER (except for ballots) at www.nysb.uscourts.gov.

B. Voting Deadline

The Voting Deadline is **July [13], 2018, at 4:00 p.m., prevailing Eastern Time**. All votes to accept or reject the Plan must be received by the Notice and Claims Agent by the Voting Deadline. All election forms to opt out of the Third Party Release must be received by the Notice and Claims Agent on or before July [13], 2018.

C. Voting Procedures

The Debtors are distributing this Disclosure Statement, accompanied by a ballot to be used for voting to accept or reject the Plan, to the Holders of Claims entitled to vote to accept or reject the Plan. If you are a Holder of a Claim in Class 3 (First Lien Notes Claims), or Class 5A and 5B (General Unsecured Claims) you may vote to accept or reject the Plan by completing the ballot and returning it in the envelopes provided. The Debtors have also requested authorization to accept Ballots from voters in Class 3 and Classes 5A and 5B via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website (except Holders of Unsecured Notes Claims). Parties entitled to vote electronically may cast an electronic Ballot and electronically sign and submit a Ballot instantly by utilizing the online balloting portal (which allows a Holder to submit an electronic signature).

Prime Clerk, LLC is the Notice and Claims Agent. The Notice and Claims Agent is available to answer questions concerning the procedures for voting on the Plan, provide additional copies of all materials, oversee the voting process, and process and tabulate ballots for each Class entitled to vote to accept or reject the Plan.
Ballots must be actually received by the Notice and Claims Agent by the Voting Deadline, which is **July [13], 2018, at 4:00 p.m., prevailing Eastern Time**, at the following address:
CENVEO, INC. **C/O PRIME CLERK LLC** **830 THIRD AVENUE, 9TH FLOOR** **NEW YORK, NY 10022**
If you have any questions on the procedure for voting on the Plan, please call or email the Notice and Claims Agent at: (852) 252-2156 cenveoinfo@primeclerk.com

More detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to Holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by using the appropriate ballot. All ballots must be properly executed, completed, and

delivered according to their applicable voting instructions by: (i) first class mail, in the return envelope or online balloting system provided with each ballot; (ii) overnight delivery; or (iii) personal delivery, so that the ballots are **actually received** by the Notice and Claims Agent no later than the Voting Deadline at the return address set forth in the applicable ballot. Any ballot that is properly executed by the Holder of a Claim entitled to vote that does not clearly indicate an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan will not be counted. Ballots received by facsimile or by electronic means will not be counted.

Each Holder of a Claim entitled to vote to accept or reject the Plan may cast only one ballot for each Claim held by such Holder. By signing and returning a ballot, each Holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Debtors that no other ballots with respect to such Claim has been cast or, if any other ballots have been cast with respect to such Claim, such earlier ballots are superseded and revoked.

All ballots will be accompanied by return envelopes. It is important to follow the specific instructions provided on each ballot, as failing to do so may result in your ballot not being counted.

D. Plan Objection Deadline

The Bankruptcy Court has established **July [13], 2018, at 4:00 p.m.**, prevailing Eastern Time, as the deadline to object to Confirmation of the Plan (the "Plan Objection Deadline"). All such objections must be Filed with the Bankruptcy Court and served on the Debtors, the Ad Hoc First Lien Committee, and certain other parties in interest, in accordance with the Disclosure Statement Order, so that they are **actually received** on or before the Plan Objection Deadline. The Debtors believe that the Plan Objection Deadline, as established by the Bankruptcy Court, affords the Bankruptcy Court, the Debtors, and other parties in interest reasonable time to consider the objections to the Plan before the Confirmation Hearing.

E. Confirmation Hearing

Assuming the requisite acceptances are obtained for the Plan, the Debtors intends to seek confirmation of the Plan at the Confirmation Hearing scheduled on **July 23, 2018, at 11:00 a.m., prevailing Eastern Time**, before the Honorable Robert D. Drain, United States Bankruptcy Judge, in Room 248 of the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, NY 10601. The Confirmation Hearing may be continued from time to time, without further notice other than an adjournment announced in open court, or a notice of adjournment Filed with the Bankruptcy Court and served on any entities who have filed objections to the Plan. The Bankruptcy Court, in its discretion and before the Confirmation Hearing, may put in place additional procedures governing such hearing. The Plan may be modified, if necessary, before, during, or as a result of the Confirmation Hearing without further notice to parties in interest, subject to the terms of the Plan.

V. THE DEBTORS' BACKGROUND

A. The Debtors' Operations and Corporate Structure

1. The Debtors' Business Operations

Cenveo, Inc. is one of the largest North American envelope, label, and printing companies. Notably, the Debtors are able to fulfill many aspects of print services, from the design phase through delivery process in house—including envelope production, commercial printing, and label manufacturing. As such, the Debtors obtain new customers and maintain long-term customer relationships through various sales and distribution channels. The Debtors' business strategy is based on selling a broad range of

envelope, bound-printed, and label products to a wide range of customers and on offering its customer's volume and profit-driven incentives. These strategies have created a broad and robust customer base for the Debtors, providing a variety of products for its customers in the envelope, label, and print spaces. To satisfy customer obligations in a timely and cost effective manner, as of the Petition Date, the Debtors operated approximately 39 manufacturing facilities in North America. In addition to its manufacturing facilities, the Debtors lease their corporate headquarters in Stamford, Connecticut. The company also leases a number of additional facilities or offices spaces for its sales and support teams. Since the Petition Date, the Debtors have closed, consolidated, or down-sized the following sites/plants: (a) Ennis, Texas; (b) Mt. Pleasant, Pennsylvania; (c) Altoona, Pennsylvania; (d) Conklin, New York; (e) Port City Press, Maryland; (f) Kent, Washington; and (g) Omaha, Nebraska.

2. The Debtors' Supply Chain

The Debtors' interdependent supply chain relies on a number of critical vendors, suppliers, and transporters providing it with the materials and supplies necessary to create its products and service its customers. The Debtors maintain long-term customer relationships and obtain new customers by offering an efficient one-stop shop for its converted paper products, such as envelopes and magazines.[8] The Debtors' dynamic business is able to service all of a customer's envelope, printing, label, point of sale (POS) roll receipts, and binding needs. This diverse business model based on selling a broad range of envelope, bound, printed, and label products is how the Debtors maintains its existing customer base and also attracts new customers. The Debtors also maintain their customers by offering volume and profit-driven rebate incentives.

3. The Debtors' Employees

The Debtors employ approximately 5,100 employees in the United States, including approximately 5,000 full-time employees and approximately 100 part-time employees. The Debtors also employ approximately 1,380 employees abroad. As of December 30, 2017, the Debtors are a party to 18 active collective bargaining agreements, which cover approximately 1,535 active employees in approximately 14 locations.[9] Six collective bargaining agreements are set to expire in 2018, and the remaining expire between 2019 and 2022. As of the Petition Date, the Debtors have entered into a new collective bargaining agreement with Graphic Communications Conference/IBT Bindery Union Local 4C (the "Bindery Union") and Graphic Communications Conference/IBT Union Press Union Local 4C (the "Press Union"). The new collective bargaining agreements replace the expired collective bargaining agreements, provide for wage concessions, and enable the Debtors to maintain a strong labor force in Lancaster, Pennsylvania.

B. Prepetition Corporate and Capital Structure

1. Corporate Structure

[8] The Debtors buy paper, including many different grades and types of paper, that go through an additional process such as adding a laminate, ink content, or other chemical treatment to make the paper fit for use in the final product or by cutting rolls of paper into sheets or other specifications. That process is referred to as converting. What begins as paper ends up being 'converted' into an envelope, book, magazine, label, cash register roll, or a client-branded envelope through the converting process.

[9] As of the Petition Date, the Debtors have union employees in the following cities: (a) Vernon, CA; (b) St. Louis, MO; (c) Cleveland, OH; (d) Kapolei, HI; (e) Clackamas, OR; (f) Jersey City, NJ; (g) Indianapolis, IN; (h) Williamsburg, PA; (i) Mount Pleasant, PA; (j) Kirksville, MO; (k) Altoona, PA; (l) Chicopee, MA; (m) Smyrna, GA; and (n) Lancaster, PA.

Prior to the Petition Date, Cenveo, Inc. was a publicly traded company that traded under the ticker "CVO" on the Nasdaq Stock Exchange, which stock was delisted, effective at the opening of the trading session on March 9, 2018. The Debtors' corporate structure is further set forth on the structure chart attached as **Exhibit B**. Of these entities, and as set forth on **Exhibit B**, 36 entities are obligors on all of the Debtors' approximately $1.1 billion of prepetition debt.

2. Capital Structure

As of the Petition Date, Cenveo, Inc. and certain of its U.S. subsidiaries are obligors (either as borrower or guarantor) on a principal amount of prepetition funded indebtedness totaling approximately $1.1 billion.

3. Prepetition Indebtedness[10]

The Debtors' prepetition indebtedness can be summarized as follows:

Debt Instrument (as defined herein)	Facility Size	Maturity Date	Outstanding Principal Amount
ABL Facility	$190 million	June 10, 2021	$142.8 million
FILO Notes	$50 million	December 10, 2021	$50 million
First Lien Notes	$540 million	August 1, 2019	$540 million
Second Lien Notes	$250 million	September 15, 2022	$241 million
Unsecured Notes	$104.5 million	May 15, 2024	$104.484 million
			$1.078 billion

These obligations are generally summarized below:

(a) ABL Revolving Credit Facility

Cenveo Corporation is the borrower, and certain other debtors are guarantors (the "Debtor Guarantors"), under that certain Credit Agreement, dated as of April 16, 2013 (as amended, amended and restated, supplemented, or otherwise modified, refinanced, or replaced from time to time prior to the Petition Date, the "ABL Credit Agreement"), with certain lenders parties, and the ABL Agent. The ABL Credit Agreement provides for senior secured revolving commitments (the "ABL Facility") of up to $190 million. As of the Petition Date, approximately $142.8 million in commitments are outstanding. Obligations under the ABL Facility are secured by a first lien on the Revolver Priority Collateral (which generally includes, among other things, accounts receivables and inventory) and by a second lien on the Fixed Asset Collateral (which includes by way of example, Property, Plant, and Equipment).

The Debtors have entered into deposit account control agreements in favor of the ABL Agent with respect to all deposit accounts that are not Excluded Deposit Accounts (as defined in the ABL Credit Agreement). Thus, substantially all of the Debtors' cash is subject to a perfected security interest in favor of the ABL Agent. Under the ABL Facility, so long as excess availability is less than the greater of (a) 10 percent of the aggregate commitments of the then-applicable borrowing base and (b) $20 million for a period of thirty consecutive calendar days, the Debtors must remit all cash receipts on a daily basis to a non-Debtor account maintained by the ABL Agent (the "Agent Account") until the date on which excess availability satisfies these conditions. As of the Petition Date (and as of a few days preceding the Petition Day), due to the Debtors' ongoing liquidity constraints, the excess availability under the ABL Facility was

[10] The amounts set out below do not include accrued and unpaid interest.

less than 10 percent. Accordingly, each day, any excess cash in the collection account is swept to the disbursement account.

(b) **FILO Notes**

Cenveo Corporation issued $50 million aggregate principal amount of 4% Senior Secured Notes due 2021 (the "FILO Notes") to AllianzGI US High Yield Fund and Allianz Income and Growth Fund under that certain Indenture and Note Purchase Agreement, dated as of June 10, 2016 (as amended, amended and restated, supplemented, or otherwise modified, refinanced, or replaced from time to time prior to the Petition Date, the "Note Purchase Agreement"), the Debtor Guarantors and Bank of New York Mellon, as indenture trustee and collateral agent. The FILO Notes are secured by a 1.5-lien security interest on the ABL Priority Collateral (as defined in the ABL Credit Agreement) and a 2.5-lien security interest on the Debtors' other assets.

(c) **First Lien Notes**

Cenveo Corporation issued $540 million aggregate principal amount of 6% Senior Priority Secured Notes due 2019 (the "First Lien Notes") under that certain Indenture, dated as of June 26, 2014, with the Debtor Guarantors as guarantors, and Bank of New York Mellon acting as trustee and collateral agent, succeeded by Wilmington Savings Fund Society, FSB, in its capacity as collateral agent and indenture trustee under the First Lien Notes Indenture. The First Lien Notes are secured, subject to certain permitted liens, by a first-lien security interest on the Fixed Asset Priority Collateral and a second-lien security interest on the ABL Priority Collateral.

(d) **Second Lien Notes**

Cenveo Corporation issued $250 million aggregate principal amount of 8.5% Junior Priority Secured Notes due 2022 (the "Second Lien Notes") under that certain indenture, dated as of June 26, 2014, with the Debtor Guarantors as guarantors, and Bank of New York Mellon acting as trustee and collateral agent, succeeded by BOKF, N.A., in its capacity as collateral agent and indenture trustee under the Second Lien Notes Indenture. The Second Lien Notes are secured by security interests that rank junior to the security interests that secure the First Lien Notes and the ABL Facility.

(e) **Unsecured Notes**

Cenveo Corporation issued approximately $104 million aggregate principal amount of 6% Senior Unsecured Notes due 2024 (the "Unsecured Notes") under that certain Indenture, dated as of June 10, 2016, with the Debtor Guarantors as guarantors, and Bank of New York Mellon acting as trustee, succeeded by Wilmington Trust, N.A., in its capacity as indenture trustee under the Unsecured Notes Indenture.

(f) **Intercreditor Agreements**

The Debtors' prepetition indebtedness is subject to three intercreditor agreements: (a) the First Lien Intercreditor Agreement, (b) the Second Lien Intercreditor Agreement, and (c) the FILO Intercreditor Agreement. The First Lien Intercreditor Agreement governs the relative contractual rights of the agent under the ABL Facility on one hand, and the First Lien Notes Indenture Trustee on the other hand. The Second Lien Intercreditor Agreement governs the relative contractual rights of the agent under the ABL Facility and the First Lien Notes Indenture Trustee on one hand and the Second Lien Notes Indenture Trustee on the other hand. Finally, the FILO Intercreditor Agreement governs the relative contractual rights of the agent under the ABL Facility on one hand, and the FILO Notes Indenture Trustee on the other hand. Each of these agreements sets forth the relative rights and priorities of the respective parties thereto.

4. The Debtors' Legacy and Environmental Liabilities

(a) Collective Bargaining Agreements

As mentioned above, the Debtors are a party to 18 active Collective Bargaining Agreements. The Debtors do not currently intend to seek relief pursuant to section 1113 of the Bankruptcy Code. All of the Debtors' unexpired Collective Bargaining Agreements and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed all unexpired Collective Bargaining Agreements.

(b) Single Employer Defined Benefit Pension Plans

The Debtors have significant ongoing pension obligations, consisting of two defined benefit pension plans. Cenveo Corporation sponsors two single employer defined benefit pension plans that are qualified plans for purposes of the Employee Retirement Income Security Act of 1974 ("ERISA"): (a) the Cenveo Pension Plan (the "Cenveo Pension Plan"); and (b) the Lancaster Press Pressmen and Bindery Workers Pension Plan (the "Lancaster Pension Plan" and together with the Cenveo Pension Plan, the "U.S. Qualified Pension Plans"). The minimum funding contributions for 2018 through 2020 are as follows:

	2018	2019	2020
Cenveo Pension Plan	$9,667,882	$11,490,600	$8,119,800
Lancaster Pension Plan	$358,007	$430,600	$287,000
Total	**$10,025,869**	**$11,921,200**	**$8,406,800**

The Cenveo Pension Plan beneficiaries include approximately 5,499 retirees and 609 active employees represented by the following unions: (a) United Steel, Paper and Forestry Workers in Indianapolis, Indiana, Jersey City, New Jersey, and Williamsburg, Pennsylvania; (b) GCC/IBT in Clackamas, Oregon; (c) International Association of Machinists and Aerospace Workers in Cleveland, Ohio; and (d) Hawaii Teamsters and Allied Workers in Honolulu, Hawaii. The Lancaster Pension Plan beneficiaries include approximately 201 retirees and 125 active employees represented by the GCC/IBT union in Lancaster, Pennsylvania. The U.S. Qualified Pension Plans are both frozen, *i.e.*, employees covered by these plans have stopped earning benefits and the plans are no longer accepting new participants. As of December 2017, the U.S. Qualified Pension Plans were underfunded (the liabilities and obligations to pay pensions under the U.S. Qualified Pension Plans exceeded the asset value in the investment portfolio that has accumulated for the purpose to fund required payments) by approximately $92.2 million.

(c) Multi-Employer Pension Plans

The Debtors currently contribute to two active multi-employer pension plans. As of the Petition Date, the Debtors contributes approximately $420,000 per year to the GCC/IBT National Pension Fund and the CWA/ITU Negotiated Pension Plan pursuant to collective bargaining agreements with GCC/Teamsters, Local 6505-M and Communications Workers of America, Local 70, respectively. In addition, as a result of plant closures, prior to the Petition Date, the Debtors fully withdrew from the following multi-employer pension plans: (a) the PACE Industry Union Management Pension Fund; (b) the Graphic Arts Industry Joint Pension Trust; and (c) the Oregon Printing Industry Pension Fund. The complete withdrawal from such plans triggered approximately $4.2 million in Multiemployer Pension Plan Withdrawal Claims. Additionally, as of the Petition Date, the Debtors have partially withdrawn from the following multi-employer pension plans: (a) the GCC/IBT National Pension Fund; and (b) the CWA/ITU Negotiated Pension Plan. The partial withdrawal from such plans triggered approximately $51 million in

Multiemployer Pension Plan Withdrawal Claims. To the extent the Debtors have either fully or partially withdrawn from the GCC/IBT National Pension Fund and/or the CWA/ITU Negotiated Pension Plan prior to the Effective Date, any such claims relating to such withdrawal will be deemed Multiemployer Pension Plan Withdrawal Claims and will be treated and discharged as General Unsecured Claims under the Plan.

(d) **Supplemental Executive Retirement Plans**

The Debtors also provide retirement benefits pursuant to four supplemental executive retirement plans ("SERPs"). For accounting purposes, the SERPs are unfunded; however, one of the SERPs uses income from annuities to offset a portion of the cost of the plan. The SERPs provide benefits to approximately 38 retired former executives and directors of the Debtors. The total cost to the Debtors for the SERPs was approximately $2.1 million in 2017, and the total expected cost for 2018 is approximately $1.9 million. Obligations arising under the SERPs are General Unsecured Claims and, pursuant to the Plan, the Debtors' obligations under the SERPs will be treated and discharged as General Unsecured Claims under the Plan.

(e) **Other Postretirement Benefit Plans**

The Debtors also have various other postretirement benefit plans ("OPEB"), primarily focused on postretirement healthcare, such as medical insurance, life insurance, and related benefits for certain of its former employees and, in some instances, their spouses. Benefits, eligibility, and cost-sharing provisions vary by plan documents and collective bargaining arrangements. The total cost to the Debtors for OPEB obligations was approximately $150,000 in 2017 and the total expected cost for 2018 is approximately $144,000. Pursuant to the Plan, OPEB will continue in accordance with, and subject to, their terms and applicable non-bankruptcy law.

(f) **Workers' Compensation Programs**

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (b) the Debtors': (1) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (2) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation and (3) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn and expunged with prejudice automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; provided, however, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

(g) **Environmental Matters**

The Debtors' operations are subject to federal, state, local, and foreign environmental laws and regulations, including those relating to air emissions, waste generation, wastewater effluent, handling, management and disposal of waste and hazardous materials, and remediation of contaminated sites. The Debtors have implemented environmental programs designed to ensure that they operate in compliance with the applicable laws and regulations governing environmental protection, and several of Cenveo's formerly owned or currently operating manufacturing facilities are undergoing sampling and monitoring.

C. The Debtors' Board Members and Executives

As of the date hereof, set forth below are the names, position(s), and biographical information of the current board of directors of Cenveo, Inc., as well as current key executive officers for the Debtors. These individuals oversee the businesses and affairs of the Debtors.

1. Executives

Robert G. Burton, Sr., Chairman and Chief Executive Officer. Mr. Burton has been Chairman and Chief Executive Officer since September 2005. In January 2003, he formed Burton Capital Management, LLC, a company that invests in manufacturing companies, and has been its Chairman, Chief Executive Officer and sole managing member since its formation. Mr. Burton is the largest individual shareholder and the Burton family is the largest group of shareholders of Cenveo, Inc. stock. From December 2000 through December 2002, Mr. Burton was the Chairman, President and Chief Executive Officer of Moore Corporation Limited, a leading printing company with over $2.0 billion in revenue for fiscal year 2002. From April 1991 through October 1999, he was the Chairman, President and Chief Executive Officer of World Color Press, Inc., a $3.0 billion diversified printing company. From 1981 through 1991, he held a series of senior executive positions at Capital Cities/ABC, including President of ABC Publishing. Mr. Burton was also employed for 10 years as a senior executive of SRA, the publishing division of IBM. Mr. Burton holds both a BS and an MA degree. He also did additional post graduate studies at the University of Alabama. He is the recipient of two honorary doctorate degrees in business from the University of Connecticut and Murray State University ("MSU") where he was Captain of their football team and drafted by the San Francisco 49ers. He is the recipient of the first distinguished Alumnus and Golden Horseshoe Award from the MSU Alumni Association as well as the school's Distinguished Achievement Award from the MSU College of Business and Public Affairs. He is a member of the Syracuse Martin J. Whitman School of Management Advisory Council and a past Syracuse University Trustee. Mr. Burton is also the lead donor for the fifth year of Cenveo's Scholarship Fund for employees' children which is totally funded by management and directors. Mr. Burton has donated and committed one million dollars to the scholarship fund. Mr. Burton is also a member of the Printing Hall of Fame. Mr. Burton serves on the executive committee as Chair. His business track record in printing is unmatched and he is recognized as one of the printing and manufacturing leaders.

Michael Burton, Chief Operating Officer. Mike Burton is the Chief Operating Officer as of June 2014. He became President of the Print, Label and Packaging groups in July 2013. In November 2010, Mr. Burton became President, Label division and subsequently became responsible for the Packaging division in January 2012. From September 2005 to November 2010, Mr. Burton was Senior Vice President, Operations with a primary focus on procurement, information technology, environmental health & safety, and human resources. From 2003 to 2005, he was also Executive Vice President, Operations of Burton Capital Management, LLC. He was a founding member of this group before he joined the Debtors in 2005. Mr. Burton was previously Vice President of Commercial & Subsidiary Operations, a $600 million division of Moore Corporation Limited. Mr. Burton received his Bachelor of Arts degree from the University of Connecticut where he was captain of the football team.

Robert G. Burton, Jr., President. Rob Burton has been a director of since September 2013 and has served as President of Corporate Operations, with a primary focus on M&A, Treasury, IT, Human Resources, Legal and Investor Relations. Mr. Burton was also EVP of Investor Relations, Treasury, HR and Legal. He has been a member of the Chairman's Executive Committee since he joined the Debtors in 2005. Mr. Burton was also President of Burton Capital Management, LLC and was the primary investment officer before he joined the Debtors. Mr. Burton has over 16 years of business experience as an Investor Relations, M&A and financial professional. Mr. Burton also served as the Senior Vice President, Investor Relations and Corporate Communications for Moore Wallace Incorporated. Prior to his role at Moore

Wallace, Mr. Burton served in the same role for Moore Corporation. From 1996 through 1999, he held various management positions at World Color Press, Inc., including Vice President, Investor Relations. Mr. Burton earned a Bachelor of Arts degree from Vanderbilt University majoring in Economics with a minor in Business Administration.

Mark S. Hiltwein, Chief Financial Officer. Prior to joining the Debtors in March 2018, Mr. Hiltwein served as chief financial order of Rand Logistics, Inc. from May 2015 until March 2018. Prior to joining Rand Logistics he served as President, Envelope Group of the Debtors. He was also Chief Financial Officer from July 2007 to August 2012. From July 2005 to July 2007, he was President of Smartshipper.com, an online third party logistics company. Among his earlier positions, Mr. Hiltwein spent five years at Moore Wallace Incorporated, a $3.5 billion printing company, including four years as Executive Vice President and Chief Financial Officer. Mr. Hiltwein served in a number of financial positions from 1992 through 2000 with L.P. Thebault Company, a commercial printing company, including three years as Chief Financial Officer. Mr. Hiltwein began his career in the audit department at Mortenson and Associates, a regional public accounting firm. Mr. Hiltwein received a Bachelor's degree in Accounting from Kean University, and is a CPA.

Ian Scheinmann, Senior Vice President of Legal Affairs. Mr. Scheinmann became Senior Vice President, Legal Affairs in August of 2010. From May until August of 2010, he served as in-house real estate counsel. Prior to joining the Debtors, Mr. Scheinmann was outside real estate counsel as a member of Rudoler & DeRosa, LLC in Pennsylvania, where his practice covered a wide range of real estate and business transactions. Prior to joining Rudoler & DeRosa, Mr. Scheinmann was a real estate shareholder with the Philadelphia office of Greenberg Traurig, LLP from 2002 until 2009. From 1995 until 2002, he was engaged in private practice with Dilworth Paxson, LLP in Pennsylvania, as well as Anderson, Kill and Olick, P.C. in New Jersey and New York, and Weiner Lesniak in New Jersey. Mr. Scheinmann received his B.S.B.A. from the John M. Olin School of Business at Washington University in Missouri and his J.D. with honors from Seton Hall University School of Law.

Ayman Zameli, Chief Restructuring Officer and Executive Vice President of Corporate Strategy and Capital Markets. Mr. Zameli joined the Debtors in February of 2014 as the Senior Vice President of Capital Markets and Investor Relations. Mr. Zameli has more than 25 years of experience in the investment banking and private equity industries. His experience involved raising capital to finance mergers and acquisitions as well as identifying and closing on targeted acquisition companies. From 2012 to 2014, he was self-employed and ran his own consulting firm, Wainscott Advisors. Prior to that, Mr. Zameli served as a managing director with Pivotal Private Equity Group where he was responsible for originating, structuring, and negotiating acquisition targets. From 2004 until 2009, he was a principal in the Leveraged Finance Group at Bank of America in New York where he raised funds for debt financing transactions. Prior to Bank of America, Mr. Zameli was a Vice President with the Syndicated Leveraged Finance business at JPMorgan Chase for five years where he advised borrowers on appropriate capital structures related to acquisition financing and capital raising. Mr. Zameli received a Bachelor's degree in Business from the American University of Beirut and a Masters of Business Administration from The George Washington University School of Business.

2. **Board of Directors**

Robert G. Burton, Sr., Director since 2005. Mr. Burton, Sr. has served as Chairman of the Board since September 2005. In January 2003, he formed Burton Capital Management, LLC, a company that invests in manufacturing companies, and has been its Chairman, Chief Executive Officer and sole managing member since its formation. Mr. Burton, Sr. is the largest individual owner of Cenveo, Inc. common stock. Mr. Burton is also a significant holder of the Debtors' bonds. Mr. Burton also has gifted 312,500 shares of Cenveo, Inc. common stock to the Robert G. Burton, Sr. Family Trust, which owns the

shares and of which Mrs. Burton and her sons Robert, Jr., Michael and Joseph Burton are co-trustees. From December 2000 through December 2002, Mr. Burton, Sr. was the Chairman, President and Chief Executive Officer of Moore Corporation Limited, a leading printing company with over $2.0 billion in revenue for fiscal year 2002. From April 1991 through October 1999, he was the Chairman, President and Chief Executive Officer of World Color Press, Inc., a $3.0 billion diversified printing company. From 1981 through 1991, he held a series of senior executive positions at Capital Cities/ABC, including President of ABC Publishing. Mr. Burton, Sr. was also employed for 10 years as a senior executive of SRA, the publishing division of IBM. Mr. Burton, Sr. holds both a BS and an MA degree. He also did additional post graduate studies at the University of Alabama. He is the recipient of two honorary doctorate degrees in business from the University of Connecticut and Murray State University (MSU) where he was Captain of their football team and drafted by the San Francisco 49ers. He is the recipient of the first distinguished Alumnus and Golden Horseshoe Award from the MSU Alumni Association as well as the schools Distinguished Achievement Award from the MSU College of Business and Public Affairs. He is a member of the Syracuse Martin J. Whitman School of Management Advisory Council and a past Syracuse University Trustee. He is recognized as one of the printing and manufacturing leaders and is a member of the Printing Hall of Fame. Robert G. Burton, Sr. is father to Robert G. Burton, Jr. and Michael G. Burton.

Gerald S. Armstrong, Director since 2007. Mr. Armstrong has served as Director and Operating Committee Chair of Verity Wines LLC since January 2013. Verity Wines LLC is a New York and New Jersey wine distributor. He was a Managing Director of Arena Capital Partners, LLC (1997 to 2015), the management company for Arena Capital Investment Fund, L.P., a private investment fund that reached the end of its term on June 30, 2013; and was a director, member of the Audit Committee and Chair of the Board Risk Committee of EverBank Financial Corp., and its subsidiary bank, a NYSE-listed and Jacksonville, Florida-based holding company, and EverBank, its federally chartered thrift institution until May 2016. From 2006 to 2010, Mr. Armstrong was also an Executive Vice President of EarthWater Global, LLC, a water exploration and development company. Prior to co-founding Arena, Mr. Armstrong was a Partner at Stonington Partners, Inc., a private equity partnership formed in 1994 out of Merrill Lynch Capital Partners where Mr. Armstrong had served as a Managing Director since 1988. Prior to Merrill, Mr. Armstrong served as President and Chief Operating Officer of PACE Industries, Inc., a holding company formed at the end of 1983. Mr. Armstrong is a graduate of Dartmouth College with a degree in English, and he earned an MBA in Finance from New York University's Graduate School of Business (now Stern School of Business). Mr. Armstrong served as an officer in the United States Navy. In past years, Mr. Armstrong has served on the board of directors of First USA, Inc. (now a part of JPMorgan Chase), Ann Taylor Stores Corporation, World Color Press, Inc., and numerous private companies.

Robert G. Burton, Jr., Director since 2013. Mr. Burton, Jr. has served in the above capacity since August 10, 2011. From December 2010 to August 2011, Mr. Burton was President of Corporate Operations, with a primary focus on Mergers & Acquisitions ("M&A"), Treasury, Information Technology, Human Resources, Legal and Investor Relations. From September 2005 to December 2010, Mr. Burton was Executive Vice President of Investor Relations, Treasury, Human Resources and Legal. He has been a member of the Executive Committee since joining the Board. From 2004 to 2005, Mr. Burton was President of Burton Capital Management, LLC and was the primary investment officer before he joined the Debtors on September 12, 2005. Mr. Burton has over 17 years of business experience as an investor relations, M&A and financial professional. Mr. Burton also served as the Senior Vice President, Investor Relations and Corporate Communications for Moore Wallace Incorporated (and its predecessor, Moore Corporation Limited) from December 2001 to May 2003. Mr. Burton served as Vice President, Investor Relations of Walter Industries in 2000. From 1996 through December 1999, Mr. Burton held

various management positions at World Color Press, Inc., including Vice President, Investor Relations. Mr. Burton earned a Bachelor of Arts degree from Vanderbilt University majoring in Economics with a minor in Business Administration. Robert G. Burton, Jr. is the son of Robert G. Burton, Sr. and brother of Michael G. Burton.

Dr. Mark J. Griffin, Director since 2005. Dr. Griffin is the founder of the Eagle Hill School, an independent private school in Greenwich, Connecticut, and served as its headmaster from September 1975 to June 2009. Since July 2009, he has been an independent educational consultant. Since 1991, Dr. Griffin has served on the board of directors of the National Center for Learning Disabilities, and he has been a member of its Executive Committee since 2003. Dr. Griffin has also been on the board of the Learning Disabilities Association of America since 1993. Dr. Griffin served on the board of directors of World Color Press, Inc. from October 1996 to 1999, where he was a member of the Audit and Compensation Committees.

Dr. Susan Herbst, Director since 2013, Dr. Herbst has served as the President of the University of Connecticut since June 2011. From 2007 to 2011, Dr. Herbst was Executive Vice Chancellor and Chief Academic Officer at The University System of Georgia. In 2005 to 2007, she served as Provost and Executive Vice President for Academic Affairs and Officer in Charge at the University of Albany. From 2003 to 2005, she served as Dean for the College of Liberal Arts at Temple University. From 1989 to 2003, Dr. Herbst served in various positions at Northwestern University including Associate Dean for Faculty Affairs; Chair, Department of Political Science; Director, Program in American Studies; Chair, University Program Review Counsel; and Chair, University Commission on Women. Since 2012, she has served on the Board of Directors of the American Council on Education. Dr. Herbst has served on the Pace Academy Board of Trustees; the Advisory Board of NSF Bridge to the Future for GIs; the Connecticut Governor's Task Force on Education; Chair of the Publications Board of the APSA/ICA Joint Political Communication Board; and been both Chair and Vice Chair of the Political Communication Division of the International Communication Association. Dr. Herbst is a graduate of the University of Southern California, Annenberg School for Communication, Los Angeles, where she earned her Ph.D. in Communication Theory and Research. She earned her undergraduate degree in Political Science from Duke University.

James G. Moorehead, Director since 2017. Mr. Moorhead is currently the Chief Marketing Officer at Metromile, a San Francisco-based startup that offers a new insurance model where the customers' bill is based on how many miles they drive. Prior to joining Metromile, he was the Senior Vice President & Chief Marketing Officer at Dish Network, a $15 billion pay TV business, where he spent more than three years leading a company-wide business transformation and turnaround. Prior to joining Dish Network, Mr. Moorhead had a 12 year career at Procter and Gamble where he successfully led many iconic brands including Old Spice, Gillette, Prilosec OTC, Vicks and Zest. He led the development and execution of several award winning advertising campaigns that have won 14 *Cannes Lions*, eight *Effies* and one *Emmy*, including two *Cannes Grand Prix*, the *Grand Effie* and the *Emmy* for Best Commercial. He holds two U.S. Patents for the ornamental design of a body wash bottle. Mr. Moorhead graduated from Williams College with a Bachelor of Arts in Economics. Mr. Moorhead has been a guest speaker on brand management and digital marketing at dozens of schools and conferences including the Harvard Business School, Kellogg School of Management, University of Chicago Booth, University of Michigan's Ross, GOOGLE'S Think Marketing London event and the Association of National Advertisers - Creativity Conference.

Eugene Davis, Director since 2018. Mr. Davis is Chairman and Chief Executive Officer of Pirinate Consulting Group, LLC, a privately held consulting firm specializing in turnaround management, merger

and acquisition consulting and hostile and friendly takeovers, proxy contests and strategic planning advisory services for domestic and international public and private business entities. Since forming Pirinate in 1997, Mr. Davis has advised, managed, sold, liquidated and served as a Chief Executive Officer, Chief Restructuring Officer, Director, Committee Chairman and Chairman of the Board of a number of businesses operating in diverse sectors such as telecommunications, automotive, manufacturing, technology, medical technologies, metals, energy, financial services, consumer products and services, import-export, mining and transportation and logistics. Mr. Davis is or has been a member of the Boards of Directors of numerous companies, including Knology, Inc., DEX One Corp., Atlas Air Worldwide Holdings, Inc., Rural/Metro Corp, Spectrum Brands, Inc., TerreStar Corporation, Delta Airlines, Inc., Haights Cross Communications, Inc., SeraCare Life Sciences Inc., Solutia, Inc., Atari, Inc., Exide Technologies, IPCS, Inc., Knology Broadband, Inc., Oglebay Norton Company, Tipperary Corporation, McLeod Communications, Footstar, Inc., PRG Schultz International, Inc., Silicon Graphics, Inc., Foamex, Inc., Ion Broadcasting, Viskase Companies, Inc., and Media General, Inc. As a result of these and other professional experiences, Mr. Davis has deep knowledge and experience in the areas of strategic planning, mergers and acquisitions, finance, accounting, restructuring, capital structure and governance.

3. The Reorganized Cenveo Board of Directors

The board of directors of Reorganized Cenveo immediately after the consummation of the Restructuring shall consist of the following individuals: (a) the Reorganized Debtors' Chief Executive Officer; and (b) four (4) directors appointed by the Requisite First Lien Creditors; *provided*, that the Requisite First Lien Creditors shall consult with and afford Robert G. Burton, Jr. and Michael Burton the opportunity to meet with prospective candidates.

D. Events Leading to the Chapter 11 Cases

The need to commence the Chapter 11 Cases was a result of a number of factors, including persistent negative industry trends, an unsustainable capital structure, vendors' contraction of trade terms which caused rapidly deteriorating liquidity, and customer de-risking by reducing exposure with the Debtors. As a result, the Debtors were not expected to be in a position to make the February coupon payment due under the First Lien Notes. Thus, the Debtors determined to commence these cases. In addition, in an attempt to preserve and maximize value, the Debtors developed and began implementing the Cenveo January Business Plan (as defined below) as of the Petition Date to assure that the company is operating at an optimal level despite the challenging capital structure.

1. Persistent Prepetition Negative Industry Trends and Sale of Non-Core Businesses

The paper industry has faced a long-term structural decline as dependency on digital technology has increased and demand for paper products has decreased. In particular, the North American paper industry began to substantially contract in the mid-2000's, resulting in the closure of many paper mills throughout the country. As society has become increasingly dependent on digital technology products such as laptops, smartphones, and tablet computers, spending on advertising and magazine circulation has eroded, resulting in an overall decline in the demand for paper products, and in-turn lowering reliance on certain of the Debtors' print marketing business. In addition, there is generally a decline in supply of paper products in the industry, such that only a handful of paper mills control the majority of the paper supply. As a result, paper mills and other vendors that sell paper products have a large amount of leverage over their customers, including the Debtors. The overall decline in the paper industry combined with the diminished supply in paper products has led to overall decline in the industry, dramatically impacting the Debtors revenues.

Because of the overall decrease in demand for paper products, the Debtors and their competitors continue to operate under a highly competitive pricing environment, in which customers (most of which rely on paper products) focus on reducing costs in order to preserve operating margins. Competition is based largely on price, quality, and the ability to service the special requirements of customers. Reacting to these headwinds and industry trends, the Debtors have, in the past, acquired other businesses in its industry and consolidated in order to seek economies of scale, broader customer relationships, geographic coverage and product breadth to overcome or offset excess industry capacity and pricing pressures. Due to the Debtors' burdensome capital structure and declining revenues, the company has been unable to pursue any substantial acquisitions since 2013, limiting its ability to continue to offset these industry changes. This overall decline in the industry has dramatically impacted revenues.

2. Attempts to Deleverage the Debtors' Capital Structure

As the Debtors' financial performance declined due to deteriorating industry trends, their heavy debt load became increasingly unsustainable. As a result, the Debtors implemented a number of initiatives over the years in an attempt to deleverage its capital structure. To that end, in 2016 the Debtors agreed with a large holder of its then outstanding 7% senior unsecured notes due 2017 (the "7% Notes") to buy back $37.5 million of the 7% Notes at a discount. Also, in June 2017, the Debtors entered into an exchange agreement with holders of its then outstanding 11.5% senior unsecured notes due 2017 (the "11.5% Notes"), pursuant to which the Debtors exchanged, at a discount, approximately 80% of their 11.5% Notes for the new issued Unsecured Notes. The Debtors continued to deleverage through buy-backs of its unsecured notes throughout 2016 and 2017, using some of their free cash flow.

3. Rapidly Deteriorating Liquidity

In the months leading up to chapter 11, the Debtors experienced difficulty retaining historical levels of sales from certain customers. Although the Debtors have continued to deliver excellent product, customers began to focus on the Debtors' high leverage and a customer de-risking trend began in the third quarter of 2017. As a result, many long-standing large customers began dual sourcing their products and scaled back the size of their orders from the Debtors. The Debtors' vendors have also reduced their exposure with the company by imposing more onerous trade terms as a result of the Debtors' deteriorating financial condition. In the months leading up to chapter 11, vendors have contracted their payment terms, resulting in a net liquidity reduction of approximately $20 million. Vendor contraction and customer de-risking was further exacerbated as rumors of the Debtors' deteriorating financial condition and a potential chapter 11 filing spread. Faced with an imminent $16.2 million First Lien interest payment due on February 1, 2018, and given customer contraction, the Debtors were faced with tightened liquidity.

4. The Business Plan and Exploration of Strategic Alternatives

Despite the Debtors' efforts to decrease their funded debt obligations and deleverage its capital structure, the Debtors' interest burden and current balance sheet still remained unsustainable. The Debtors' office products segment was facing declining sales. Thus, the Debtors developed a business plan in September 2017 that contemplated selling the office products business line for the purposes of increasing cash flow, including reducing fixed cost infrastructure and the Debtors' workforce, and further streamlining the Debtors' geographic footprint. The sale of the office products line closed in 2017. In addition, over the last several years, the Debtors have closed or consolidated multiple manufacturing facilities resulting in cost savings. Nonetheless, the negative effects of the third and fourth quarters of 2017 outweighed any cost-saving initiatives that the Debtors implemented.

Despite the significant initiatives the Debtors undertook to address their capital structure, the Debtors remain overlevered. Recognizing the need to explore restructuring alternatives, the Debtors

retained Kirkland & Ellis LLP ("Kirkland"), as their legal advisor, and Rothschild Inc. ("Rothschild"), as their financial advisors and investment banker, to evaluate potential restructuring alternatives. The Debtors also retained Zolfo Cooper LLC ("Zolfo") as their restructuring advisor to address liquidity management and related matters in connection with a potential restructuring.

After consulting numerous times with management throughout the second half of 2017, Rothschild presented a number of strategic alternatives to the Debtors' board of directors (the "Board"), including a sale of certain assets (or of the entire company as a going concern), refinancing of the First Lien Notes, an out-of-court exchange, as well as a comprehensive in-court restructuring. Acknowledging the benefits and considerations of each option, the Board, in exercising its business judgment, decided to proceed with a comprehensive restructuring, which offers the most likely long-term solution to the Debtors' unsustainable funded indebtedness, as well as allows the Debtors to implement further cost-cutting initiatives, all of which are intended to maximize the value of the Debtors. As a result, and as set forth below, the Debtors and their advisors commenced discussions with holders of debt across its capital structure as well as certain third-party strategic and financial investors regarding the terms of a potential post-petition financing and plans of reorganization.

In late January the Debtors updated their business plan (the "Cenveo January Business Plan"). The Cenveo January Business Plan takes into account a number of factors including:

- business performance erosion in the fourth quarter of 2017 and the impact on the years ahead;
- impact of a bankruptcy filing, including, among other things, customer concerns, vendor retraction, administrative costs, and the rejection of certain executory contracts;
- inclusion of the 2020 Census Printing and Mailing Contract;
- incremental facility rationalizations; and
- the termination of certain legacy liabilities.

The Cenveo January Business Plan anticipated that as the Debtors navigate through chapter 11 and upon emergence, they will stabilize and their businesses will recover some of the revenues that have been lost resulting from the Debtors' financial condition of customer de-risking prior to the filings.

In May 2018, the Debtors, with the assistance of their professionals, updated the Cenveo January Business Plan to take into account, among other things, operational changes and challenges seen in the fourth quarter of 2017 and first and second quarters of 2018 (the "Cenveo May Business Plan"). After the Effective Date, however, the Debtors expect to be able to stabilize the business and partially recover some of the revenue lost during the restructuring process. The Cenveo May Business Plan takes into account a number of factors including:

- business performance in the fourth quarter of 2017 and the first two quarters of 2018, the impact on the years ahead, the decline of the print business, and the stabilization of the envelope and label business;
- exclusion of the 2020 Census Printing and Mailing Contract, provided, however that the Cenveo May Business Plan does not take into account any settlement with the contract counterparty, which is still being negotiated; and

- updated plant rationalization impact and timing of execution.

5. **The DIP Financing and the Restructuring Support Agreement**

As discussed above, after considering various alternatives proposed to the Debtors, in an effort to quickly and efficiently address their funded debt and to manage their liquidity, the Debtors began negotiations regarding potential restructuring transactions with advisors to the Ad Hoc First Lien Committee and, separately, Brigade. Those negotiations were extensive and undertaken in good faith. The negotiations with Brigade did not result in consensual resolution. The Debtors' negotiations with the Ad Hoc First Lien Committee resulted in an agreement in principle upon the terms of a restructuring that would be implemented through the Restructuring Support Agreement with the Ad Hoc First Lien Committee, which contemplates a comprehensive restructuring of the Debtors' capital structure pursuant to a chapter 11 plan of reorganization and a substantial reduction of funded debt, subject to the agreement of the Debtors and the Requisite First Lien Creditors in respect of the treatment of the U.S. Qualified Pension Plans.

The Restructuring Support Agreement provides for the following case milestones:

- File the Plan, the Disclosure Statement and the motion for approval of the Disclosure Statement and the Solicitation procedures with the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than sixty (60) calendar days after the Petition Date), which Plan shall provide for the Pension Plan Treatment (as defined in the Restructuring Support Agreement);

- Obtain entry of the Disclosure Statement Order and RSA Order (as defined in the Restructuring Support Agreement) by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than 115 calendar days after the Petition Date);

- Obtain entry of the Confirmation Order, Pension Plan Treatment Order (as defined in the Restructuring Support Agreement) by the Bankruptcy Court, in each case as soon as reasonably practicable after the Petition Date (but in no event later than 150 calendar days after the Petition Date); and

- Cause the Effective Date to occur as soon as reasonably practicable after the Petition Date (but in no event later than twenty (20) calendar days after the entry of the Confirmation Order).

Since the Petition Date, the Allianz Parties have executed an amendment and joinder to the Restructuring Support Agreement, which contemplates the modification of the treatment of the FILO Notes Claims, as reflected in the Plan.

To effectuate this comprehensive restructuring, the ABL Lenders agreed to provide a $190 million postpetition DIP ABL Credit Facility on terms similar to those provided under the Debtors' existing asset-based lending facility. Additionally, certain Holders of First Lien Notes agreed to provide $100 million in DIP term loan financing. The proceeds of the DIP Facilities have provided the Debtors with the ability to fund day-to-day operations, make critical capital expenditure investments, fund domestic and international operations, finance operational restructuring and cost-savings initiatives and meet their administrative obligations during the Chapter 11 Cases. The financings also provided assurances to the Debtors' vendors, suppliers, customers, and employees that the Debtors will be able to continue to meet its commitments during these cases. On February 6, 2018, the Bankruptcy Court approved the Debtors' DIP Financing on an interim basis pursuant to the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, And 507*

(I) Authorizing The Debtors To Obtain Senior Secured Priming Superpriority Postpetition Financing, (II) Granting Liens And Superpriority Administrative Expense Claims, (III) Authorizing Use Of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying The Automatic Stay; (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief [Docket No. 51]. On March 8, 2018, the Bankruptcy Court approved the Debtors' DIP Financing pursuant to the *Final Order Pursuant To 11 U.S.C. §§ 105, 361, 362, 363, 364, And 507 (I) Authorizing The Debtors To Obtain Senior Secured Priming Superpriority Postpetition Financing, (II) Granting Liens And Superpriority Administrative Expense Claims, (III) Authorizing Use Of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying The Automatic Stay; And (VI) Granting Related Relief* [Docket No. 188].

6. **DIP Milestones**

As mentioned above, the Bankruptcy Court entered the DIP Financing Order [Docket No. 188]. The DIP Financing Order, among other things, approved the following chapter 11 case "milestones":

a) DIP ABL Milestones:[11]

(i) file a plan of reorganization that provides for the indefeasible payment in full in cash of the Obligations on terms and conditions acceptable to the ABL Agent and the DIP ABL Lenders and related disclosure statement with the Bankruptcy Court on or before April 2, 2018;

(ii) commence a hearing to confirm the Plan, which shall be in form and substance satisfactory to the ABL Agent and DIP ABL Lenders, no later than July 2, 2018;

(iii) cause the "effective date" of the Plan to occur no later than July 20, 2018; and

(iv) the ABL Agent may agree to extend any of the dates set forth above by up to sixty (60) days, with the approval of Required Lenders under the DIP ABL Credit Agreement; and

b) DIP Term Milestones:

(i) file the Plan, the Disclosure Statement and the motion for approval of the Disclosure Statement and the solicitation procedures with the Bankruptcy Court no later than sixty (60) calendar days after the Petition Date, which Plan of Reorganization shall provide for the Pension Plan Treatment (as defined in the DIP Term Credit Agreement);

(ii) obtain entry of the Disclosure Statement Order and RSA Order (as defined in the DIP Term Credit Agreement) by the Bankruptcy Court no later than 115 calendar days after the Petition Date;

(iii) obtain entry of the Confirmation Order and Pension Plan Treatment Order by the Bankruptcy Court no later than 150 calendar days after the Petition Date; and

(iv) cause the Effective Date to occur no later than twenty (20) calendar days after the entry of the Confirmation Order; and

[11] These milestones differ from those set forth in the Restructuring Support Agreement.

(v) the Required Lenders under the DIP Term Credit Agreement may agree to extend any of the dates set forth above.

In compliance with these milestones, the Debtors filed the Plan and Disclosure Statement on April 2, 2018. The DIP Term Milestones have been extended for the following: (a) obtain entry of the Disclosure Statement Order (as defined in the DIP Term Credit Agreement) by the Bankruptcy Court on or before June 8; and (b) obtain entry of the RSA Order (as defined in the DIP Term Credit Agreement) by the Bankruptcy Court on or before June 26.

VI. EVENTS OF THE CHAPTER 11 CASES

A. First Day Pleadings and Other Case Matters

1. First and Second Day Pleadings

To facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, the Debtors Filed certain motions and applications with the Bankruptcy Court on the Petition Date or immediately thereafter seeking certain relief summarized below. The relief sought in the "first day" and "second day" pleadings facilitated the Debtors' seamless transition into chapter 11 and aided in the preservation of the Debtors' going-concern value. The first and second day pleadings included the following:

- Cash Management. On February 5, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to continue using their existing cash management system, existing bank accounts, and existing business forms [Docket No. 34]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 183].

- Customer Programs. On February 6, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to satisfy, solely in the Debtors' discretion, certain prepetition amounts outstanding under the Debtors' customer programs [Docket No. 43]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 172].

- DIP and Cash Collateral. On February 6, 2018, the Bankruptcy Court entered an interim order, consensually reached between the Debtors and the DIP Lenders approving the use of cash collateral to fund operations and restructuring costs [Docket No. 51] (the "Interim DIP Order"). The Interim DIP Order, among other things, describes the terms and conditions of DIP Financing and the use of cash collateral and provides adequate protection in exchange for the use of such cash collateral. This relief was necessary to ensure that the Debtors could continue to operate in the ordinary course during the Chapter 11 Cases. On March 8, 2018, the Bankruptcy Court granted such relief pursuant to a final order (the "DIP Financing Order") [Docket No. 188].

- Insurance. On February 6, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to continue operating under insurance coverage for their business entered into prepetition, honor prepetition insurance premium financing agreements, and renew their premium financing agreements in the ordinary course of business [Docket No. 45]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 184].

- NOL. On February 6, 2018, the Bankruptcy Court entered an interim order approving notification and hearing procedures for certain transfers of and declarations of

worthlessness with respect to beneficial ownership of common stock [Docket No. 49]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 186].

- Shippers, Warehousemen, 503(b)(9) Claimants, and Bindery Claimants. On February 6, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to pay its prepetition shippers and warehousemen claimants, 503(b)(9) claimants, and bindery claimants [Docket No. 39]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 169].

- Taxes. On February 6, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to pay certain prepetition sales, use, franchise, and other taxes in the ordinary course of business [Docket No. 44]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis [Docket No. 187]. Such payments only affect the timing of payment for the vast majority of the amounts at issue.

- Utilities. On March 8, 2018, the Bankruptcy Court granted the Debtors' request to establish procedures for, among other things, determining adequate assurance for utility providers, prohibiting utility providers from altering, refusing, or discontinuing services, and determining that the Debtors are not required to provide any additional adequate assurance [Docket No. 174].

- Wages. On February 6, 2018, the Bankruptcy Court entered an interim order authorizing the Debtors to (a) pay all employees their wage Claims in the ordinary course of business, (b) pay and honor employee medical and similar benefits, and (c) continue their prepetition benefit programs, including, among others, medical, dental, and 401(k) benefits [Docket No. 41]. On March 8, 2018, the Bankruptcy Court granted such relief on a final basis and authorizing the Debtors to continue their prepetition employee incentive programs for non-insiders on a postpetition basis [Docket No. 171]. In addition, on March 8, 2018, the Bankruptcy Court approved certain non-insider employee programs and entered a supplemental wages order [Docket No. 182].

2. **Procedural and Administrative Motions**

To facilitate the efficient administration of the Chapter 11 Cases and to reduce the administrative burden associated therewith, the Debtors also Filed and received authorization to implement several procedural and administrative motions:

- authorizing the joint administration of the Chapter 11 Cases [Docket No. 33];

- extending the time during which the Debtors may file certain schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statements of financial affairs, the filing of which are required under section 521 of the Bankruptcy Code [Docket No. 42];

- establishing certain notice, case management, and administrative procedures on an interim basis [Docket No. 46] and on a final basis [Docket No. 202];

- allowing the Debtors to prepare a list of creditors in lieu of submitting a formatted mailing matrix and to file a consolidated list of the Debtors' 50 largest creditors [Docket No. 47];

- allowing the Debtors to retain and compensate certain professionals utilized in the ordinary course of business [Docket No. 176]; and

- approving the procedures for the interim compensation and reimbursement of retained Professionals in the Chapter 11 Cases [Docket No. 181].

3. **Retention of Chapter 11 Professionals**

The Debtors also Filed several applications and obtained authority to retain various professionals to assist the Debtors in carrying out their duties under the Bankruptcy Code during the Chapter 11 Cases. These professionals include: (a) Kirkland, as legal counsel; (b) Zolfo, as restructuring advisor; (c) Rothschild and Greenhill & Co., LLC, as co-financial advisors and co-investment bankers; (d) Prime Clerk LLC, as claims agent and administrative advisor; (e) BDO USA, LLP, as accountant and auditor; (f) Ernst & Young LLP, as tax advisory services provider; (g) BKD, LLP, as accountants; and (h) VanRock Real Estate Consulting LLC, as real estate consultant.

4. **Appointment of the Statutory Committee of Unsecured Creditors**

On February 14, 2018, the U.S. Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code [Docket No. 93]. The Committee is comprised of: (a) Wilmington Trust, National Association, (b) the Pension Benefit Guaranty Corporation, (c) Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund, (d) United Steelworkers, (e) Evergreen Packing, Inc., (f) Gadge USA, Inc. and (g) Citibank, N.A. The Committee retained (a) Lowenstein Sandler LLP as lead counsel; and (b) FTI Consulting as financial advisor.

B. Statements of Schedules, Rule 2015.3 Financial Reports, and Claims Bar Date

On the Petition Date, the Debtors Filed the *Motion of Cenveo, Inc. et al., for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Financial Reports, and (II) Waiving Requirements to File Lists of Equity Holders* seeking an extension of the time within which the Debtors must file their schedules of assets and liabilities and statements of financial affairs (collectively, the "Schedules") up to and including 30 days after the 341 Meeting or 44 days from the Petition Date [Docket No. 03], which the Court granted on February 6, 2018 [Docket No. 42]. On March 19, 2018, the Debtors Filed their Schedules. On April 24 and April 27, 2018, the Debtors Filed their amended Schedules. On May 3, 2018, the Debtors Filed their Rule 2015.3 Financial Report.

On March 8, 2018, the Bankruptcy Court entered an order approving: (1) May 7, 2018, at 5:00 p.m., prevailing Eastern Time, as the deadline for all non-governmental units (as defined in section 101(27) of the Bankruptcy Code) to File Claims in the Chapter 11 Cases; (2) August 1, 2018 at 5:00 p.m., prevailing Eastern Time, as the deadline for all governmental units (as defined in section 101(27) of the Bankruptcy Code) to File Claims in the Chapter 11 Cases; (3) procedures for filing proofs of Claim; and (6) the form and manner of notice of the applicable bar dates [Docket No. 173] (the "Bar Date Order"). Any creditor whose Claim is not scheduled in the Schedules or whose Claim is scheduled as disputed, contingent, or unliquidated must File a proof of claim in accordance with the Bar Date Order.

Because the resolution process for the Claims is currently ongoing, the Claims figures identified in this Disclosure Statement represent estimates only and, in particular, the estimated recoveries set forth in this Disclosure Statement for Holders of General Unsecured Claims could be materially lower if the actual Allowed General Unsecured Claims are higher than the current estimates.

C. Pending Litigation Proceedings and Claims

In the ordinary course of business, certain of the Debtors are party to various lawsuits, legal proceedings, and claims arising out of their businesses. The Debtors cannot predict with certainty the outcome or disposition of these lawsuits, legal proceedings, and claims, although the Debtors do not believe any reasonable outcome of any currently existing proceeding, even if determined adversely, would (a) have a material adverse effect on their businesses, financial condition, or results of operations or (b) interfere with the feasibility of the Plan.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. The Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation.

D. Examiner Appointment

Prior to the appointment of the Committee, Brigade filed a motion with the Bankruptcy Court requesting the appointment of an examiner pursuant to 11 U.S.C. 1104 [Docket No. 76] (the "Examiner Motion"). The Examiner Motion requested an examination into the following topics: (a) prepetition claims and causes of action against the Debtors' directors and officers related to prepetition compensation, related-party transactions, and certain other matters; and (b) the circumstances surrounding the Debtors' entry into the Restructuring Support Agreement and the terms of the plan of reorganization contemplated by the Restructuring Support Agreement.

After a hearing on the Examiner Motion on March 7, 2018, rather than permit yet another independent investigation in addition to the Debtors' and the Committee's, the Court appointed the Examiner, but limited the role to a supervisory one. The Examiner was tasked with meeting and conferring with the Debtors' independent director and the Committee, and ensuring that the respective investigations are taking place in an independent, expeditious, and cost effective manner. In particular, the examiner will review and report on Cenveo's and the Committee's investigations of certain issues, including compensation of insiders of the Debtors, any transactions between any members of the Burton family (collectively, the "Burtons") and the Debtors, any transfers made by the Debtors or the Burtons, including charitable donations, to organizations with which other insiders are affiliated, and any related potential causes of action. The Examiner was prohibited from examining topics related to the circumstances surrounding the Debtors' entry into the Restructuring Support Agreement and the terms of the plan of reorganization contemplated by the Restructuring Support Agreement. The parties engaging in investigations were to provide the Examiner with their findings, and within 70 days of the Examiner's appointment, or on or around May 30, 2018, the Examiner was to prepare and File a report setting forth whether Cenveo's and the Committee's respective investigations were conducted independently and in good faith, whether the investigations have concluded, and whether Cenveo's and the Committee's assessments and conclusions are reasonable (the "Investigation Report"). The scope of the topics of the Investigation Report were limited to the Debtors' and the Committee's ongoing and respective investigations and analysis of: (a) any monetary compensation or other form of remuneration, including cash, stock, options, benefits, perquisites, or other forms of consideration received by the Burtons or other insiders from the Debtors; (b) any transactions, including, but not limited to, payments, leases, supply or distribution agreements, directly or indirectly between (i) the Debtors, the Burtons, and/or their respective affiliates, and (ii) the Burtons, insiders, officers, directors, and/or their respective affiliates; (c) any transfers of value, including, but not limited to, any charitable donations, made by the Debtors or the Burtons and/or

their affiliates to any insiders, directors, officers, and/or their respective affiliates or related organizations; and (d) any potential causes of action that the Debtors may have arising out of the foregoing or any related transactions, including, but not limited to, causes of action for breach of fiduciary duty, negligence, waste, avoidance, preference, and/or fraudulent conveyance.

On March 27, 2018, the U.S. Trustee appointed Susheel Kirpalani of Quinn Emanuel Urquhart & Sullivan, LLP to serve as the examiner [Docket No. 234]. On the same day, the Bankruptcy Court entered an *Order Approving the Appointment of Examiner* [Docket No. 236]. On March 30, 2018, Susheel Kirpalani filed an application requesting the retention of Quinn Emanuel Urquhart & Sullivan as counsel to the Examiner [Docket No. 248].

E. The Investigation

In connection with the commencement of these Chapter 11 Cases, the Debtors began to review potential legal claims and causes of action belonging to the Debtors. The Board authorized the appointment of an independent member of the board, Eugene Davis, to conduct and oversee the Investigation in connection with any potential legal claims that the Debtors may have against insiders or third parties. The Board delegated to Mr. Davis the sole authority to determine whether to pursue, settle or release any claims that may be identified during the Investigation. Mr. Davis was not involved in any of the prepetition matters or transactions that were subject to the Investigation. Upon being appointed, the Committee, pursuant to section 1103 of the Bankruptcy Code, began its own Investigation into potential Claims against insiders and third parties. On or about May 8, 2018, the Debtors retained Morrison & Foerster LLP to render professional services under the supervision of Mr. Davis, particularly to review and analyze the prepetition retention agreement between the Debtors and certain of their officers and employees [Docket No. 426]. Mr. Davis and the Debtors have cooperated with the Committee to ensure access to information and have consulted with the Committee about the results of the Investigation.

Additionally, the Debtors filed a motion allowing the Debtors to advance postpetition legal defense costs of certain current and former directors, officers, and employees incurred in the course of formal or informal discovery requests or sitting for interviews or depositions in connection with the Investigation (the "D&O Costs Motion"). To receive the advancement of legal defense costs, each individual was required to sign an Undertaking, obligating them to repay any amounts advanced in the event that it was determined, as a result of the Investigations, that any such individual engaged in wrongdoing. After a hearing on the motion, the Bankruptcy Court signed an order approving the D&O Costs Motion on May 7, 2018. Nothing contained in the D&O Costs Motion or any actions taken pursuant to the order granting the relief requested by the D&O Costs Motion is intended or should be construed as (a) an admission as to the validity of any particular claim against the Debtors, (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds, (c) a promise or requirement to pay any particular claim, (d) an implication or admission that any particular claim is of a type specified or defined in the D&O Costs Motion or any order granting the relief requested by the D&O Costs Motion, (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law, or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the D&O Costs Motion are valid, and the Debtors expressly reserves their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. Any payment made pursuant to the Bankruptcy Court's order granting the D&O Costs Motion is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

During the Investigations, the Debtors produced more than 98,000 pages to the Committee and conducted interviews and depositions of 20 current and former employees and directors of the Debtors and certain third parties. At the same time, the Debtors have engaged in extensive discussions and closely

coordinated with the Committee and the Examiner regarding the Investigation and related matters. The Investigation-related discussions between the Debtors and the Committee have permitted the Debtors to promptly prosecute their Investigation, which was originally scheduled to conclude on May 26, 2018. To allow additional time to complete interviews and depositions of certain individuals, the Debtors, the Committee, and the Examiner jointly agreed to extend (i) the deadline to complete the Debtors' and the Committee's investigations to June 4, 2018, and (ii) the deadline to file the Examiner report to June 14, 2018 [Docket No. 431]. As part of the Global Settlement, the Debtors and the Committee have agreed to cease their respective Investigations and provide the most recent drafts of their respective investigative reports or summaries of findings to the Examiner. Based upon the Examiner's review of the parties' respective Investigations and the draft reports, and the Examiner's view on the Global Settlement, the Examiner will draft a report to be filed with the Bankruptcy Court.

F. 2020 Census Printing and Mailing Contract

In May 2018, after months of discussions with the U.S. Government Printing Office (the "GPO") and its counsel, the U.S. Department of Justice (the "DOJ"), regarding the 2020 Census Printing and Mailing Contract (the "Census Contract"), the GPO and DOJ reflected their desire to resolicit bids and rescind the Census Contract. Since that time, the Debtors and the GPO and DOJ have been in discussions about the Census Contract. In that regard, the Debtors reserve all of their rights with respect to the Census Contract.

G. Plan Exclusivity

The initial period during which the Debtors have the exclusive right to file a chapter 11 plan expires on June 2, 2018. The Debtors expect to seek extensions as cause exists under section 1121 of the Bankruptcy Code.

1. Executory Contracts and Unexpired Leases

(a) Assumption/Rejection Procedures Motion

On February 13, 2018 the Debtors Filed the *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Procedures for the Rejection of Executory Contracts and Unexpired Leases* [Docket No. 82] (the "Contract Procedures Motion") seeking to establish procedures for the rejection, to the extent applicable, for the Debtors' executory contracts and unexpired leases. On March 8, 2018, the Bankruptcy Court entered an order granting, in part, the relief requested by the Contract Procedures Motion [Docket No. 180] (the "Contract Procedures Order").

(b) Contract Rejection and Assumption

On March 28, 2018, the Debtors Filed a notice to reject that certain MetLife Stadium Suite Assignment, between Cenveo, Inc. and the New Meadowlands Stadium Company, LLC *nunc pro tunc* to the date of the filing of the notice [Docket No. 240]. The Debtors have yet to assume any contracts or unexpired leases but are continuing to evaluate such contracts and leases in its business judgment.

VII. SUMMARY OF THE PLAN

A. Overview

Article IV of the Plan provides a summary of the structure and means for implementation of the Plan and the classification and treatment of Claims and Interests under the Plan, and is qualified in its entirety by reference to the Plan (as well as the exhibits thereto and definitions therein).

The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein.

The Plan controls the actual treatment of Claims against, and Interests in, the Debtors under the Plan and will, upon the occurrence of the Effective Date, be binding upon all Holders of Claims against and Interests in the Debtors, the Debtors' Estates, the Reorganized Debtors, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

B. Classification and Treatment of Claims and Interests

Pursuant to section 1122 of the Bankruptcy Code, the Plan designates the Classes of Claims and Interests identified below. The Plan provides that a Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and will receive distributions pursuant to the Plan only to the extent that such Claim or Interest has not been paid, released, withdrawn or otherwise been settled before the Effective Date.

As described in Article I of this Disclosure Statement, the Plan constitutes a separate chapter 11 plan of reorganization for each Debtor, each of which shall include the classifications set forth below (and described in more detail in Article III of the Plan).

Article III.E of the Plan provides that certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Classes shall be deemed eliminated for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejected of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim / Interest	Status	Voting Rights	Treatment
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	Each Holder shall receive payment in full, in Cash, of the unpaid portion of its Other Priority Claim.
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	Each Holder shall receive (i) payment in full in Cash, (ii) Reinstatement, (iii) interest in the collateral, or (iv) such other treatment under section 1124.

Class	Claim / Interest	Status	Voting Rights	Treatment
3	First Lien Notes Claims	Impaired	Entitled to Vote	Each Holder shall receive (i) Cash proceeds of the Additional Exit Financing (if any); (ii) the New Second Lien Debt (unless substituted in whole, but not in part, with Cash proceeds received from any Additional Exit Financing); and (iii) 100% of Reorganized Cenveo Equity Interests, subject to dilution by the Management Incentive Plan.
4	FILO Notes Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	Each Holder shall receive (i) payment in full in Cash of the FILO Notes Claims, and (ii) payment of the reasonable and documented fees and expenses of legal counsel, as described more fully in the Plan.
5A	General Unsecured Claims (Non-Second Lien Notes Claims)	Impaired	Entitled to Vote	Each Holder shall receive its Pro Rata share of the General Unsecured Claims Recovery Cash Pool.
5B	General Unsecured Claims (Second Lien Notes Claims)	Impaired	Entitled to Vote	Each Holder shall receive its Pro Rata share of the General Unsecured Claims Recovery Cash Pool.
6	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)	Each Holder will not receive any distribution on account of such Section 501(b) Claims.
7	Intercompany Claims	Unimpaired or Impaired	Not Entitled to Vote (Presumed to Accept or Deemed to Reject)	Intercompany Claims shall be either (i) Reinstated or (ii) canceled and released without any distribution on account of such Claims.
8	Intercompany Interests	Unimpaired or Impaired	Not Entitled to Vote (Presumed to Accept or Deemed to Reject)	Intercompany Interests shall be either (i) Reinstated, or (ii) canceled and released without any distribution on account of such Claims
9	Cenveo Interests	Impaired	Not Entitled to Vote (Deemed to Reject)	All Cenveo Interests shall be cancelled without any distribution on account of such Interests.

C. Means for Implementation of the Plan

Article IV of the Plan sets forth the means for implementation of the Plan, including, but not limited to, the Exit Facilities, the New Second Lien Debt, the implementation of the General Unsecured Claims

Cash Pool, and the Management Incentive Plan. Article IV.D of the Plan sets forth the financial accommodations of the Exit Facilities and the Reorganized Debtors' obligations.

D. Conditions Precedent to Confirmation and Consummation of the Plan

The Plan provides for certain conditions precedent to the Effective Date. It shall be a condition to Consummation of the Plan that the conditions set forth in Article IX of the Plan have been satisfied or have occurred in conjunction with the occurrence of the Effective Date (or shall be waived pursuant to Article IX.B of the Plan). Entry of the Confirmation Order is not sufficient to ensure Consummation of the Plan.

AS OF THE DATE HEREOF, CERTAIN PARTIES—INCLUDING THE U.S. TRUSTEE AND THE SEC—DO NOT SUPPORT THE PLAN. The Debtors will address all arguments and assertions of these parties in connection with Confirmation of the Plan.

E. Employee and Retiree Benefits

1. U.S. Qualified Pension Plans

On the Effective Date, the Reorganized Debtors shall assume and continue to maintain the U.S. Qualified Pension Plans in accordance with the terms of the U.S. Qualified Pension Plans (as such terms may be amended from time to time) and applicable non-bankruptcy law (and the Reorganized Debtors reserve all of their rights thereunder), and shall pay any aggregate unpaid minimum funding contributions, with interest, for the U.S. Qualified Pension Plans as required under ERISA or the Internal Revenue Code

After the Effective Date, the Reorganized Debtors shall (i) satisfy the minimum funding requirements under 26 §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083 for the U.S. Qualified Pension Plans, (ii) pay all required PBGC premiums in accordance with 29 U.S.C. §§ 1306 and 1307 for the U.S. Qualified Pension Plans, and (iii) administer the U.S. Qualified Pension Plans in accordance with the applicable provisions of ERISA and the Internal Revenue Code, and the Reorganized Debtors reserve all of their rights thereunder.

With respect to the U.S. Qualified Pension Plans, no provision of the Plan, Confirmation Order, or section 1141 of the Bankruptcy Code shall be construed to discharge, release, or relieve the Reorganized Debtors, or their successors, from liabilities or requirements imposed under any law or regulatory provision arising after the Effective Date with respect to the U.S. Qualified Pension Plans or PBGC. PBGC and the U.S. Qualified Pension Plans will not be enjoined or precluded from enforcing such liability with respect to the U.S. Qualified Pension Plans as a result of any provision of the Plan, the Confirmation Order, or section 1141 of the Bankruptcy Code. PBGC and the Reorganized Debtors agree that all proofs of claim filed by PBGC shall be deemed to be withdrawn as of the Effective Date.

2. Multiemployer Pension Plans

The Confirmation Order shall constitute a determination that all Multiemployer Pension Plan Withdrawal Claims arising from the partial or full withdrawal of any Multiemployer Pension Plan shall be treated as General Unsecured Claims.

3. OPEB

As of the Effective Date, the Reorganized Debtors shall (a) maintain the OPEB in accordance with, and subject to, their terms and applicable non-bankruptcy law, or (b) modify OPEB in compliance with applicable non-bankruptcy law and the Reorganized Debtors reserve all of their rights thereunder.

4. Non-Qualified Supplemental Executive Retirement Plans

As of the Effective Date, any Non-Qualified Supplemental Executive Retirement Plans will be terminated. Any Non-Qualified Supplemental Executive Retirement Claims arising from the discontinuation, rejection, or termination of the Non-Qualified Supplemental Executive Retirement Plans will be treated as General Unsecured Claims.

5. Workers' Compensation Programs

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (b) the Debtors': (1) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (2) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation and (3) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn and expunged with prejudice automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; provided, however, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

6. Avoidance Actions

As of the Effective Date, the Debtors, on behalf of themselves and their Estates, shall be deemed to waive and release all Avoidance Actions arising under chapter 5 of the Bankruptcy Code or any comparable action arising under applicable of non-bankruptcy law against trade vendors and non-insider landlords of the Debtors and PNCEF.

F. Key Employee Incentive Plan

1. Overview

Prior to the Petition Date, and in the ordinary course of business, the Debtors utilized a short- and long-term incentive plan to drive business outperformance from senior executives and certain key employees. Specifically, the Debtors historically employed: (a) a short term cash incentive program (the "MBO Plan") and (b) a long-term, equity-based incentive program (the "LTIP"). The MBO Plan and LTIP participants were eligible for cash and equity awards, respectively, if they achieved certain Adjusted EBITDA, sales, and cost-savings goals approved by the Debtors' Board of Directors (the "Board"). The MBO and LTIP plans were essential components of the Debtors' historical compensation packages: they were designed to incentivize future performance, align management incentives with the Debtors' business objectives, and provide key management employees with competitive, market-based compensation.

In late 2017, as a comprehensive restructuring process became imminent, it was clear that the LTIP—the Debtors' historical equity-based compensation component—was insufficient to motivate key employees. In particular, due to the Debtors' significant funded debt load and its impending restructuring, equity was no longer a viable incentive for senior executives and key employees. Consequently, the Debtors, in consultation with Alvarez & Marsal ("A&M"), as their independent third-party compensation consultant, and their restructuring advisors, discussed strategies on how best to incentivize senior executives

and other key employees to align their interests with the strategic goals of the Debtors during a potential restructuring.

More specifically, the Debtors determined, in consultation with their advisors, that it was prudent to adopt a cash-based incentive compensation plan for FY 2018 (the "KEIP"), rather than continuing the historical MBO Plan and LTIP that provided for a combination of cash and equity based awards, to better align incentives for senior management and certain other key personnel with the Debtors' strategic go forward goals. The KEIP includes a larger scope of the Debtors' employees than was historically included under the MBO Plan and LTIP. The Debtors, in their sound business judgment, decided to broaden the scope of employees included in the KEIP in order to properly incentivize a larger group of employees during the impending restructuring.

On December 5, 2017, the Board unanimously approved the KEIP, which commenced on January 1, 2018 with each participant eligible to earn quarterly cash payments. The KEIP initially encompassed 80 eligible participants, but such list was later modified to remove certain participants, to better align the KEIP with corporate performance goals—the KEIP now includes 71 participants (the "KEIP Participants").

On the Effective Date, both the KEIP and the KERP Letter Agreements (discussed below) shall be assumed by the Reorganized Debtors as of the Effective Date; provided, that the aggregate amount of the KEIP with respect to the second fiscal quarter of 2018 shall be reduced by $500,000 and Robert G. Burton, Sr. shall not be entitled to any payments under the KEIP; provided further, that no accrued but unpaid KEIP bonuses with respect to the first or second fiscal quarter of 2018, to the extent earned under the KEIP, shall be paid thereunder unless the eligible KEIP recipient executes and delivers a written agreement with the Reorganized Debtors that provides for the clawback of any such bonuses in the event such recipient is terminated for cause or resigns without good reason prior to the date that is 120 days after the Effective Date. The key terms of the KEIP, a list of the KEIP participants, a summary of the projected post-Effective Date costs of the KEIP, a summary of the proposed award allocations, and the other material terms and conditions of the KEIP shall be set forth as an exhibit to the Plan Supplement.[12]

2. **KEIP Goals and Performance Metrics**

To earn KEIP awards, KEIP Participants must meet performance tiers based on individualized metrics. Depending on the individual, the performance goals are a combination of: (a) adjusted EBITDA, and (b) either a (1) cost savings or (2) sales metric. Approximately nine KEIP Participants use solely a sales metric.

The KEIP provides for payment of awards if the KEIP Participants achieve one of the following three performance tiers:

[12] On January 22, 2018, the Board, with the advice of its professionals, determined that it was prudent to prepay the KEIP's Q1 awards to certain essential KEIP Participants. As such, on January 26, 2018, 17 KEIP Participants received Q1 KEIP pre-payments, paid at Target.

- "Threshold" (80% of target goal): KEIP Participant is entitled to 75% of his or her target payment under the KEIP if 80% of the Performance Goal is met;

- "Target" (100% of target goal): KEIP Participant is entitled to 100% of his or her target payment under the KEIP if 100% of the Performance Goal is met; and

- "Stretch" (133% of target goal): KEIP Participant is entitled to 125% of his or her target payment under the KEIP if 133% of the Performance Goal is met.

On March 20, 2018, the Board, absent any eligible KEIP Participants, further discussed the Performance Goals and, the Compensation Committee[13] ratified its approval of the Adjusted EBITDA, cost savings, and sales targets for the KEIP.

G. Prepetition Retention Payments

On December 5, 2017, the Board also approved a certain pre-filing retention plan (the "KERP") and related retention letter agreements. On December 7, 2017, KERP awards were paid to 41 employees. On January 26, 2018, three (3) additional employees were paid KERP awards (after being moved from the KEIP program). The aggregate KERP payments totaled $4.6 million. Notably, Mark Hiltwein, the Debtors' incumbent Chief Financial Officer hired on February 1, 2018, was not paid a KERP payment and the Debtors are in the process of having Scott Goodwin's (the Debtors' former chief financial officer's) payment returned. The employees who received a KERP payment, as well as the amounts of the KERP payments, shall be set forth as an exhibit to the Plan Supplement. The KERP Letter Agreements shall be assumed by the Reorganized Debtors as of the Effective Date.

H. New Management Agreements and Burton, Sr. Advisory Services Agreement

Effective as of the Effective Date, the Reorganized Debtors shall enter into the New Management Agreements with certain members of the Reorganized Debtors' management team, which shall be acceptable to the applicable management team member and reasonably acceptable to the Debtors and the Requisite First Lien Creditors.

As of the Effective Date, Robert G. Burton, Sr. shall retire as Chief Executive Officer and Chairman of the Debtors' Board of Directors, pursuant to the terms of a Transition Letter Agreement to be executed by the Debtors and Robert G. Burton, Sr. (the "Transition Agreement"). The Reorganized Debtors shall enter into the Burton, Sr. Advisory Services Agreement, the form of which shall be Filed, together with the executed Transition Agreement, with the Plan Supplement, and shall be acceptable to Robert G. Burton Sr., the Debtors, and the Requisite First Lien Creditors.

I. Provisions Governing Distributions

1. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date or, with respect to distributions to General Unsecured Claims from the General Unsecured Claims Cash Pool, the Initial General Unsecured Claims Distribution Date, or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed

[13] The Compensation Committee consists of two members of the Board, both of whom are "independent" as such term is defined under the NASDAQ Market Rules. *See* Nasdaq Stock Market Rule 5605(a)(2). Specifically, these two members are Mr. Gerald Armstrong and Dr. Mark Griffin.

Claim on the Effective Date or, with respect to General Unsecured Claims, the Initial General Unsecured Claims Distribution Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), the Distribution Agent shall make initial distributions under the Plan on account of each Holder of an Allowed Claim in the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are disputed Claims, distributions on account of any such disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as specifically provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

On the Effective Date, the Reorganized Cenveo Equity Interests and the New Second Lien Debt shall be distributed pursuant to the terms set forth herein.

2. **Partial Distributions on Account of Allowed General Unsecured Claims**

The Reorganized Debtors shall be authorized, in consultation with the Claims Oversight Monitor, to cause partial distributions to be made on account of Allowed General Unsecured Claims before all General Unsecured Claims from the General Unsecured Claims Cash Pool are Allowed on each Quarterly Distribution Date in accordance with Article VI.E.2.b of the Plan; provided that the Reorganized Debtors shall use commercially reasonable efforts to cause the Initial General Unsecured Claims Distribution Date to occur no later than December 15, 2018, and thereafter, distributions on account of Allowed General Unsecured Claims shall be made at least once per calendar year.

3. **Rights and Powers of Distribution Agent**

(a) **Powers of the Distribution Agent**

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

(b) **Expenses Incurred On or After the Effective Date**

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable and documented fees and expenses incurred by the applicable Distribution Agent on or after the Effective Date (including taxes) and any reasonable and documented compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the applicable Distribution Agent shall be paid in Cash by the Reorganized Debtors.

4. **Special Rules for Distributions to Holders of Disputed Claims and Interests**

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties: (a) no partial payments and no partial distributions shall be made with respect to a disputed Claim until all such disputes in connection with such disputed Claim have been resolved by settlement or Final Order; and (b) any Entity that holds both an Allowed Claim and a disputed Claim shall not receive any

distribution on the Allowed Claim unless and until all objections to the disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. Any dividends or other distributions arising from property distributed to Holders of Allowed Claims in a Class and paid to such Holders under the Plan shall also be paid, in the applicable amounts, to any Holder of a disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such dividends or other distributions were earlier paid to Holders of Allowed Claims in such Class.

5. **Delivery of Distributions and Fractional, Undeliverable, or Unclaimed Distributions**

(a) **Record Date for Distribution**

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the Distribution Record Date shall not apply to publicly held securities if distributions to such securities will be effectuated through DTC.

(b) **Delivery of Distributions**

i. **Initial General Unsecured Claims Distribution Date**

Except as otherwise provided herein, on the Initial General Unsecured Claims Distribution Date, the Distribution Agent shall make distributions to Holders of Allowed General Unsecured Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such distribution; provided that the address for each Holder of an Allowed General Unsecured Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder, or, if no Proof of Claim has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.

ii. **Quarterly Distribution Date**

On each Quarterly Distribution Date or as soon thereafter as is reasonably practicable but in any event no later than thirty (30) days after each Quarterly Distribution Date, the Distribution Agent, in consultation with the Claims Oversight Monitor, shall make the distributions required to be made on account of Allowed Claims under the Plan on such date. Any distribution that is not made on the Effective Date or, with respect to General Unsecured Claims, the Initial General Unsecured Claims Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that distribution is not an Allowed Claim on such date, shall be distributed on the first Quarterly Distribution Date after such Claim is Allowed; provided that a distribution with respect to Allowed General Unsecured Claims on such Quarterly Distribution Date shall be subject to the (a) Allowance or disallowance by Final Order of all General Unsecured Claims having occurred or (b) the Bankruptcy Court having authorized a partial distribution on account of Allowed General Unsecured Claims after notice and a hearing upon a motion filed by the Reorganized Debtors. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with Article VI.A of the Plan.

iii. **Delivery of Distributions on account of the First Lien Notes Claims**

Except as otherwise reasonably requested by the First Lien Notes Indenture Trustee, all distributions to Holders of First Lien Notes Claims shall be deemed completed when made to (or at the direction of) the First Lien Notes Indenture Trustee, which shall be deemed to be the Holder of all First Lien Notes Claims for purposes of distributions to be made hereunder. The First Lien Notes Indenture Trustee shall hold or direct such distributions for the benefit of the Holders of First Lien Notes Claims. As soon as practicable in accordance with the requirements set forth in Article VI of the Plan, the First Lien Notes Indenture Trustee shall arrange to deliver such distributions to or on behalf of such Holders to be made in accordance with the First Lien Notes Indenture and subject to the rights of the First Lien Notes Indenture Trustee to assert its First Lien Notes Indenture Trustee Charging Lien. If the First Lien Notes Indenture Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the cooperation of the First Lien Notes Indenture Trustee, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the First Lien Notes Indenture Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the First Lien Notes Indenture Trustee).

On the Effective Date, the Reorganized Debtors shall pay (without duplication of amounts to be paid, if any, pursuant to the DIP Financing Orders) in full in Cash all reasonable and documented prepetition and postpetition fees, expenses, and reimbursements of the First Lien Notes Indenture Trustee (including the reasonable and documented fees and expenses of Pryor Cashman LLP) to the extent provided for under the First Lien Notes Indenture, without the need for the First Lien Notes Indenture Trustee to File a fee application with the Bankruptcy Court. Any such fees, expenses, or reimbursements invoiced after the Effective Date shall be paid promptly, but no later than five (5) Business Days after the Reorganized Debtors receive an invoice. The First Lien Notes Indenture Trustee shall retain all rights under the First Lien Notes Indenture to exercise its First Lien Notes Indenture Trustee Charging Lien against distributions to the holders of First Lien Notes Claims.

From and after the Effective Date, the Reorganized Debtors shall pay in Cash all reasonable and documented post Effective Date fees, expenses, and reimbursements of the First Lien Notes Indenture Trustee, including, without limitation, all fees, expenses, and reimbursements incurred in connection with distributions made pursuant to the Plan or the cancellation and discharge of the First Lien Notes Indenture.

iv. **Delivery of Distributions on account of Second Lien Notes Claims**

All distributions to Holders of Second Lien Notes Claims shall be deemed completed when made to (or at the direction of) the Second Lien Notes Trustee, which shall be deemed to be the Holder of all Second Lien Notes Claims for purposes of distributions to be made hereunder. As soon as practicable in accordance with the requirements set forth in Article VI of the Plan, distributions shall be made at the direction of the Second Lien Notes Indenture Trustee in accordance with the Second Lien Notes Indenture and subject to the rights of the Second Lien Notes Trustee to assert its Second Lien Notes Indenture Trustee Charging Lien. The Second Lien Notes Indenture Trustee may transfer or direct the transfer of such distributions directly through facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with Holders of Second Lien Notes Claims to the extent consistent with the customary practices of DTC. If the Second Lien Notes Indenture Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the Second Lien Notes Trustee's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the Second Lien Notes Indenture Trustee Charging Lien shall attach to the property to be distributed in the same manner

as if such distributions were made through the Second Lien Notes Trustee). The Second Lien Notes Indenture Trustee shall not incur any liability whatsoever on account of any distributions under the Plan.

v. **Delivery of Distributions on account of FILO Notes Claims**

Any distributions to Holders of FILO Notes Claims shall be deemed completed when made to (or at the direction of) the FILO Notes Indenture Trustee, which shall be deemed to be the Holder of all FILO Notes Claims for purposes of distributions to be made hereunder, provided, however, that non-Cash consideration, if any, shall not be distributed in the name of the FILO Notes Indenture Trustee. As soon as practicable in accordance with the requirements set forth in Article VI of the Plan, the FILO Notes Indenture Trustee shall cause such distributions (if any) to be made to or on behalf of such Holders in accordance with the FILO Notes Indenture and subject to the rights of the FILO Notes Indenture Trustee to assert its FILO Notes Indenture Trustee Charging Lien. If the FILO Notes Indenture Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the FILO Notes Indenture Trustee's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the FILO Notes Indenture Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the FILO Notes Indenture Trustee).

vi. **Delivery of Distributions on account of Unsecured Notes Claims**

All distributions to Holders of Unsecured Notes Claims shall be deemed completed when made to (or at the direction of) the Unsecured Notes Indenture Trustee, which shall be deemed to be the Holder of all Unsecured Notes Claims for purposes of distributions to be made hereunder, provided, however, that non-Cash consideration, if any, shall not be distributed in the name of the Unsecured Notes Indenture Trustee. As soon as practicable in accordance with the requirements set forth in Article VI of the Plan, the Unsecured Notes Indenture Trustee shall cause such distributions to be made to or on behalf of such Holders in accordance with the Unsecured Notes Indenture and subject to the rights of the Unsecured Notes Indenture Trustee to assert its Unsecured Notes Indenture Trustee Charging Lien. The Unsecured Notes Indenture Trustee may transfer or direct the transfer of such distributions directly through facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with Holders of Unsecured Notes Claims in accordance with the customary practices of DTC. If the Unsecured Notes Indenture Trustee is unable to make, or consents to the Reorganized Debtors making, such distributions, the Reorganized Debtors, with the Unsecured Notes Indenture Trustee's cooperation, shall make such distributions to the extent practicable to do so (provided that until such distributions are made, the Unsecured Notes Indenture Trustee Charging Lien shall attach to the property to be distributed in the same manner as if such distributions were made through the Unsecured Notes Indenture Trustee).

(c) **Minimum Distributions**

Holders of Allowed Claims entitled to distributions of $50.00 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII of the Plan, and its Holder shall be forever barred pursuant to Article VIII of the Plan from asserting that Claim against the Reorganized Debtors or their property.

Any Cash not distributed in accordance with the terms of the Plan to Holders of Allowed General Unsecured Claims in Class 5A and Class 5B shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and shall remain in the General Unsecured Claims Cash Pool for distribution on account of other Allowed General Unsecured Claims.

After all distributions have been made in accordance with the terms of the Plan to Holders of Allowed General Unsecured Claims in Class 5A and Class 5B, any Cash remaining in the General Unsecured Claims Cash Pool totaling less than or equal to $30,000, in the aggregate, may be donated by the Claims Oversight Monitor to a charity of its choice.

(d) **No Fractional Distributions**

No fractional shares or units of Reorganized Cenveo Equity Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of shares or units of Reorganized Cenveo Equity Interests that is not a whole number, such Reorganized Cenveo Equity Interests, shall be rounded as follows: (a) fractions of greater than one-half shall be rounded to the next higher whole number and (b) fractions of one-half or less shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares or units of Reorganized Cenveo Equity Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in payment of Cash of a fraction of a dollar, the actual payment shall be rounded as follows: (a) fractions of greater than half dollars shall be rounded to the next whole dollar and (b) fractions of less than half dollars shall be rounded to the next lower whole dollar.

(e) **Undeliverable Distributions and Unclaimed Property**

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Reorganized Debtors have determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the time of such distribution. After such date, all unclaimed property or interests in property shall be redistributed Pro Rata as provided under the Plan (it being understood that, for purposes of Article VI.E.5 of the Plan, "Pro Rata" shall be determined as if the Claim underlying such unclaimed distribution had been disallowed) and all other unclaimed property or interests in property (with the exception of property within the General Unsecured Claims Cash Pool Account) shall revert to the Reorganized Debtors without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

6. **Securities Registration Exemption**

Except with respect to the Reorganized Cenveo Equity Interests underlying the Management Incentive Plan, all shares or units of Reorganized Cenveo Equity Interests, and New Second Lien Debt issued under the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon section 1145 of the Bankruptcy Code. Shares or units of Reorganized Cenveo Equity Interests, and New Second Lien Debt issued under the Plan in reliance upon section 1145 of the Bankruptcy Code are exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of Securities. The Reorganized Cenveo Equity Interests, New Second Lien

Debt issued pursuant to section 1145 of the Bankruptcy Code: (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely tradable and transferable by any holder thereof that (1) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (2) has not been such an "affiliate" within ninety (90) days of such transfer, (3) has not acquired the Reorganized Cenveo Equity Interests, New Second Lien Debt from an "affiliate" within one year of such transfer, and (4) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code. Reorganized Cenveo Equity Interests, New Second Lien Debt issued to Holders of First Lien Notes Claims hereunder, in each case in exchange for such Claims, shall be issued in reliance on section 1145 of the Bankruptcy Code, as applicable hereunder. Reorganized Cenveo Equity Interests underlying the Management Incentive Plan will be issued pursuant to another available exemption from registration under the Securities Act and other applicable law.

Should the Reorganized Debtors elect, on or after the Effective Date, to reflect all or any portion of the ownership of the Reorganized Cenveo Equity Interests or New Second Lien Debt through the facilities of DTC, the Reorganized Debtors shall not be required to provide any further evidence other than the Plan or Confirmation Order with respect to the treatment of such applicable portion of the Reorganized Cenveo Equity Interests or New Second Lien Debt, and such Plan or Confirmation Order shall be deemed to be legal and binding obligations of the Reorganized Debtors in all respects. Notwithstanding any policies, practices, or procedures of DTC or any other applicable clearing system, DTC and all other applicable clearing systems shall cooperate with and take all actions reasonably requested by a Distribution Agent or an indenture trustee to facilitate distributions to Holders of Allowed Claims without requiring that such distributions be characterized as repayments of principal or interest. No Distribution Agent or indenture trustee shall be required to provide indemnification or other security to DTC in connection with any distributions to Holders of Allowed Claims through the facilities of DTC.

DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Reorganized Cenveo Equity Interests or New Second Lien Debt are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Cenveo Equity Interests or New Second Lien Debt are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

7. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, Reorganized Cenveo, the Reorganized Debtors, and the Distribution Agent, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Debtors shall consult and cooperate with the Requisite First Lien Creditors in good faith to structure the Restructuring Transactions in a manner that will mitigate or eliminate any withholding obligations. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including (a) liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, (b) withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate, including using commercially reasonable efforts to obtain, if such information is not already in the possession of Reorganized Cenveo, the Reorganized Debtors,, or the Distribution Agent, (i) in the

case of a U.S. Holder, a properly executed IRS Form W-9 and, (ii) in the case of a non-U.S. Holder, a properly executed applicable IRS Form W-8 and any other forms required by any applicable law (or in each of the cases of clauses (i) and (ii) above, such Holder otherwise establishes eligibility for an exemption). The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

8. **Allocations**

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed herein.

9. **No Postpetition Interest on Claims**

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law or the Intercreditor Agreements, postpetition interest shall not be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim for purposes of distributions under this Plan.

10. **Setoffs and Recoupment**

Except as otherwise expressly provided herein, the Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claim it may have against the Holder of such Claim. In no event shall any Holder of Claims be entitled to set off or recoup any such Claim against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor (as applicable), unless: (a) the Debtors have consented (which consent shall not be unreasonably withheld), or (b) such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date and that such Holder asserts, has, or intends to preserve any right of recoupment or setoff pursuant to section 553 of the Bankruptcy Code or otherwise, or (c) such Holder timely Filed a Proof of Claim asserting any right of recoupment or setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

11. **Claims Paid or Payable by Third Parties**

(a) **Claims Paid by Third Parties**

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall repay, return, or deliver any distribution held by or transferred to the Holder to the applicable Reorganized Debtor to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

(b) **Claims Payable by Insurance Carriers**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Notice and Claims Agent without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

(c) **Applicability of Insurance Policies**

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

J. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. **Claims Oversight Monitor**

(a) **Appointment**

On or prior to the Effective Date, the Committee, with the consent of the Debtors and the Requisite First Lien Creditors (provided that such consent shall not be unreasonably withheld), shall appoint the Claims Oversight Monitor to participate in the post-Effective Date reconciliation process for General Unsecured Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code. The role and responsibilities of the Claims Oversight Monitor shall terminate after all distributions are made to holders of Allowed General Unsecured Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code and the Reorganized Debtors so advise the Claims Oversight Monitor in writing (which notice must be sent via email to the Claims Oversight Monitor and counsel to the Claims Oversight Monitor, if any).

(b) **Rights and Powers**

The Claims Oversight Monitor and the Reorganized Debtors shall work cooperatively to expeditiously resolve General Unsecured Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code in a cost-effective and expeditious manner consistent with the procedures outlined in Article VII of the Plan. The Reorganized Debtors shall provide the Claims Oversight Monitor with no less than three (3) Business Days' advance notice of any objections to be filed, or settlements to be entered into, with respect to any General Unsecured Claim or any Claims arising under section 503(b)(9) of the Bankruptcy Code. To the extent a dispute arises between the Reorganized Debtors and the Claims Oversight Monitor with respect to the resolution of a General Unsecured Claim or a Claim arising under section 503(b)(9) of the Bankruptcy Code that cannot be resolved consensually, the Claims Oversight Monitor shall have standing solely for the limited purpose of (a) being heard regarding any objection Filed with respect to a General Unsecured Claim or a Claim arising under section 503(b)(9) of the Bankruptcy Code by the Reorganized Debtors or any other party-in-interest and (b) seeking appropriate relief from the Bankruptcy Court, including objecting to a proposed settlement of any General Unsecured Claim or any Claim arising under section 503(b)(9) of the Bankruptcy Code.

Subject to Article VII.A.3 of the Plan, the Claims Oversight Monitor shall be authorized and empowered to retain and pay professionals (subject to the reasonable consent of the Reorganized Debtors, which consent shall not be unreasonably withheld or delayed) to represent it with respect to its responsibilities without the approval of the Bankruptcy Court.

(c) **Payment of Fees and Expenses**

The reasonable and documented fees and expenses of the Claims Oversight Monitor, including the fees and expenses of any professionals retained by the Claims Oversight Monitor, in each case, solely to the extent associated with the reconciliation process for the General Unsecured Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code, shall be paid by the Reorganized Debtors up to the amount of $100,000 in the aggregate without further notice or approval from the Bankruptcy Court upon no less than thirty (30) days of receipt of each invoice. For the avoidance of doubt, the Reorganized Debtors shall have no obligation to pay any fees and expenses of the Claims Oversight Monitor, including the fees and expenses of any professionals retained by the Claims Oversight Monitor, in excess of $100,000 in the aggregate (and any such additional fees and/or expenses shall be paid from the General Unsecured Claims Cash Pool Account).

2. **Allowance of Claims**

After the Effective Date, each of the Debtors or the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date (unless such Claim is deemed Allowed pursuant to the Plan or the Confirmation Order). Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed pursuant to the Plan or a Final Order, including the Confirmation Order (when it becomes a Final Order), allowing such Claim. For the avoidance of doubt, there is no requirement to file a Proof of Claim (or move the Court for allowance) to be an Allowed Claim under the Plan.

3. **Claims and Interests Administration Responsibilities**

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors, in consultation with the Claims Oversight Monitor, shall have the exclusive authority: (a) to File, withdraw, or litigate to judgment objections to Claims; (b) to settle or compromise any disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had immediately prior to the Effective Date with respect to any disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.N of the Plan.

4. **Estimation of Claims**

Before or after the Effective Date, the Debtors (with the consent of the Requisite First Lien Creditors) or the Reorganized Debtors, in consultation with the Claims Oversight Monitor, may at any time request that the Bankruptcy Court estimate any disputed Claim or disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during any appeal relating to such objection. In the event

that the Bankruptcy Court estimates any disputed, contingent, or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Reorganized Debtors, as applicable, , in consultation with the Claims Oversight Monitor, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before twenty-one (21) days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

5. **Adjustment to Claims Register Without Objection**

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtors or the Reorganized Debtors upon stipulation between the impacted Holder of any Claim or Interest and the Debtor or Reorganized Debtor, as applicable, , in consultation with the Claims Oversight Monitor, without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

6. **Time to File Objections to General Unsecured Claims and Claims Arising Under Section 503(b)(9) of the Bankruptcy Code**

Any objections to General Unsecured Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code shall be Filed by the Reorganized Debtors, in consultation with the Claims Oversight Monitor, on or before the Claims Objection Deadline, as such deadline may be extended from time to time, in consultation with the Claims Oversight Monitor.

7. **Amendments to Claims**

On or after the Effective Date, except as provided in the Plan or the Confirmation Order, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, in consultation with the Claims Oversight Monitor.

8. **Distributions After Allowance**

To the extent that a disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of a court of competent jurisdiction allowing any disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date.

9. **Single Satisfaction of Claims**

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained

under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed Claim plus applicable interest, if any.

K. Settlement, Release, Injunction, and Related Provisions

1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the Plan is and shall be deemed a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest.

The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. The compromises, settlements, and releases described herein shall be deemed nonseverable from each other and from all other terms of the Plan. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors, in consultation with the Claims Oversight Monitor, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

Without limiting the foregoing, in exchange for the consideration provided herein, entry of the Confirmation Order shall constitute approval of the Global Settlement.

2. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a proof of claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date with respect to a Claim that is Unimpaired by the Plan. Subject to the terms and conditions of the Plan, the Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

3. **Debtor Release**

AS OF THE EFFECTIVE DATE, PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, EXCEPT FOR THE RIGHTS THAT REMAIN IN EFFECT FROM AND AFTER THE EFFECTIVE DATE TO ENFORCE THE PLAN AND THE RESTRUCTURING DOCUMENTS, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, AND EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR IN THE CONFIRMATION ORDER, TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, THE RELEASED PARTIES WILL BE DEEMED CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED, TO THE EXTENT PERMITTED BY LAW, BY THE DEBTORS AND THEIR ESTATES, THE REORGANIZED DEBTORS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER AFFILIATES FROM ANY AND ALL CLAIMS, INTERESTS, CAUSES OF ACTION, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, REMEDIES, LOSSES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS, OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), OR THEIR ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, THAT THE DEBTORS, OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), 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 OR INTEREST OR OTHER PERSON, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE CHAPTER 11 CASES, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, CAUSES OF ACTION, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY OF THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING AND EACH OF THE RESTRUCTURING TRANSACTIONS, THE RESTRUCTURING OF ANY CLAIM OR INTEREST BEFORE OR DURING THE CHAPTER 11 CASES, THE DISCLOSURE STATEMENT, THE DIP FACILITIES, THE RESTRUCTURING SUPPORT AGREEMENT, THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF REORGANIZED CENVEO EQUITY INTERESTS AND NEW SECOND LIEN DEBT PURSUANT TO THE PLAN OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN, THE PLAN SUPPLEMENT, AND RELATED AGREEMENTS, INSTRUMENTS, AND OTHER DOCUMENTS (INCLUDING THE RESTRUCTURING DOCUMENTS), AND THE NEGOTIATION, FORMULATION, OR PREPARATION THEREOF, THE SOLICITATION OF VOTES WITH RESPECT TO THE PLAN, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE OF THE PLAN RELATED OR RELATING TO THE FOREGOING.

4. **Third Party Release**

AS OF THE EFFECTIVE DATE, EXCEPT FOR THE RIGHTS THAT REMAIN IN EFFECT FROM AND AFTER THE EFFECTIVE DATE TO ENFORCE THE PLAN AND THE RESTRUCTURING DOCUMENTS, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, AND EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR IN THE CONFIRMATION ORDER FOR THE PLAN, TO THE

MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, THE RELEASED PARTIES WILL BE DEEMED FOREVER RELEASED AND DISCHARGED, TO THE MAXIMUM EXTENT PERMITTED BY LAW, BY THE RELEASING PARTIES, IN EACH CASE FROM ANY AND ALL CLAIMS AND INTERESTS, CAUSES OF ACTION, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, REMEDIES, LOSSES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS, OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), OR THEIR ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, THAT SUCH HOLDERS OR THEIR AFFILIATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER PERSON, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), OR THEIR ESTATES, THE CHAPTER 11 CASES, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS (AS THE CASE MAY BE), THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, CAUSES OF ACTION, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY OF THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING AND EACH OF THE RESTRUCTURING TRANSACTIONS, THE RESTRUCTURING OF ANY CLAIM OR INTEREST BEFORE OR DURING THE CHAPTER 11 CASES, THE DIP FACILITIES, THE DISCLOSURE STATEMENT, THE RESTRUCTURING SUPPORT AGREEMENT, THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF REORGANIZED CENVEO EQUITY INTERESTS, NEW SECOND LIEN DEBT AND PURSUANT TO THE PLAN OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN, THE PLAN SUPPLEMENT, AND RELATED AGREEMENTS, INSTRUMENTS, AND OTHER DOCUMENTS (INCLUDING THE RESTRUCTURING DOCUMENTS), AND THE NEGOTIATION, FORMULATION, OR PREPARATION THEREOF, THE SOLICITATION OF VOTES WITH RESPECT TO THE PLAN, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE OF THE PLAN RELATED OR RELATING TO THE FOREGOING.

Please be advised that the Plan notes that "Nothing in the Plan shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct."

CERTAIN PARTIES ASSERT THAT THE RELEASES UNDER ARTICLE VIII OF THE PLAN ARE NOT CONSISTENT WITH APPLICABLE LAW, INCLUDING THAT THE RELEASES ARE NON-CONSENSUAL. THE DEBTORS DISAGREE WITH THIS CHARACTERIZATION OF THESE MATTERS AND RESERVE ALL RIGHTS.

The Debtors will demonstrate at the Confirmation Hearing that the Debtors' releases are a sound exercise of business judgment and that they are part of the compromise and settlement in connection with the Global Settlement. Accordingly, the Debtors believe that the releases under Article VIII of the Plan are consistent with applicable law and that the Bankruptcy Court should approve such releases.

The Debtors will also demonstrate at the Confirmation Hearing that the Third Party Releases are consensual because each class that is presumed to accept, deemed to reject, or votes to reject will be provided with an opt-out notice. Classes that are eligible to accept or reject the Plan have the opportunity to affirmatively opt-out of granting the Third Party Releases; provided, however that Holders of Claims who vote to accept the Plan are considered a Releasing Party. HOLDERS OF CLAIMS IN CLASSES 1 AND 2 THAT ARE PRESUMED TO ACCEPT THE PLAN, HOLDERS OF CLAIMS AND INTERESTS IN CLASSES 6, 7, 8, AND 9 THAT ARE DEEMED TO REJECT THE PLAN, AND HOLDERS OF CLAIMS THAT VOTE TO REJECT THE PLAN HAVE THE OPPORTUNITY TO OPT-OUT OF THE THIRD PARTY RELEASE. THE DEADLINE TO OPT-OUT OF THE THIRD PARTY RELEASE IS JULY [13], 2018. IF YOU (1) ARE ENTITLED TO VOTE ON THE PLAN AND ABSTAIN FROM VOTING, (2) VOTE TO REJECT THE PLAN AND DO NOT OPT-OUT OF THE THIRD PARTY RELEASE, (3) ARE PRESUMED TO ACCEPT THE PLAN AND DO NOT TIMELY SUBMIT AN OPT-OUT ELECTION FORM, OR (4) ARE DEEMED TO REJECT THE PLAN AND DO NOT TIMELY SUBMIT AN OPT-OUT ELECTION FORM, IN EACH CASE, YOU WILL BE DEEMED TO CONSENT TO THE THIRD PARTY RELEASE PROVIDED FOR IN ARTICLE VIII OF THE PLAN.

5. **Exculpation**

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN, TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, NO EXCULPATED PARTY SHALL HAVE OR INCUR LIABILITY FOR, AND EACH EXCULPATED PARTY IS HEREBY RELEASED AND EXCULPATED FROM, ANY CAUSE OF ACTION FOR ANY CLAIM RELATED TO ANY ACT OR OMISSION IN CONNECTION WITH, RELATING TO, OR ARISING OUT OF, THE CHAPTER 11 CASES, IN WHOLE OR IN PART, THE DEBTORS, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE RESTRUCTURING SUPPORT AGREEMENT AND RELATED PREPETITION TRANSACTIONS, THE DIP FACILITIES, THE DISCLOSURE STATEMENT, THE PLAN, OR THE RESTRUCTURING, ANY CONTRACT, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE DISCLOSURE STATEMENT OR THE PLAN, THE FILING OF THE CHAPTER 11 CASES, THE PURSUIT OF CONFIRMATION OF THE PLAN, THE PURSUIT OF CONSUMMATION OF THE PLAN, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, EXCEPT FOR CLAIMS OR CAUSES OF ACTION ARISING FROM TO AN ACT OR OMISSION THAT IS JUDICIALLY DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED ACTUAL FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE. THE EXCULPATED PARTIES HAVE, AND UPON COMPLETION OF THE PLAN SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE LAWS WITH REGARD TO THE SOLICITATION OF VOTES AND DISTRIBUTION OF CONSIDERATION PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THE PLAN.

FOR THE AVOIDANCE OF DOUBT, NOTHING IN THE PLAN SHALL LIMIT THE LIABILITY OF ATTORNEYS TO THEIR RESPECTIVE CLIENTS PURSUANT TO RULE 1.8(H) OF THE NEW YORK RULES OF PROFESSIONAL CONDUCT.

The U.S. Trustee asserts that it is inappropriate for the Plan to exculpate non-Estate fiduciaries. The Debtors respectfully disagree with this argument and reserve their rights for the Confirmation Hearing.

In the Second Circuit, exculpation provisions that extend to prepetition conduct and cover non-estate fiduciaries are regularly approved, particularly for those parties who play an integral role in support of a debtor's restructuring. As the exculpation provision was a critical component of negotiations surrounding the Plan, the protection it affords was essential to the promotion of good-faith negotiations that might not have otherwise occurred has the negotiating parties faced the risk of future collateral attacks from other parties.

6. **Injunction**

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN OR FOR OBLIGATIONS ISSUED OR REQUIRED TO BE PAID PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES THAT HAVE HELD, HOLD, OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO THE PLAN, DISCHARGED PURSUANT TO THE PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO THE PLAN, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST, AS APPLICABLE, THE DEBTORS, REORGANIZED DEBTORS, THE RELEASED PARTIES, OR THE EXCULPATED PARTIES: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR THE ESTATES OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM SUCH ENTITIES OR AGAINST THE PROPERTY OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS UNLESS SUCH ENTITY HAS EITHER (1) TIMELY FILED A PROOF OF CLAIM ASSERTING A RIGHT OF SETOFF OR RECOUPMENT, OR (2) TIMELY ASSERTED SUCH SETOFF OR RECOUPMENT RIGHT IN A DOCUMENT FILED WITH THE BANKRUPTCY COURT EXPLICITLY PRESERVING SUCH SETOFF OR RECOUPMENT, AND NOTWITHSTANDING AN INDICATION OF A CLAIM OR INTEREST OR OTHERWISE THAT SUCH ENTITY ASSERTS, HAS, OR INTENDS TO PRESERVE ANY RIGHT OF SETOFF OR RECOUPMENT PURSUANT TO APPLICABLE LAW OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED OR SETTLED PURSUANT TO THE PLAN.

7. **Subordination Rights**

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, the Intercreditor Agreements or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors, their respective property, and Claim and Interest Holders and is fair, equitable, and reasonable.

8. **Release of Liens**

Except (a) with respect to the Liens securing (1) the Exit Facilities, (2) the New Second Lien Debt, (3) any Additional Exit Financing, and (4) to the extent elected by the Debtors, with the consent of the Requisite First Lien Creditors, with respect to an Allowed Other Secured Claim in accordance with Article III.B.2 of the Plan, or (b) as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates, other than the Liens and security interests securing the DIP ABL Credit Facility which, if not otherwise paid in full in Cash, shall remain in full force and effect and shall secure all obligations arising under, and in connection with, the Exit ABL Facility, shall be fully released and discharged, and the holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

VIII. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

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

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to conduct a hearing to consider confirmation of a chapter 11 plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan. **The Bankruptcy Court has scheduled the Confirmation Hearing for July 23, 2018, at 11:00 a.m., prevailing Eastern Time.** The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or the filing of a notice of such adjournment served in accordance with the order approving the Disclosure Statement and

Solicitation Procedures. Any objection to the Plan must: (1) be in writing; (2) conform to the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court for the Southern District of New York; (3) state the name, address, phone number, and e-mail address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (4) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (5) be Filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received by the following notice parties set forth below no later than the Plan Objection Deadline. **Unless an objection to the Plan is timely served and Filed, it may not be considered by the Bankruptcy Court**.

<table>
<tr><th colspan="2">Counsel to the Debtors</th></tr>
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</table>

B. Confirmation Standards

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code with respect to each of the Debtors. Because each of the Debtors must satisfy these requirements, it is possible that the Bankruptcy Court will enter a

Confirmation Order with respect to certain Debtors and not others.[14] The Debtors believe that the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code and that they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code. Specifically, the Debtors believe that the Plan satisfies or will satisfy the applicable confirmation requirements of section 1129 of the Bankruptcy Code, including those set forth below.

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the Plan proponents, have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been or will be disclosed to the Bankruptcy Court, and any such payment: (1) made before the Confirmation of the Plan is reasonable; or (2) is subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.
- With respect to each Class of Claims, each Holder of an Impaired Claim has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code. With respect to each Class of Interests, each Holder of an Impaired Interest has accepted the Plan or will receive or retain under the Plan on account of such Interest property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such voting Class of Claims pursuant to section 1129(b) of the Bankruptcy Code.
- Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that: (1) Holders of Claims specified in sections 507(a)(2) and 507(a)(3) will receive, under different circumstances, Cash equal to the amount of such Claim either on the Effective Date (or as soon as practicable thereafter), no later than thirty (30) days after the Claim becomes Allowed, or pursuant to the terms and conditions of the transaction giving rise to the Claim; (2) Holders of Claims specified in sections 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code will receive on account of such Claims Cash equal to the Allowed amount of such Claim on the Effective Date of the Plan (or as soon thereafter as is reasonably practicable) or Cash payable over no more than six (6) months after the Petition Date; and (3) Holders of Claims specified in section 507(a)(8) of the Bankruptcy Code will receive on account of such Claim regular

[14] For example, the Bankruptcy Court may deny Confirmation for one or more of the Debtors if such Debtor fails to obtain the requisite acceptance of the Plan from its Classes, while still confirming the Plan with respect to the other Debtors.

installment payments of Cash of a total value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim over a period ending not later than five years after the Petition Date.

- At least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any "insider," as that term is defined by section 101(31) of the Bankruptcy Code, holding a Claim in that Class.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan, unless the Plan contemplates such liquidation or reorganization.

- The Debtors have paid or the Plan provides for the payment of the required filing fees pursuant to 28 U.S.C. § 1930 to the clerk of the Bankruptcy Court.

1. **The Debtor Releases, Third-Party Releases, Exculpation, and Injunctions Provisions**

Article VIII.C of the Plan provides for releases of claims and Causes of Action the Debtors may hold against the Released Parties. The Released Parties are each of the following in their capacity as such: (a) the Examiner; (b) the DIP Agents; (c) the DIP Lenders; (d) the Exit Financing Agents; (e) the Exit Financing Lenders; (f) the First Lien Notes Indenture Trustee; (g) the members of the Ad Hoc First Lien Committee; (h) the Committee; (i) the Committee Members; (j) the Consenting First Lien Creditors; (k) with respect to each of the foregoing Entities in clauses (a) through (j), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

Article VIII.D of the Plan provides for the release of claims and Causes of Action of the Releasing Parties against the Released Parties in exchange for the good and valuable consideration and the valuable compromises made by the Released Parties (the "Third-Party Release"). The Releasing Parties are each of the following in their capacity as such: (a) all Holders of Claims who vote to accept the Plan; (b) Holders of Claims who are deemed to accept the Plan and do not timely submit a duly completed opt-out form in accordance with the Disclosure Statement Order; (c) the members of the Ad Hoc First Lien Committee; (d) the Committee; (e) the Committee Members; (f) all other Holders of Claims and Interests (including Holders of Claims and Interests who are deemed to reject the Plan) who do not timely submit a duly completed opt-out form in accordance with the Disclosure Statement Order; (g) the DIP Agents; (h) the DIP Lenders; (i) the First Lien Notes Indenture Trustee; (j) the Examiner; (k) with respect to each of the Debtors, the Reorganized Debtors, and each of the foregoing Entities in clauses (a) through (j), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, and officers, to the extent such director, manager, or officer provides express consent, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; provided that the Debtors' current and former directors, managers, and officers that are Interest Holders shall be deemed a "Releasing Party" regardless of whether such party submits a duly completed opt-out form.

Article VIII.E of the Plan provides for the exculpation of each Exculpated Party for acts or omissions taken in connection with the Chapter 11 Cases. The Exculpated Parties are, collectively: (a) the Debtors; (b) the members of the Ad Hoc First Lien Committee; (c) the Committee; (d) the Committee Members; (e) DIP Agents; (f) DIP Lenders; (g) the Examiner; and (h) with respect to each of the foregoing, such Entity and its current and former Affiliates, and such Entity's and its current and former Affiliates' current and former Interest holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

The Plan provides that all Holders of Claims who are entitled to vote on the Plan who vote to accept the Plan, abstain from voting, or reject the Plan and do not check the box to opt-out of the Third Party Release will be granting a release of any claims or rights they have or may have as against many individuals and Entities. The Plan also provides that all Holders of Claims who are not entitled to vote, and do not elect to opt out, will be granting a release of any claims or rights they have or may have as against many individuals and Entities. The release that these Holders of Claims will be giving is broad and it includes any and all claims that such Holders may have against the Released Parties, which in any way relate to the Debtors, their operations either be\fore or after the Chapter 11 Cases began, any securities of the Debtors, whether purchased or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors. Various Holders of Claims who are entitled to vote on the Plan may have claims against a Released Party and the Debtors express no opinion on whether a Holder has a claim or the value of the claim nor do the Debtors take a position as to whether a Holder should consent to grant this release.

It is well-settled that debtors are authorized to settle or release their claims in a chapter 11 plan.[15] Debtor releases are granted by courts in the Second Circuit where the Debtors establish that such releases are in the "best interests of the estate."[16] Courts often find that releases pursuant to a settlement are appropriate.[17] Additionally, in the Second Circuit, third party releases are permissible when they are consensual or where "truly unusual circumstances" render the release terms integral to the success of the plan.[18] The determination is not a matter of "factors and prongs" but courts have provided some guidance for allowing third party releases. "Unusual circumstances" include instances in which: (a) the estate received a substantial contribution; (b) the enjoined claims were "channeled" to a settlement fund rather than extinguished;(c) the enjoined claims would indirectly impact the debtors' reorganization by way of indemnity or contribution; (d) the plan otherwise provided for the full payment of the enjoined claims; and

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[15] *See In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 263 n.289, 269 (Bankr. S.D.N.Y. 2007) (debtor may release its own claims); *In re Oneida Ltd.*, 351 B.R. 79, 94 (Bankr. S.D.N.Y. 2006) (noting that a debtor's release of its own claims is permissible).

[16] *See In re Charter Commc'ns*, 419 B.R. 221, 257 (Bankr. S.D.N.Y. 2009) ("When reviewing releases in a debtor's plan, courts consider whether such releases are in the best interest of the estate.").

[17] *See, e.g., Spiegel*, 2005 WL 1278094, at *11 (approving releases pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a)); *In re AMR Corp.*, No. 11-15463 (SHL) (Bankr. S.D.N.Y. Oct. 22, 2013) (confirming chapter 11 plan containing releases of members, directors, officers and employees of the debtors as well as prepetition lenders that were party to a restructuring support agreement); *see also In re Bally Total Fitness Holding Corp.*, 2007 WL 2779438, at *12 ("To the extent that a release or other provision in the Plan constitutes a compromise of a controversy, this Confirmation Order shall constitute an order under Bankruptcy Rule 9019 approving such compromise."); *accord In re Adelphia Communications Corp.*, 368 B.R. 140, 263 n. 289 (Bankr. S.D.N.Y. 2007) ("The Debtors have considerable leeway in issuing releases of any claims the Debtors themselves own.").

[18] *In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 142-43 (2d Cir. 2005).

(e) the affected creditors consent.[19] Courts typically allow releases of third party claims against non-debtors where there is the express consent of the party giving the release or where other circumstances in the case justify giving the release.[20] Finally, exculpation provisions that extend to prepetition conduct and cover non-estate fiduciaries are regularly approved.[21] In approving these provisions, courts consider a number of factors, including whether the beneficiaries of the exculpation have participated in good faith in negotiating the plan and bringing it to fruition, and whether the provision is integral to the plan.[22]

"Most courts allow consensual [third-party] releases to be included in a plan."[23] Courts in this district have found that parties consent to give releases when they vote in favor of the plan or when they abstain from voting but do not opt out of releases.[24] Third party releases may also be deemed consensual for unimpaired creditors who are deemed to accept the plan.[25] Here, the Third-Party Releases are consensual with respect to all of the Released Parties. Importantly, the ballots distributed to holders of Claims entitled to vote on the Plan quoted the entirety of the Third-Party Release and related provisions and definitions of the Plan, clearly informing holders of Claims entitled to vote of the steps they should take if they disagreed with the scope of the release.[26] Thus, affected parties were on notice of Third-Party

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19 *Id*. at 141.

20 *In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 141 (2d Cir. 2005).

21 *See, e.g.*, *Oneida*, 351 B.R. at 94 & n.22 (considering an exculpation provision covering a number of prepetition actors with respect to certain prepetition actions, as well as postpetition activity).

22 *See In re Bearing Point, Inc.*, 435 B.R. 486, 494 (Bankr. S.D.N.Y. 2011) ("Exculpation provisions are included so frequently in chapter 11 plans because stakeholders all too often blame others for failures to get recoveries they desire; seek vengeance against other parties, or simply wish to second guess the decision makers."); *In re DBSD N. Am., Inc.*, 419 B.R. 179, 217 (Bankr. S.D.N.Y. 2009) (same), *aff'd*, *In re DBSD N. Am., Inc.*, No. 09-10156, 2010 WL 1223109 (S.D.N.Y. May 24, 2010), *aff'd in part, rev'd in part*, 634 F.3d 79 (2d Cir. 2011); *In re Bally Total Fitness*, 2007 WL 2779438, at *8 (finding exculpation, release, and injunction provisions appropriate because they were fair and equitable, necessary to successful reorganization, and integral to the plan); *In re WorldCom, Inc.*, No. 02-13533, 2003 WL 23861928, at *28 (Bankr. S.D.N.Y. Oct. 31, 2003) (approving an exculpation provision where it "was an essential element of the [p]lan formulation process and negotiations"); *Enron*, 326 B.R. 497, 503 (S.D.N.Y. 2005) (excising similar exculpation provisions would "tend to unravel the entire fabric of the Plan, and would be inequitable to all those who participated in good faith to bring it into fruition").

23 *In re Wool Growers Cent. Storage Co.*, 371 B.R. 768, 775 (Bankr. N.D. Tex. 2007); *see also Indianapolis Downs*, 486 B.R. at 305 ("Courts in this jurisdiction have consistently held that a plan may provide for a release of third party claims against a non-debtor upon consent of the party affected.").

24 *See In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 142 (2d Cir. 2005) ("Nondebtor releases may also be tolerated if the affected creditors consent."); *In re Calpine Corp.*, No. 05-60200 BRL, 2007 WL 4565223, at *10 (Bankr. S.D.N.Y. Dec. 19, 2007) ("Such releases by Holders of Claims and Interests provide for the release by Holders of Claims and Interests that vote in favor of the Plan, who abstain from voting and choose not to opt out of the releases, or who have otherwise consented to give a release, and are consensual.");. *DBSD N. Am.*, 419 B.R. at 218–19 ("Except for those who voted against the Plan, or who abstained and then opted out, I find the Third Party Release provision consensual and within the scope of releases permitted in the Second Circuit."); *Adelphia*, 368 B.R. at 268 (upholding non-debtor releases for creditors who voted to accept the plan because creditors consented to the releases through their vote to support the plan); *In re Lear Corp.*, No. 09–14326, 2009 WL 6677955, at *7 (Bankr. S.D.N.Y. Nov. 5, 2009) (finding that non-debtor releases for creditors who voted to accept the plan were permissible); *In re Calpine Corp.*, No. 05-60200 (BRL), 2007 WL 4565223, at *10 (Bankr. S.D.N.Y. Dec. 19, 2007) (same).

25 *See Indianapolis Downs*, 486 B.R. at 306 (finding that the releases, which included releases of unimpaired creditors who were deemed to accept the plan, "may be properly characterized as consensual").

26 *See, e.g.*, *In re Crabtree & Evelyn, Ltd.*, No. 09-14267 (BRL), 2010 WL 3638369, at *8 (Bankr. S.D.N.Y. Jan 14. 2010) (finding that where creditors have accepted the plan and the non-debtor releases were appropriately disclosed by the debtors in both the disclosure statement and the ballot, the creditors have expressly consented to the non-debtor releases and therefore,

Release, including the option to opt out of the Third-Party Releases. As a result, the primary aspects of the Third-Party Releases are consensual under the substantial majority of precedent in this jurisdiction, and the Court need not consider the other *Metromedia* factors with respect to such aspects.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things, each of the Released Parties has afforded value to the Debtors and aided in the reorganization process, which facilitated the Debtors' ability to propose and pursue confirmation of the Plan. The Debtors believe that each of the Released Parties has played an integral role in formulating the Plan and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each Released Party and Exculpated Party as part of Confirmation of the Plan.

The Third Party Releases are consensual and, therefore, appropriate. Moreover, the Third-Party Releases are an integral part of the Plan and a material inducement to the Released Parties pledging their support and making the value-maximizing transaction contemplated by the Plan possible. Under these circumstances, the Third-Party Releases are appropriate.

Certain parties assert that the Releases under Article VII of the Plan are not consistent with applicable law, including that the releases are non-consensual. The Debtors disagree with this characterization of these matters.

A critical component of the Global Settlement is the Debtors' provision for certain Debtor Releases under the Plan, particularly for the Burtons and against trade vendors and non-insider landlords of the Debtors.

The Debtors will demonstrate at the Confirmation Hearing that, given the significant consideration being provided by the Released Parties to the Debtors and other Releasing Parties, the Debtors' releases in favor of the Released Parties are appropriate and within their reasonable business judgment. Furthermore, the third party releases are consensual because each class that is presumed to accept or deemed to reject, or votes to reject will be provided with an opt-out election form. Classes that are eligible to accept or reject the plan have the opportunity to affirmatively opt-out of granting the releases; provided, however that Holders of Claims that vote to accept the Plan or abstain from voting will be deemed a Releasing Party.

THE DEADLINE TO OPT-OUT OF THE THIRD PARTY RELEASE IS JULY [13], 2018.

2. Best Interests of Creditors Test—Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each class, that each holder of a Claim or an Interest in such class either (a) has accepted the plan, or (b) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code.

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the non-debtor releases satisfy the standards set forth in *Metromedia* for granting non-debtor releases and are fair to the releasing parties).

3. **Creditor Recoveries**

The Plan provides recoveries to, among others, the Holders of Claims in Class 1, Class 2, Class 3, Class 4, and Class 5. As shown in the Debtors' Liquidation Analysis, and as set forth in the Liquidation Analysis, such recoveries are higher than recoveries estimated to be available if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The recoveries described in this Disclosure Statement that are available to the Holders of Claims are estimates and actual recoveries could differ materially based on, among other things, whether the amount of Claims actually Allowed against the applicable Debtor exceeds the estimates provided herein. The Debtors believe that the treatment of Claims as provided by the Plan complies with the Bankruptcy Code and established case law.

4. **Valuation**

The valuation information contained in this Disclosure Statement with regard to the Reorganized Debtors is not a prediction or guarantee of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan.

The Debtors' advisors have undertaken the Valuation Analysis, attached hereto as **Exhibit D**, to determine the value available for distribution to Holders of Allowed Claims pursuant to the Plan, and to analyze and estimate the recoveries to such Holders thereunder. Accordingly, if the actual enterprise value of the Debtors differs from the estimated enterprise value in the Valuation Analysis, the actual distributions may be materially different than the estimations set forth herein.

5. **Financial Feasibility**

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation or reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared certain financial projections, which projections and the assumptions upon which they are based are attached hereto as **Exhibit E** (the "Financial Projections"). Based on these Financial Projections, the Debtors believe the deleveraging contemplated by the Plan meets the financial feasibility requirement. Moreover, the Debtors believe that sufficient funds will exist to make all payments required by the Plan. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

C. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or interests that is impaired under a plan, accept the plan. A class that is not impaired under a plan is presumed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Pursuant to section 1124 of the Bankruptcy Code, a class is impaired unless the plan: (1) leaves unaltered the legal, equitable, and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (2) cures any default, reinstates the original terms of such obligation, and compensates the applicable party in question; or (3) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired creditors as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject a plan. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and more than one-half in number actually voting cast their ballots in favor of acceptance of the Plan, subject to Article III of the Plan. Section 1126(d) of the Bankruptcy Code similarly defines acceptance of a plan by a class of impaired interests, however, Holders of Interests are not entitled to vote on the Plan on account of such Interests.

Article III.F of the Plan provides in full: "If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims or Interests in such Class." Such "deemed acceptance" by an impaired class in which no class members submit ballots satisfies section 1129(a)(10) of the Bankruptcy Code.[27]

D. Confirmation without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if impaired classes entitled to vote on the plan have not accepted it or if an impaired class is deemed to reject the plan; provided, however, the plan is accepted by at least one impaired class (without regard to the votes of insiders). Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

1. No Unfair Discrimination

The test for unfair discrimination applies to classes of claims or interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent but that such treatment be "fair." In general, courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests, and have set forth the basis for the disparate treatment of certain Classes of Claims in Article III of the Plan. Accordingly, the Debtors believe that the Plan and the treatment of all Classes of Claims and Interests satisfy the foregoing requirements for non-consensual Confirmation.

2. Fair and Equitable Test

The fair and equitable test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to each non-accepting class, the test sets different standards depending on the type of claims or interests in such class. As set forth below, the Debtors believe that the Plan satisfies the "fair and equitable" requirement, notwithstanding the fact that certain Classes are deemed to reject the Plan.

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[27] *In re Tribune Co.*, 464 B.R. 126, 183 (Bankr. D. Del. 2011) ("Would 'deemed acceptance' by a non-voting impaired class, in the absence of objection, constitute the necessary 'consent' to a proposed 'per plan' scheme? I conclude that it may." (footnote omitted)); *see also In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 259–63 (Bankr. S.D.N.Y. 2007).

(a) **Secured Claims**

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims may be satisfied, among other things, if a debtor demonstrates that: (i) (x) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan, and (y) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens; or (ii) the holders of such secured claims realize the indubitable equivalent of such claims.[28]

(b) **Unsecured Claims**

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (ii) the holder of any claim or any interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior interest in any property.[29]

(c) **Interests**

The condition that a plan be "fair and equitable" to a non-accepting class of interests includes the requirements that either: (i) the plan provides that each holder of an interest in that class receives or retains under the plan on account of that interest property of a value, as of the effective date of the plan, equal to the greater of (x) the allowed amount of any fixed liquidation preference to which such holder is entitled, and (y) any fixed redemption price to which such holder is entitled; (ii) the value of such interest; or (iii) if the class does not receive the amount as required under clause (i) above, no class of interests junior to the non-accepting class may receive a distribution under the plan.[30]

IX. CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of holders of Claims in such Impaired Classes.

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[28] *See* 11 U.S.C. § 1129(b)(2)(A).

[29] *See* 11 U.S.C. § 1129(b)(2)(B).

[30] *See* 11 U.S.C. § 1129(b)(2)(C).

1. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that parties in interest will not object.

2. The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth in Article IX.A of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

3. The Debtors May Fail to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims as those proposed in the Plan.

4. The Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, holders of Allowed Claims against them would ultimately receive on account of such Allowed Claims.

The effectiveness of the Plan is also subject to certain conditions as described in Article IX.A of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims will receive on account of such Allowed Claims.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class, as well as any Class junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

5. Nonconsensual Confirmation

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class

(as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

6. Continued Risk Upon Confirmation

Even if a chapter 11 plan of reorganization is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to Chapter 11 Cases, changes in consumer demand for, and acceptance of, their products, and increasing expenses. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Debtors maintain that they have the exclusive right to propose the Plan and will prohibit creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their petitions for chapter 11 relief. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan in order to achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' business after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

7. The Chapter 11 Cases May Be Converted to Cases Under Chapter 7 of the Bankruptcy Code

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner affecting the business as a going concern; (b) additional administrative expenses involved in the appointment of a chapter 7 trustee; and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, and including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

8. The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

9. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

10. Failure to Obtain the Exit Facilities

The Debtors will not be able to operate as contemplated under the Plan without the Exit Facilities and, therefore, may be unable to meet the feasibility requirement for confirmation of the Plan.

11. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries that will be set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to holders of Allowed Claims under the Plan.

12. Releases, Injunctions, and Exculpations Provisions May Not Be Approved

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations (including, for the avoidance of doubt, the definitions of Released Parties, Releasing Parties, and Exculpated Parties) provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain parties may not be considered Released Parties, Releasing Parties, or Exculpated Parties, and certain Released Parties may withdraw their support for the Plan.

B. Risks Related to Recoveries under the Plan and the Reorganized Cenveo Equity Interest and New Second Lien Debt

1. The Debtors May Not Achieve Their Projected Financial Results

The Financial Projections attached to this Disclosure Statement as **Exhibit F** will represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Debtors' operations, and the particular industry segments in which the Debtors operate. While the Debtors believe that the Financial Projections attached to this Disclosure Statement as **Exhibit F** are reasonable, there can be no assurance that they will be realized and are subject to known and unknown risks and uncertainties, many of which are beyond their control. If the Debtors do not achieve these projected financial results, (a) the value of the Reorganized Cenveo Equity Interests and the New Second Lien Debt may be negatively affected; (b) the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date; and (c) the Debtors may be unable to service their debt obligations as they come due. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

To the extent that the Settled Valuation of the Debtors is below the actual value, parties receiving Reorganized Cenveo Equity Interests and New Second Lien Debt account of their claims may receive higher recoveries than those set forth in Article III of this Disclosure Statement. To the extent that the Settled Valuation of the Debtors is above the actual value, parties receiving Reorganized Cenveo Equity Interests and New Second Lien Debt on account of their claims may receive lower recoveries than those set forth in Article III of this Disclosure Statement.

2. The Restructuring of the Debtors May Adversely Affect the Debtors' Tax Attributes

Under federal income tax law, a corporation is generally permitted to deduct from taxable income net operating losses ("NOLs") carried forward from prior years. Any NOLs remaining upon implementation of the Plan may be able to offset future taxable income for up to 20 years in the case of NOLs arising before 2018 and indefinitely for NOLs arising in taxable years starting in 2018, thereby reducing their future aggregate tax obligations. NOLs arising before 2018 may offset 100% of future taxable income and NOLs arising in taxable years starting with 2018 may be used to offset 80% of taxable income. As of December 31, 2017, the Debtors estimate that they have approximately $251 million of federal NOLs, $261 million of post-apportioned state NOLs, and $1,141,000,000 of pre-apportioned state NOLs. These NOLs and certain other tax attributes provide the potential for material future tax savings or other tax structuring possibilities in these chapter 11 cases.

The Reorganized Debtors' ability to utilize their NOL carryforwards and other tax attributes to offset future taxable income and to reduce federal income tax liability is subject to certain additional requirements and restrictions. In general, such NOLs and other tax attributes could be reduced by the amount of cancellation of debt income ("COD Income") arising in a chapter 11 case under section 108 of the Internal Revenue Code of 1986, as amended (the "Code") or to offset any taxable gains recognized by the Debtors attributable to the Restructuring Transactions. In addition, if the Debtors experience an "ownership change," as defined in section 382 of the Code, then the Reorganized Debtors' ability to use the NOL carryforwards may be substantially limited, which could have a negative impact on the Reorganized Debtors' financial position and results of operations. Generally, there is an "ownership change" if one or more stockholders owning 5 percent or more of a corporation's stock have aggregate increases in their ownership of such stock of more than 50 percentage points over the prior three-year

period. Following the implementation of a plan of reorganization, it is possible that an "ownership change" may be deemed to occur. Under section 382 of the Code, absent an applicable exception, if a corporation undergoes an "ownership change," the amount of its NOLs that may be utilized to offset future taxable income generally is subject to an annual limitation. The Debtors currently expect that their NOL carryforwards and other tax attributes may be significantly reduced, eliminated, or limited in connection with the Restructuring Transactions through a combination of one or more of the above factors.

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

3. **The Value of Reorganized Cenveo Equity Interests and New Second Lien Debt Cannot be Stated with Certainty**

Despite the Debtors' best efforts to value the Reorganized Cenveo Equity Interests and New Second Lien Debt, various uncertainties and contingencies, including market conditions, the Debtors' potential inability to implement their business plan or lack of a market for the Reorganized Cenveo Equity Interest and New Second Lien Debt may cause fluctuations or variations in value of such securities not fully accounted for herein. All of these factors are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets and other factors that generally influence the prices of securities. Actual market prices of such securities also may be affected by other factors not possible to predict. Upon the Effective Date, (i) the Reorganized Cenveo Equity Interests shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange and (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act.

4. **The Issuance of the Reorganized Cenveo Equity Interest under the Management Incentive Plan will Dilute the Reorganized Cenveo Equity Interest**

On the Effective Date, a percentage of the Reorganized Cenveo Equity Interests will be reserved for issuance as grants under the Management Incentive Plan. If Reorganized Cenveo distributes such equity-based awards pursuant to the Management Incentive Plan, it is contemplated that such distributions will dilute the Reorganized Cenveo Equity Interests issued on account of Claims under the Plan and the ownership percentage represented by the Reorganized Cenveo Equity Interests distributed under the Plan. In the future, similar to all companies, additional equity financings or other share issuances by any of Reorganized Cenveo could adversely affect the value of the Reorganized Cenveo Equity Interests and the amount and dilutive effect could be material.

5. **The Reorganized Cenveo Equity Interests are Equity Interests and Therefore Subordinated to the Indebtedness of Reorganized Cenveo**

In any liquidation, dissolution, or winding up of Reorganized Cenveo, the Reorganized Cenveo Equity Interests would rank junior to all debt claims and other liabilities against Reorganized Cenveo. As a result, holders of Reorganized Cenveo Equity Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of Reorganized Cenveo until after all of their obligations to their debt holders have been satisfied.

6. The Distribution from the General Unsecured Claims Pool Cannot be Stated with Certainty

The actual distribution amounts that holders of General Unsecured Claims and Second Lien Notes Claims can expect to receive, and the timing of receipt of such distributions, will depend on the total amount of General Unsecured Claims that ultimately become Allowed and the length of time necessary for the Reorganized Debtors, in consultation with the Claims Oversight Monitor, to reconcile General Unsecured Claims. In addition, as agreed by the Debtors, the Ad Hoc First Lien Committee and the Committee in connection with the Global Settlement, to the extent that the Holders of Second Lien Notes Claims or General Unsecured Claims elect to receive less favorable treatment, or the treatment of such Claims is modified to provide for non-cash consideration, then the equivalent amount of Cash otherwise distributable to such Holders shall be reallocated to the Debtors or the Reorganized Debtors, as the case may be, in lieu of being reallocated to the General Unsecured Claims Cash Pool for the benefit of holders of General Unsecured Claims.

C. Risks Related to the Debtors' and the Reorganized Debtors' Businesses

1. Risks Related to the Debtors' and Reorganized Debtors' Businesses

As multinational corporations, the Debtors are subject to income taxes in the U.S. and various foreign jurisdictions. Significant judgment is required in determining the Debtors' global provision for income taxes and other tax liabilities. In the ordinary course of a global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. The Debtors' income tax returns are routinely subject to audits by tax authorities. Although the Debtors regularly assess the likelihood of adverse outcomes resulting from these examinations to determine their tax estimates, a final determination of tax audits or tax disputes could have an adverse effect on their results of operations and financial condition. The Debtors are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes in the U.S. and various foreign jurisdictions. They are regularly under audit by tax authorities with respect to these non-income taxes and may have exposure to additional non-income tax liabilities, which could have an adverse effect on the Debtors' results of operations and financial condition. Such adverse effects could also apply to the Reorganized Debtors.

In addition, the Reorganized Debtors' future effective tax rates could be favorably or unfavorably affected by changes in tax rates, changes in the valuation of their deferred tax assets or liabilities, or changes in tax laws or their interpretation. Such changes could have a material adverse impact on their financial results.

2. Implementation of Business Plan

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

3. The Debtors May Not Be Able to Generate Sufficient Cash to Service All of Their Indebtedness

The Debtors' ability to make scheduled payments on, or refinance their debt obligations, including the Exit Facilities, depends on the Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Debtors' control. The Debtors may be unable to

maintain a level of cash flow from operating activities sufficient to permit the Debtors to pay the principal, premium, if any, and interest on their indebtedness, including the notes.

4. **The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases**

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the restructuring transactions specified in the Plan or an alternative restructuring transaction; (b) ability to obtain court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, service providers, customers, employees, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

5. **Recent Global Economic Trends Could Adversely Affect the Debtors' Business, Results of Operations and Financial Condition, Primarily Through Disruption to the Debtors' Customers' Businesses**

Recent global economic conditions, including disruption of financial markets, could adversely affect the Debtors' business, results of operations and financial condition, primarily through disrupting their customers' businesses. Higher rates of unemployment and lower levels of business activity generally adversely affect the level of demand for certain of the Debtors' products and services. In addition, continuation or worsening of general market conditions in the U.S. economy or other national economies important to the Debtors' businesses may adversely affect the Debtors' customers' level of spending, ability to obtain financing for purchases and ability to make timely payments to the Debtors for their products and services, which could require the Debtors to increase the Debtors' allowance for doubtful accounts, negatively impact their days sales outstanding and adversely affect their results of operations.

The United States and global economic conditions affect the Debtors' results of operations and financial position. A significant part of the Debtors' business relies on its customers' printing spend. A prolonged downturn in the global economy and an uncertain economic outlook could further reduce the demand for printed materials and related offerings that the Debtors provide their customers. Consequently, reductions or delays in the Debtors' customers' spending could adversely impact its results of operations, financial position and cash flows. The Debtors believe any extended economic uncertainty will impact its operating results.

6. Acquisitions of Companies, or Internal Restructuring and Cost Savings Initiatives May Disrupt the Debtors' Ongoing Business

In the past, the Debtors have grown rapidly through acquisitions. The Debtors intend to continue to pursue select acquisition opportunities within their core and niche businesses. To the extent the Debtors seek to pursue additional acquisitions, they cannot be certain target businesses will be available on favorable terms or that, if they are able to acquire businesses on favorable terms, they will be able to successfully integrate or profitably manage them. Successfully integrating an acquisition involves minimizing disruptions and efficiently managing substantial changes, some of which may be beyond the Debtors' control. An acquisition always carries the risk that such changes, including facility and equipment location, management and employee base, policies, philosophies and procedures, could have unanticipated effects, could require more resources than intended and could cause customers to temporarily or permanently seek alternate suppliers. A failure to realize acquisition synergies and savings could negatively impact the results of the Debtors' acquired and existing operations. Further, the Debtors' ability to make acquisitions in the future will be limited by the availability to us of cash for that purpose.

7. Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' Businesses

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that customers and suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases.

Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

8. Financial Results May Be Volatile and May Not Reflect Historical Trends

During the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as asset impairments, asset dispositions, restructuring activities and expenses, contract terminations and rejections, and claims assessments significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of

reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

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

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

10. **The Loss of Key Personnel Could Adversely Affect the Debtors' Operations**

The Debtors' operations are dependent on a relatively small group of key management personnel, including the Debtors' executive officers. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. The retirement of the Debtors' Chief Executive Officer and Chairman of the Debtors' Board of Directors as of the Effective Date may cause additional uncertainty for key management personnel, employees, and customers of the Debtors. Because competition for experienced personnel in the print, labels, and envelopes industry can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel, including the retirement of the Debtors' Chief Executive Officer, or material erosion of employee morale at the corporate and/or field levels could have a material adverse effect on the Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

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

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

12. **A Decline In The Debtors' Consolidated Profitability or Profitability Within One of Their Individual Reporting Units Could Result in the Impairment of Assets, Including Goodwill and Other Long-Lived Assets.**

The Debtors have material amounts of goodwill and other long-lived assets on their consolidated balance sheet. A decline in expected profitability, particularly the impact of an extended uncertainty in the United States and global economies, could call into question the recoverability of their related goodwill and other long-lived assets and require us to write down or write-off these assets.

13. **The Industries in which the Debtors Operate Their Business are Highly Competitive and Extremely Fragmented.**

The industries in which the Debtors compete are highly competitive and extremely fragmented. In the envelope market, the Debtors compete primarily with a few multi-plant and many single-plant companies servicing regional and local markets. In the commercial printing market, the Debtors compete against a few large, diversified and financially stronger printing companies, as well as smaller regional and local commercial printers, many of which are capable of competing with the Debtors on volume, price and production quality. The Debtors believe there currently is excess capacity in the industries in which they operate, which has resulted in substantial price competition which may continue as customers put product work out for competitive bid. The Debtors are constantly seeking ways to reduce their costs, become more efficient, and attract customers. They cannot, however, be certain these efforts will be successful or their competitors will not be more successful in their similar efforts. If the Debtors fail to reduce costs and increase productivity, or to meet customer demand for new value-added products, services or technologies, we may face decreased revenues and profit margins in markets where they encounter price competition, which in turn could reduce our cash flow and profitability.

14. **The Printing Business the Debtors Compete in Generally does not have Long-Term Customer Agreements, and their Printing Operations may be Subject to Quarterly and Cyclical Fluctuations.**

The printing industry in which we compete is generally characterized by individual orders from customers or short-term contracts. A significant portion of our customers are not contractually obligated to purchase products or services from us. Most customer orders are for specific printing jobs, and repeat business largely depends on our customers' satisfaction with our work product. Although our business does not depend on any one customer or group of customers, we cannot be sure that any particular customer will continue to do business with us for any period of time. In addition, the timing of particular jobs or types of jobs at particular times of year may cause significant fluctuations in the operating results of our operations in any given quarter. We depend to some extent on sales to certain industries, such as the financial services, advertising, pharmaceutical, automotive and office products industries. To the extent these industries experience downturns, the results of our operations may be adversely affected.

15. **Factors Affecting the United States Postal Service can Impact Demand for the Debtors' Products.**

Postal costs are a significant component of many of the Debtors' customers' cost structure. Historically, increases in postal rates have resulted in reductions in the volume of mail sent, including direct mail, which is a meaningful portion of the Debtors' envelope volume. As postal rate increases in the United States are outside our control, we can provide no assurance that any future increases in United States postal rates will not have a negative effect on the level of mail sent or the volume of envelopes purchased.

Factors other than postal rates which affect the volume of mail sent through the United States postal system may also negatively affect the Debtors' business. Congress enacted a federal "Do Not Call" registry in response to consumer backlash against telemarketers. If similar legislation becomes enacted for direct mail advertisers, the Debtors' business could be adversely affected. Additionally, the United States Postal Service has also indicated the potential need to reduce delivery days. The Debtors can provide no assurance that such a change would not impact their customers' decisions to use direct mail products, which may in turn cause a decrease in the Debtors' revenues and profitability; however, the Debtors do not expect such an impact.

16. **The Availability of the Internet and Other Electronic Media may Adversely Affect the Debtors' Business.**

The Debtors' business is highly dependent upon the demand for envelopes sent through the mail. Such demand comes from utility companies, banks and other financial institutions, among other companies. The Debtors' printing business also depends upon demand for printed advertising among other products. Consumers increasingly use the internet and other electronic media to purchase goods and services, and for other purposes, such as paying bills and obtaining electronic versions of printed product. The level of acceptance of electronic media by consumers as well as the extent that consumers are replacing traditional printed reading materials with internet hosted media content or e-reading devices is difficult to predict. Advertisers use the internet and other electronic media for targeted campaigns directed at specific electronic user groups. We cannot be certain the acceleration of the trend towards electronic media will not cause a decrease in the demand for our products. If demand for our products decreases, our cash flow or profitability could materially decrease.

17. **Increases in Paper Costs and any Decreases in the Availability of the Debtors' Raw Materials Could Have a Material Effect on the Debtors' Business.**

Paper costs represent a significant portion of the Debtors' cost of materials. Changes in paper pricing generally do not affect the operating margins of the Debtors' commercial printing business, because the transactional nature of the business allows them to pass on most announced increases in paper prices to their customers. However, their ability to pass on increases in paper prices is dependent upon the competitive environment at any given time. Paper pricing also affects the operating margins of the Debtors' envelope business. The Debtors have historically been less successful in immediately passing on such paper price increases due to several factors, including contractual restrictions in certain cases and the inability to quickly update catalog prices in other instances. Moreover, rising paper costs, and their consequent impact on our pricing, could lead to a decrease in demand for the Debtors' products.

The Debtors depend on the availability of paper in manufacturing most of their products. During periods of tight paper supply, many paper producers allocate shipments of paper based on the historical purchase levels of customers. In the past, they have occasionally experienced minor delays in delivery. Any future delay in availability could negatively impact their cash flow and profitability.

18. **Increases in Energy and Transportation Costs Could Have a Material Effect on the Debtors' Business.**

Energy and transportation costs represent a large portion of the Debtors' overall cost structure. Increases in the costs of these inputs may increase their overall costs. They may not be able to pass these costs on to their customers through higher prices. Increases in the cost of materials may adversely impact our customers' demand for our products.

19. **The Debtors Depend on Good Labor Relations.**

As of fiscal year ended 2016, the Debtors employed approximately 7,300 people worldwide, approximately 23% of whom were members of various local labor unions. If these unionized employees were to engage in a concerted strike or other work stoppage, or if other employees were to become unionized, the Debtors could experience a disruption of operations, higher labor costs or both. A lengthy strike could result in a material decrease in the Debtors' cash flow or profitability.

20. **Environmental Laws May Affect the Debtors' Business.**

The Debtors' operations are subject to federal, state, local, and foreign environmental laws and regulations, including those relating to air emissions, wastewater discharge, waste generation, handling, management and disposal, and remediation of contaminated sites. Debtors may also be exposed to risks arising from past, current or future contamination at their facilities. Currently unknown environmental conditions or matters at the Debtors' existing or prior facilities, new laws and regulations, or stricter interpretations of existing laws and regulations, could result in increased compliance or remediation costs which, if substantial, could have a material effect on the Debtors' business or operations in the future.

21. **The Debtors' Business Could be Materially Adversely Affected by Any Failure, Interruption or Security Lapse of the Debtors' Information Technology Systems.**

The Debtors are increasingly dependent on information technology systems to process transactions, manage inventory, purchase, sell and ship goods on a timely basis and maintain cost-efficient operations. They use information systems to support decision making and to monitor business performance. Their information technology systems depend on global communications providers, telephone systems, hardware, software and other aspects of internet infrastructure which can experience significant system failures and outages. The Debtors' systems are susceptible to outages due to fire, floods, power loss, telecommunications failures and similar events. Despite the implementation of network security measures, their systems are vulnerable to computer viruses and similar disruptions from unauthorized tampering with their systems. In addition, cybersecurity threats are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, denial of service attacks and other electronic security breaches which could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The occurrence of these or other events could disrupt or damage the Debtors' information technology systems and inhibit internal operations, the ability to provide customer service or provide management with accurate financial and operational information essential for making decisions at various levels of management.

D. Liquidity Risks

The Reorganized Debtors' ability to carry out capital spending that is important to their growth and productivity will depend on a number of factors, including future operating performance and ability to achieve any business plan. These factors will be affected by general economic, financial, competitive, regulatory, business, and other factors that are beyond the Reorganized Debtors' control.

E. Risks Associated with Forward Looking Statements

This Disclosure Statement contains certain "forward-looking statements." All statements other than statements of historical fact are "forward-looking" statements for purposes of the U.S. federal and state securities laws. These statements may be identified by the use of forward looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "our vision", "plan," "potential," "preliminary," "predict," "should," "will" or "would" or the negative thereof or other variations thereof or comparable terminology. The Debtors have based these forward-looking statements on their current expectations, assumptions, estimates and projections. While the Debtors believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond their control, which may cause their actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. **The financial information contained in this Disclosure Statement has not been audited**. In preparing

this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to represent or warrant that the financial information contained in this Disclosure Statement and attached hereto is without inaccuracies.

F. Disclosure Statement Disclaimer

1. Information Contained in this Disclosure Statement is for Soliciting Votes

The information contained in this Disclosure Statement is for the purposes of soliciting acceptances of the Plan and may not be relied upon for any other purpose.

2. This Disclosure Statement Has Not Been Approved by the United States Securities and Exchange Commission

This Disclosure Statement has not and will not be filed with the United States Securities and Exchange Commission or any state regulatory authority. Neither the United States Securities and Exchange Commission nor any state regulatory authority has approved or disapproved of the Securities described in this Disclosure Statement or has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained in this Disclosure Statement.

3. No Legal, Business, Accounting, or Tax Advice Is Provided to You by this Disclosure Statement

This Disclosure Statement is not advice to you. The contents of this Disclosure Statement should not be construed as legal, business, accounting, or tax advice. Each Holder of a Claim or an Interest should consult such Holder's own legal counsel, accountant, or other applicable advisor with regard to any legal, business, accounting, tax, and other matters concerning his or her Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

4. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtors), nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, or Holders of Allowed Claims, or any other parties in interest.

5. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Debtors or Reorganized Debtors, as applicable, may seek to investigate, File, and prosecute Claims and Interests and may object to Claims or Interests after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or Interests or objections to such Claims or Interests.

6. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a Holder of a Claim for or against the Plan does not constitute a waiver or release of any claims, causes of action, or rights of the Debtors (or any entity, as the case may be) to object to that Holder's Claim, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any claims or causes of action of the Debtors or their respective Estates or the Reorganized Debtors are specifically or generally identified in this Disclosure Statement.

7. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors

The Debtors' advisors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although the Debtors' advisors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained in this Disclosure Statement.

8. Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update

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

9. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the counsel to the Debtors and the U.S. Trustee.

G. Liquidation Under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and the Debtors' Liquidation Analysis is set forth in Article VIII of this Disclosure Statement, "Statutory Requirements for Confirmation of the Plan," and is also included in the Debtors' Liquidation Analysis.

X. CERTAIN SECURITIES LAW MATTERS

A. New Equity

As discussed herein, the Plan provides for the Debtors to distribute Reorganized Cenveo Equity Interests and New Second Lien Debt to certain Holders of Allowed Claims. The Debtors believe that the Reorganized Cenveo Equity Interests and New Second Lien Debt will be "securities," as defined in section

2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable state securities law (each, a "Blue Sky Law").

B. Issuance and Resale of Securities Under the Plan

1. **Exemptions from Registration Requirements of the Securities Act and Blue Sky Laws**

All shares of Reorganized Cenveo Equity Interests and New Second Lien Debt issued under the Plan will be issued in reliance upon section 1145 of the Bankruptcy Code. Section 1145 of the Bankruptcy Code provides that the registration requirements of Section 5 of the Securities Act (and any applicable state Blue Sky Laws) will not apply to the offer or sale of stock, options, warrants, rights, privileges, or other securities by a debtor if: (a) the offer or sale occurs under a plan of reorganization; (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor; and (c) the securities are issued in exchange for a claim against or interest in a debtor or affiliate or are issued principally in such exchange and partly for cash and property. In reliance upon these exemptions, the offer and sale of the Reorganized Cenveo Equity Interests and New Second Lien Debt under the Plan will not be registered under the Securities Act or any applicable state Blue Sky Laws.

To the extent that the issuance and distribution of the Reorganized Cenveo Equity and New Second Lien Debt is covered by section 1145 of the Bankruptcy Code, the Reorganized Cenveo Equity Interests and New Second Lien Debt may be resold without registration under the Securities Act or other federal securities laws, unless the holder is an "underwriter" (as discussed below) with respect to such securities, as that term is defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code. In addition, the Reorganized Cenveo Equity Interests and New Second Lien Debt generally may be resold without registration under applicable state Blue Sky Laws pursuant to various exemptions provided by the respective Blue Sky Laws of those states; however, the availability of those exemptions for any such resale cannot be known unless individual state Blue Sky Laws are examined.

The Plan contemplates the application of section 1145 of the Bankruptcy Code to the Reorganized Cenveo Equity Interests and New Second Lien Debt but at this time, the Debtors express no view as to whether any Person may freely resell Reorganized Cenveo Equity Interests and New Second Lien Debt without registration under the Securities Act, other federal securities laws, or applicable state Blue Sky Laws. Recipients of Reorganized Cenveo Equity Interests and New Second Lien Debt are advised to consult with their own legal advisors as to the applicability of section 1145 of the Bankruptcy Code to the Reorganized Cenveo Equity Interests and New Second Lien Debt and the availability of any exemption from registration under the Securities Act, other federal securities laws, or applicable state Blue Sky Laws.

2. **Resale of the Reorganized Cenveo Equity Interests and New Second Lien Debt by Persons Deemed to be "Underwriters"; Definition of Underwriter**

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

a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" any person directly or indirectly controlling or controlled by an issuer, or any person under direct or indirect common control with an issuer, of securities. As a result, the reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer, director or significant shareholder of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling Person" of such debtor or successor, particularly, with respect to officers and directors, if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities, through contract or otherwise. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of securities of a reorganized debtor may be presumed to be a "controlling Person" and, therefore, an underwriter.

Resales of the Reorganized Cenveo Equity Interests and New Second Lien Debt by entities who (i) are not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) have not been such an "affiliate" within ninety (90) days of such transfer, (iii) have not acquired the Reorganized Cenveo Equity Interests and New Second Lien Debt from an "affiliate" within one year of such transfer, or (iv) are not "deemed to be "underwriters" (which definition includes "controlling Persons" of an issuer) are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act, state Blue Sky Laws, or other applicable law. Under certain circumstances, holders of Reorganized Cenveo Equity Interests and New Second Lien Debt who have one of the above attributes or are deemed to be "underwriters" may be entitled to resell their Reorganized Cenveo Equity Interests and New Second Lien Debt pursuant to the limited safe harbor resale provisions for control securities under Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such Person if current information regarding the issuer is publicly available, holding period requirements are met, and, if such Person is an affiliate of the issuer, if volume limitations, notice and manner of sale requirements are met. Whether any particular Person would be deemed to have one of the above classification or is an "underwriter" (including whether such Person is a "controlling Person" of an issuer) with respect to the Reorganized Cenveo Equity Interests and New Second Lien Debt, would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "affiliate" or "underwriter" with respect to the Reorganized Cenveo Equity Interests and New Second Lien Debt and, in turn, whether any Person may freely resell Reorganized Cenveo Equity Interests and New Second Lien Debt. The Debtors recommend that potential recipients of Reorganized Cenveo Equity Interests consult their own counsel concerning their ability to freely trade such securities without compliance with the Securities Act, other federal securities laws, or applicable state Blue Sky Laws.

3. Management Incentive Plan

The Plan contemplates the implementation of the Management Incentive Plan that shall provide awards that may be settled or exercised into Reorganized Cenveo Equity Interests, or other Interests in Reorganized Cenveo, on a fully diluted basis, to directors, officers, and employees of the Reorganized Debtors, with awards and terms and conditions thereunder determined by the Reorganized Cenveo Board. The Debtors plan to issue such Reorganized Cenveo Equity Interests pursuant to Rule 701 promulgated under the Securities Act or pursuant to the exemption provided by Section 4(a)(2) of the Securities Act.

THE U.S. TRUSTEE HAS RAISED QUESTIONS ABOUT THE MANAGEMENT INCENTIVE PLAN CONTEMPLATED BY THE PLAN, INCLUDING THAT IT IS AN INSIDER RETENTION PLAN. THE DEBTORS STRONGLY DISAGREE WITH THIS CHARACTERIZATION. The terms of the Management Incentive Plan are commonplace for a debtor in a complex chapter 11 case. Further, the U.S. Trustee asserts that Management Incentive Plan is a retention plan for insiders that must comply with section 503(c) of the Bankruptcy Code. The Debtors respectfully disagree with this characterization and reserve their rights for the Confirmation Hearing.

XI. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion summarizes certain United States ("U.S.") federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors and certain Holders (which, solely for purposes of this discussion, means the beneficial owners for U.S. federal income tax purposes) of certain Claims. This summary is based on the Code, the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published administrative rules, and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof (collectively, "Applicable Tax Law"). Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. The Debtors have not requested, and do not intend to request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address foreign, state, local, gift, or estate tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules (such as Persons who are related to the Debtors within the meaning of the Code, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, pass-through entities, beneficial owners of pass-through entities, trusts, governmental authorities or agencies, dealers and traders in securities, subchapter S corporations, Persons who hold Claims or who will hold the New Second Lien Debt or Reorganized Cenveo Equity Interests as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, and Holders of Claims who are themselves in bankruptcy). Furthermore, this summary assumes that a Holder of a Claim holds only Claims in a single Class and holds a Claim only as a "capital asset" (within the meaning of section 1221 of the Code). This summary also assumes that the various debt and other arrangements to which any of the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the Code. This summary does not discuss differences in tax consequences to Holders of Claims that act or receive consideration in a capacity other than any other Holder of a Claim of the same Class or Classes, and the tax consequences for such Holders may differ materially from that described below. This summary does not address the U.S. federal income tax consequences to Holders (a) whose Claims are Unimpaired or otherwise entitled to payment in full in Cash under the Plan, or (b) that are deemed to reject the Plan.

For purposes of this discussion, a "U.S. Holder" is a Holder of a Claim that is: (a) an individual citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation (or other

entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the U.S., any state thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (d) a trust (i) if a court within the U.S. is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of section 7701(a)(30) of the Code) have authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of section 7701(a)(30) of the Code). For purposes of this discussion, a "Non-U.S. Holder" is any Holder of a Claim that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

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

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

B. Certain U.S. Federal Income Tax Consequences to the Debtors and the Reorganized Debtors

The Plan provides that the Restructuring Transactions may be structured, among other ways, as (a) a Taxable Transaction, or (b) a transaction that is structured as a recapitalization of the Debtors (such transaction, a "Recapitalization Transaction").

In the event of a Taxable Transaction, the Reorganized Cenveo Equity Interests may be (or include) stock or other equity interests of a newly-created entity, rather than stock in Cenveo, and the Reorganized Debtors would receive all or a portion of the Debtors' assets. By contrast, in a Recapitalization Transaction, the Reorganized Cenveo Equity Interests will be new stock issued by Cenveo itself (or, potentially, stock or other equity interests in a newly formed entity treated as a successor to Cenveo under the applicable reorganization provisions of the Code).

The remainder of this Article XI assumes that, upon Consummation of the Plan, Reorganized Cenveo will be organized and treated as a C corporation (within the meaning of section 1361 of the Code) for U.S. federal income tax purposes. If Reorganized Cenveo were instead organized and treated for U.S. federal income tax purposes as a partnership, disregarded entity, S corporation (within the meaning of section 1361 of the Code) or other flow-through entity (each, a "Flow-Through Entity"), then the tax consequences of the Consummation of the Plan to the Debtors, Reorganized Debtors, and applicable Holders of Claims would be materially different than those described below. As a Flow-Through Entity, Reorganized Cenveo would not be subject to U.S. federal income tax. Instead, each U.S. Holder of Reorganized Cenveo Equity Interests would be required to report on its U.S. federal income tax return, and would be subject to tax with respect to (whether or not distributed), its distributive share of each item of

income, gain, loss, deduction and credit of Reorganized Cenveo (which may include the income, gain, loss, deduction and credit of any Flow-Through Entities in which Reorganized Cenveo holds an interest).

1. Effects of Restructuring on Tax Attributes of Debtors

The tax consequences of the implementation of the Plan to the Debtors will differ depending on whether the Restructuring Transactions are structured as a Taxable Transaction, Recapitalization Transaction or otherwise. The Debtors have not yet determined how the Restructuring Transactions will be structured, whether in whole or in part. Such decision will depend on, among other things, whether assets being sold pursuant to any Taxable Transaction have an aggregate fair market value in excess of their aggregate tax basis (i.e., a "built-in gain") or an aggregate fair market value less than their aggregate tax basis (i.e., a "built-in loss"), the amount of the expected reduction in the aggregate tax basis of such assets by excluded COD Income and whether sufficient tax attributes are available to offset any such built-in gain, future tax benefits associated with a step-up in the tax basis of the Debtors' assets as a result of a Taxable Transaction, and the amount and character of any losses with respect to the stock of the Debtors, in each case for U.S. federal, state, and local income tax purposes.

If the transactions undertaken pursuant to the Plan are structured as a Taxable Transaction, the Debtors would realize gain or loss upon a transfer of all or a portion of their assets in an amount equal to the difference between the aggregate fair market value of the assets transferred by the Debtors and the Debtors' aggregate tax basis in such assets. Gain, if any, would be reduced by the amount of such Debtors' available NOLs, NOL carryforwards and any other available tax attributes, and any remaining gain would be recognized by the Debtors and result in a cash tax obligation. If a Reorganized Debtor purchases assets or stock of any Debtor pursuant to a Taxable Transaction, the Reorganized Debtor will take a fair market value basis in the transferred assets or stock. However, if a Taxable Transaction involves a purchase of stock, the Debtor whose stock is transferred will retain its basis in its assets, (subject to reduction due to COD Income, as described below), unless the Debtors make an election pursuant to Code sections 338(h)(10) or 336(e) with respect to the purchase to treat the purchase as the purchase of assets.

As of December 31, 2017, the Debtors estimate that they have approximately $251 million of federal NOLs, $261 million of post-apportioned state NOLs, and $1,141,000,000 of pre-apportioned state NOLs. The Debtors are currently generating additional tax losses, which will ultimately increase the Debtors' NOLs and other tax attributes. Any NOLs remaining upon implementation of the Plan may be able to offset future taxable income for up to 20 years in the case of NOLs arising before 2018 and indefinitely for NOLs arising in taxable years starting in 2018, thereby reducing its future aggregate tax obligations. NOLs arising before 2018 may offset 100% of future taxable income and NOLs arising in taxable years starting with 2018 may be used to offset 80% of taxable income. As discussed below, however, the Debtors' NOLs are expected to be eliminated upon implementation of the Plan.

a. Cancellation of Debt and Reduction of Tax Attributes

In general, absent an exception, the Debtors will realize and recognize COD Income upon satisfaction of their outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of Cash paid, (ii) the issue price of any New Second Lien Debt issued, and (iii) the fair market value of the Reorganized Cenveo Equity Interests, in each case, given in satisfaction of such satisfied indebtedness at the time of the exchange.

Under section 108 of the Code, the Debtors will not, however, be required to include any amount of COD Income in gross income if the Debtors are under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, the Debtors must reduce their tax attributes by the amount of COD Income

that they excluded from gross income pursuant to section 108 of the Code. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined (including, as described above, the amount of gain or loss recognized by the Debtors with respect to the sale of all or a portion of their assets in a Taxable Transaction). In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the Reorganized Debtors will remain subject immediately after the discharge); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, the Debtors may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Code. Any excess COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

In connection with the Restructuring Transactions, the Debtors expect to realize significant COD Income. The amount of the tax attributes required to be reduced pursuant to section 108 of the Code will depend on whether the transactions undertaken pursuant to the Plan are structured as a Taxable Transaction or Recapitalization Transaction. Further, the exact amount of any COD Income that will be realized by the Debtors will not be determinable until the consummation of the Plan. Regardless of the implemented structure, however, the Debtors expect that the amount of such COD Income will be sufficient to eliminate most, if not all, of their NOLs and tax credits allocable to taxable periods prior to the Effective Date pursuant to section 108 of the Code. Depending on implemented structure, some of the Debtors' tax basis in their assets may be reduced by COD Income that is not absorbed by the NOLs and tax credits.

b. **Limitation on NOLs and Other Tax Attributes**

After giving effect to the reduction in tax attributes pursuant to excluded COD Income described above, to the extent the Reorganized Debtors succeed to the Debtors' tax attributes (i.e., if the Restructuring Transactions are not structured as a Taxable Transaction pursuant to which the Debtors' assets, and not stock of corporate entities, are being transferred to the Reorganized Debtors for U.S. federal income tax purposes), the Reorganized Debtors' ability to use any remaining tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the Code.

Under sections 382 and 383 of the Code, if the Debtors undergo an "ownership change," the amount of any remaining NOLs, tax credit carryforwards, net unrealized built-in losses, and possibly certain other attributes of the Debtors allocable to periods prior to the Effective Date (collectively, "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000, or (b) 15 percent of the fair market value of its assets (with certain adjustments) before the ownership change. The Debtors do not expect to have a net unrealized built-in loss on the Effective Date.

The rules of section 382 of the Code are complicated, but as a general matter, the Debtors anticipate that the issuance of Reorganized Cenveo Equity Interests in connection with a Recapitalization Transaction will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the Code applies.

i. **General Section 382 Annual Limitation**

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the ownership change (with certain adjustments), and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the ownership change occurs, or 2.30 percent for April 2018). The annual limitation may be increased to the extent that the Reorganized Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65. Section 383 of the Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

ii. **Special Bankruptcy Exceptions**

An exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50 percent of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). If the requirements of the 382(l)(5) Exception are satisfied, the Reorganized Debtors' Pre-Change Losses would not be limited on an annual basis, but, instead, NOL carryforwards would be reduced by the amount of any interest deductions claimed by the Debtors during the three taxable years preceding the Effective Date, and during the part of the taxable year prior to and including the Effective Date, in respect of all debt converted into stock pursuant to the Plan. If the 382(l)(5) Exception applies and the Reorganized Debtors undergo another "ownership change" within two years after the Effective Date, then the Reorganized Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety.

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

The availability to the Reorganized Debtors of either the 382(l)(5) Exception or the 382(l)(6) Exception will depend on the structure of the transactions undertaken pursuant to the Plan. As discussed above, however, the Debtors expect that all of the Debtors' NOLs allocable to periods prior to the Effective Date will be eliminated and hence will not be subject to the annual limitation following the year in which the Effective Date occurs regardless of the implemented structuring.

c. Excess Loss Accounts

Generally, when corporations are members of an affiliated group filing a consolidated return, a parent corporation's basis in the stock of a subsidiary in such a group is (a) increased by the sum of (i) income of such subsidiary and (ii) contributions to such subsidiary, and (b) reduced by the sum of (i) losses or deductions of such subsidiary that are used by the affiliated group and (ii) distributions from such subsidiary. In the case that the amount described in clause (b) above exceeds the amount described in clause (a) above, and such excess is greater than the parent corporation's basis in the subsidiary stock before the adjustments specified in clauses (a)-(b) are made, the amount by which such excess is greater than the parent corporation's basis in the subsidiary stock is called an "excess loss account" and is treated as negative basis for U.S. federal income tax purposes. The affiliated group must recognize income equal to the excess loss account in the subsidiary's stock in certain events, including (x) to the extent the subsidiary recognizes COD Income that is excluded from gross income pursuant to section 108 of the Code (as discussed above), and the affiliated group does not reduce its tax attributes by such excluded COD Income, and (y) if the stock of the subsidiary is treated as disposed of for no consideration. It is possible that a Debtor will exclude COD Income in excess of available tax attributes and that there could be an excess loss account in the stock of that Debtor. In that case, the Debtors will recognize taxable income in the amount of such excess COD Income, but not to exceed the amount of the excess loss account. In selecting the appropriate form and structure of the Restructuring Transactions, the Debtors will consider current and future cash tax costs, including the expected cost of recognizing all or a portion of an excess loss account as taxable income.

C. Certain U.S. Federal Income Tax Consequences to U.S. Holders of Certain Claims

The following discussion assumes that the Debtors will structure the Restructuring Transactions as currently contemplated by the Plan. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

The U.S. federal income tax consequences of the Plan to U.S. Holders of certain Claims will depend, in part, on whether the transactions undertaken pursuant to the Plan constitute, for U.S. federal income tax purposes, (a) a Taxable Transaction, or (b) a Recapitalization Transaction. The U.S. federal income tax consequences to U.S. Holders of certain Claims may further depend on (x) whether the Claims surrendered constitute "securities" for U.S. federal income tax purposes, and (y) whether the Debtor against which such Claims are asserted is the same entity that is issuing the consideration under the Plan (or, otherwise, an entity that is a "party to a reorganization" with the Debtor against which such Claims were asserted).

In a Taxable Transaction, the Debtors generally do not anticipate that the entity issuing consideration under the Plan will be the same entity as the Debtor against which a Claim is asserted (or an entity that is a "party to a reorganization" with such Debtor). As a result, the Debtors do not anticipate that "recapitalization" treatment (within the meaning of section 368(a)(1)(E) of the Code) will be applicable in a Taxable Transaction. Such treatment may, however, be applicable in a Recapitalization Transaction.

Neither the Code nor the Treasury Regulations promulgated pursuant thereto defines the term "security." Whether a debt instrument constitutes a "security" for U.S. federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument at initial issuance is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof with respect to other creditors, the right to vote or otherwise

participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued.

The character of any gain or loss recognized by a U.S. Holder as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder, the nature of the Claim in such Holder's hands, whether the Claim constitutes a capital asset in the hands of the Holder, whether the Claim was purchased at a discount, and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the Holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below.

2. **Consequences to Holders of Class 3 Claims**

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of the Class 3 First Lien Notes Claims, each Holder thereof will receive, as applicable, its Pro Rata share of: (a) the Cash proceeds of the Additional Exit Financing, (b) New Second Lien Debt, and (c) Reorganized Cenveo Equity Interests.

a. **Treatment of Holders of Class 3 Claims if the First Lien Notes Claims Are Treated as Securities and At Least Some Non-Cash Consideration is Treated as Stock or a Security of Cenveo Corporation (or an Entity that is a Party to a Reorganization with Cenveo Corporation)**

If (a) the First Lien Notes Claims are treated as securities and (b) either the New Second Lien Debt or the Reorganized Cenveo Equity constitutes stock or a security of Cenveo Corporation (or an entity that is a "party to a reorganization" with Cenveo Corporation within the meaning of section 368 of the Code; such an entity, collectively with Cenveo Corporation, "Reorganized Cenveo Corporation"), then the exchange of such Claims should be treated as a "recapitalization" within the meaning of section 368(a)(1)(E) of the Code.

Other than with respect to any amounts received that are attributable to accrued but unpaid interest (or OID), and subject to the rules relating to market discount, a U.S. Holder of such a Claim should recognize gain (but not loss), to the extent of the lesser of (a) the amount of gain realized from the exchange, which should be equal to (i) the sum of (A) any Cash received, (B) the fair market value of Reorganized Cenveo Equity Interests received, and (C) the issue price of any New Second Lien Debt received, minus (ii) the U.S. Holder's adjusted basis, if any, in the Claim, and (b) the sum of (i) any Cash received, (ii) the fair market value of Reorganized Cenveo Equity Interests received that are not stock of Reorganized Cenveo Corporation, and (iii) the issue price of any New Second Lien Debt received that is not a security of Reorganized Cenveo Corporation.

With respect to non-Cash consideration that is treated as a "stock or security" of Reorganized Cenveo Corporation, such U.S. Holder should obtain a tax basis in such consideration, other than any such amounts treated as received in satisfaction of accrued but unpaid interest (or OID), and subject to the rules relating to market discount, equal to (a) the tax basis of the Claim exchanged, minus (b) the Cash received, plus (c) the gain recognized (if any, determined as described above). The holding period for such non-Cash consideration should include the holding period for the exchanged Claims.

With respect to non-Cash consideration that is not treated as a "stock or security" of Reorganized Cenveo Corporation, U.S. Holders should obtain a tax basis in such consideration, other than any amounts treated as received in satisfaction of accrued but unpaid interest (or OID), and subject to the rules relating

to market discount, equal to the consideration's fair market value (or issue price, in the case of the New Second Lien Debt) as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

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

b. **Treatment of Holders of Class 3 Claims if the First Lien Notes Claims Are Not Treated as Securities or None of the Non-Cash Consideration is Treated as a Stock or Security of Reorganized Cenveo Corporation**

If (a) the First Lien Notes Claims are not treated as securities or (b) neither the New Second Lien Debt nor the Reorganized Cenveo Equity constitute stock or a security of Reorganized Cenveo Corporation, then the exchange of such Claims should be treated as a taxable exchange pursuant to section 1001 of the Code.

A U.S. Holder of a First Lien Notes Claim who is subject to this treatment should recognize gain or loss equal to (a) the sum of (i) any Cash received, (ii) the fair market value of the Reorganized Cenveo Equity Interests received, and (iii) the issue price of any New Second Lien Debt received, minus (b) the Holder's adjusted tax basis in its First Lien Notes Claim.

Such U.S. Holder should obtain a tax basis in the non-Cash consideration received, other than with respect to any amounts received that are attributable to accrued but unpaid interest (or OID), and subject to the rules relating to market discount, equal to the consideration's fair market value (or issue price, in the case of the New Second Lien Debt) as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

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

3. **Consequences to Holders of Class 5 Claims**

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of the Class 5 General Unsecured Claims, each Holder thereof will receive its Pro Rata share of the General Unsecured Claims Cash Pool.

The Debtors expect that (a) the General Unsecured Claims Cash Pool Account will be treated as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9 (and any applicable elections will be made in accordance with such treatment), and (b) to the extent permitted by applicable law, reports shall be made consistently with the foregoing for applicable state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for the General Unsecured Claims Cash Pool Account with respect to any income attributable to the account, including any interest and dividends paid with respect to the account prior to distribution of its assets. Any taxes imposed on the General Unsecured Claims Cash Pool Account shall be paid out of the assets of the account and reductions shall be made to amounts disbursed to account for the need to pay such taxes. The cost of preparing and filing such tax return shall be paid by the Reorganized Debtors.

Although not free from doubt, a U.S. Holder should recognize gain or loss when and to the extent assets within the account are actually distributed to such U.S. Holder in an amount equal to: (a) the amount of Cash and fair market value of any other property actually distributed to such U.S. Holder from the General Unsecured Claims Cash Pool Account, less (b) the U.S. Holder's adjusted tax basis of its Claim.

To the extent that a U.S. Holder receives distributions with respect to a Claim subsequent to the Effective Date, a portion of such distributions may be treated as ordinary interest income pursuant to Code Section 483 (subject to an exception for a de minimis sales price). In addition, it is possible that the recognition of any loss realized by a U.S. Holder may be deferred until all distributions have been made out of the General Unsecured Claims Cash Pool Account to all eligible Holders. U.S. Holders are urged to consult their tax advisors regarding the possible application (and the ability to elect out) of the "installment method" of reporting any gain that may be recognized by such U.S. Holders in respect of their Claims due to the receipt of property in a taxable year subsequent to the taxable year in which the Effective Date occurs. The discussion herein assumes that the installment method does not apply.

The General Unsecured Claims Cash Pool Account will bear interest and, therefore, the General Unsecured Claims Cash Pool Account may generate income subject to tax. The cost (if any) of preparing and filing any tax returns for the General Unsecured Claims Cash Pool Account shall be paid by the Reorganized Debtors, but the amount of any tax due shall be paid from the General Unsecured Claims Cash Pool Account. The General Unsecured Claims Cash Pool Account shall be listed under the Reorganized Debtors' taxpayer identification number.

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

4. **Accrued Interest (and OID)**

To the extent that any amount received by a U.S. Holder of an exchanged Claim is attributable to accrued but unpaid interest (or OID) on the debt instruments constituting the exchanged Claim, the receipt of such amount should be recognized by the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest previously was recognized by the U.S. Holder but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of any non-Cash consideration treated as received in satisfaction of accrued but unpaid interest (or OID) should equal the amount of such accrued but unpaid interest (or OID). The holding period for such non-Cash consideration should begin on the day following the receipt of such consideration.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on a Claim, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Claims in each Class will be allocated first to the principal amount of such Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. However, the IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan.

Holders of Claims should consult their tax advisors regarding the proper allocation of the consideration received by them under the Plan and the U.S. federal income tax treatment of accrued but unpaid interest.

HOLDERS OF CLAIMS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PROPER ALLOCATION OF THE CONSIDERATION RECEIVED BY THEM UNDER THE PLAN AND THE U.S. FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

5. **Market Discount**

Under the "market discount" provisions of the Code, some or all of any gain realized by a U.S. Holder of a Claim may be treated as ordinary income (instead of capital gain) to the extent of the amount of "market discount" on the debt instruments constituting the exchanged Claim.

In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in the debt instrument is less than (a) in the case of a debt instrument issued without OID, the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest," or (b) in the case of a debt instrument issued with OID, its "revised issue price," in each of the cases of clauses (a)-(b), by at least a de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). To the extent that the Claims that were acquired with market discount are exchanged in a reorganization or other tax-free transaction for other property (as may occur pursuant to the Recapitalization Transaction), any market discount that accrued on the Claims (i.e., up to the time of the exchange) but was not recognized by the U.S. Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the property is treated as ordinary income to the extent of the accrued, but not recognized, market discount with respect to the exchanged debt instrument.

HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE APPLICATION OF THE MARKET DISCOUNT RULES TO THEIR CLAIMS.

6. **Dividends on Reorganized Cenveo Equity Interests**

In the case that Reorganized Cenveo is classified for U.S. federal income tax purposes as a corporation, any distributions made on account of Reorganized Cenveo Equity Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of the Reorganized Debtors as determined under U.S. federal income tax principles. To the extent that a U.S. Holder receives a total amount of distributions that exceeds such current and accumulated earnings and profits, such distributions will be treated (a) first, as a non-taxable return of capital and reduce the U.S. Holder's basis in its Reorganized Cenveo Equity Interests, and (b) second, any portion of such distributions in excess of the U.S. Holder's basis in its Reorganized Cenveo Equity Interests (determined on a share-by-share basis) generally will be treated as capital gain.

Any such dividends on Reorganized Cenveo Equity Interests paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as the distributing corporation has earnings and profits at least equal to the amount of such dividends prior to the distribution of such dividends. However, the dividends-received deduction is only available if such Holder satisfies certain holding period requirements with respect to its Reorganized Cenveo Equity Interests. Such holding period is reduced for any period during which such Holder's risk of loss with respect to the Reorganized Cenveo Equity Interests is diminished by reason of the existence of certain options, contracts to sell, short

sales, or similar transactions. In addition, to the extent that such Holder's investment in the Reorganized Cenveo Equity Interests on which the dividend is paid is directly attributable to indebtedness incurred, all or a portion of the dividends-received deduction may be disallowed.

7. Sale, Redemption, or Repurchase of Reorganized Cenveo Equity Interests

U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, retirement or other taxable disposition of Reorganized Cenveo Equity Interests, unless such disposition occurs pursuant to a reorganization or other tax-free transaction. Such capital gain will be long-term capital gain if at the time of the sale, redemption, retirement or other taxable disposition, the U.S. Holder held the Reorganized Cenveo Equity Interests for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. Under the recapture rules of section 108(e)(7) of the Code, a U.S. Holder may be required to treat gain recognized on such dispositions of the Reorganized Cenveo Equity Interests as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Claim or recognized an ordinary loss on the exchange of its Claim for Reorganized Cenveo Equity Interests.

For a description of certain limitations on the deductibility of capital losses, see the section entitled "Limitation on Use of Capital Losses" below.

8. Limitation on Use of Capital Losses

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

HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS FOR FEDERAL INCOME TAX PURPOSES ON THE SATISFACTION OF THEIR CLAIMS.

9. Certain Considerations Regarding the New Second Lien Debt

a. Acquisition Premium and Bond Premium

If a U.S. Holder of a Class 3 First Lien Notes Claim receives an initial tax basis in any New Second Lien Debt that is less than or equal to the stated redemption price at maturity of such debt instrument, but greater than the adjusted issue price of such instruments, the U.S. Holder should be treated as acquiring such debt instruments with an "acquisition premium." Unless an election is made, the U.S. Holder generally should reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in such debt instrument over such debt instrument's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on such debt instrument (other than amounts that are "qualified stated interest") over its adjusted issue price.

If a U.S. Holder of a Class 3 First Lien Notes Claim receives an initial tax basis in any New Second Lien Debt that exceeds the stated redemption price at maturity of such debt instrument, such U.S. Holder should be treated as acquiring such debt instrument with "bond premium." Such U.S. Holder generally may elect to amortize the bond premium over the term of such debt instrument on a constant yield method as an offset to interest when includible in income under such U.S. Holder's regular accounting method. If a U.S. Holder does not elect to amortize the premium, that premium may decrease the gain or increase the loss such U.S. Holder would otherwise recognize on disposition of such debt instrument.

b. **Issue Price, OID and Interest with Respect to the New Second Lien Debt**

The consideration received by Holders of Class 3 First Lien Notes Claims, which may include some combination of Reorganized Cenveo Equity Interests, Cash and New Second Lien Debt, collectively, would likely be treated as an investment unit issued in exchange for the First Lien Notes Claims to the extent any New Second Lien Debt are received on account of such Claims. In such case, the issue price of the New Second Lien Debt will depend, in part, on the issue price of the investment unit, and the respective fair market values of the elements of consideration that compose the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument. As a result, the issue price of the investment unit will depend on whether the investment unit is considered, for U.S. federal income tax purposes and applying rules similar to those applied to debt instruments, to be traded on an established securities market. In general, a debt instrument will be treated as traded on an established securities market if, at any time during the 31-day period ending 15 days after the issue date, (a) a “sales price” for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments, (b) a “firm” price quote for the debt instrument is available from at least one broker, dealer or pricing service for property, and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property, or (c) there are one or more “indicative” quotes available from at least one broker, dealer or pricing service for property. Whether the investment unit should be considered “publicly traded” may not be known until after the Effective Date.

If the investment unit is considered to be traded on an established market, the issue price of the investment unit would be the fair market value of the investment unit on the date the New Second Lien Debt are issued. The law is unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. If the investment unit is not publicly traded on an established market, but the First Lien Notes Claims are publicly traded on an established market, the issue price of the investment unit may then be determined by reference to the fair market value of the First Lien Notes Claims on the date the investment unit is issued. If neither the investment unit nor the First Lien Notes Claims are publicly traded on an established market, then the issue price of the New Second Lien Debt would generally be determined under sections 1273(b)(4) or 1274 of the Code, as applicable. Assuming either the investment unit or the First Lien Notes Claims are publicly traded, the issue price of an investment unit is allocated among the elements of consideration making up the investment unit based on their relative fair market values, with such allocation determining the issue price of the New Second Lien Debt.

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

The First Lien Notes Claims and the investment unit comprising the consideration received in exchange therefor, may be traded on an established securities market for the purposes described above even

if no trade actually occurs and there are merely firm or indicative quotes with respect to such First Lien Notes Claims or investment unit.

A debt instrument, such as the New Second Lien Debt, is treated as issued with original issue discount ("OID") for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. The terms of any New Second Lien Debt have not yet been determined; to the extent not all the interest on the New Second Lien Debt is unconditionally payable in cash at least annually, the New Second Lien Debt may be considered to be issued with OID. Moreover, the New Second Lien Debt could be treated as issued with OID to the extent the allocation rules described above result in the New Second Lien Debt having an issue price that is less than their stated redemption price at maturity.

A U.S. Holder (whether a cash or accrual method taxpayer) generally should be required to include OID in gross income (as ordinary income) as the OID accrues (on a constant yield to maturity basis), in advance of the U.S. Holder's receipt of cash payments attributable to this OID. In general, the amount of OID includible in the gross income of a U.S. Holder should be equal to a ratable amount of OID with respect to the New Second Lien Debt for each day in an accrual period during the taxable year or portion of the taxable year in which a U.S. Holder held the New Second Lien Debt. An accrual period may be of any length and the accrual periods may vary in length over the term of the New Second Lien Debt, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of (i) the adjusted issue price of the New Second Lien Debt at the beginning of such accrual period, and (ii) its yield to maturity, determined on the basis of a compounding assumption that reflects the length of the accrual period, over (b) the sum of the stated interest payments on the New Second Lien Debt allocable to the accrual period.

If interest other than qualified stated interest is paid in cash on the New Second Lien Debt, a U.S. Holder should not be required to adjust its OID inclusions. Instead, each payment made in cash under the New Second Lien Debt should be treated first as a payment of any accrued OID that has not been allocated to prior payments and second as a payment of principal. A U.S. Holder generally should not be required to include separately in income cash payments received on the New Second Lien Debt to the extent such payments constitute payments of previously accrued OID. The OID rules are complex and U.S. Holders are urged to consult their tax advisors regarding the application of the OID rules to the New Second Lien Debt.

10. **Medicare Tax**

Certain U.S. Holders that are individual, estates, or trusts are required to pay an additional 3.8% tax on, among other things, dividends and gains from the sale or other disposition of capital assets. U.S. Holders that are individuals, estates, or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of Reorganized Cenveo Equity Interests.

D. Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Certain Claims

The following discussion assumes that the Debtors will structure the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the

Restructuring Transactions to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex, and each Non-U.S. Holder should consult its tax advisor regarding the U.S. federal, state, and local and the non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holders.

Whether a Non-U.S. Holder realizes gain or loss pursuant to the transactions undertaken as part of the Plan and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

1. **Gain Recognition on Exchange of Claims**

To the extent that the Restructuring Transactions are treated as a taxable exchange or otherwise result in the recognition of taxable gain for U.S. federal income tax purposes, any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the U.S. for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met, or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.).

If the first exception applies, to the extent that any gain is taxable, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. To claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. **Interest Payments; Accrued Interest (and OID)**

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

- the Non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of the Debtor obligor on a Claim (in the case of consideration received in respect of accrued but unpaid interest) or the Reorganized Debtor obligor on the debt received under the Plan (in the case of interest payments with respect thereto);

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

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

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

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

3. **Dividends on Reorganized Cenveo Equity Interests**

In the case that Reorganized Cenveo is classified for U.S. federal income tax purposes as a corporation, any distributions made on account of Reorganized Cenveo Equity Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of the Reorganized Debtors as determined under U.S. federal income tax principles. To the extent that a Non-U.S. Holder receives a total amount of distributions that exceeds such current and accumulated earnings and profits, such distributions will be treated (a) first, as a non-taxable return of capital and reduce the Non-U.S. Holder's basis in its Reorganized Cenveo Equity Interests, and (b) second, any portion of such distributions in excess of the Non-U.S. Holder's basis in its Reorganized Cenveo Equity Interests (determined on a share-by-share basis) generally will be treated as capital gain. Any such distributions described in clause (b) generally will be treated as capital gain from a sale or exchange (and the respective excess distributions as proceeds from a sale or exchange; see the section entitled "Sale, Redemption, or Repurchase of Reorganized Cenveo Equity Interests" below).

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

tax under an applicable income tax treaty).

4. **Sale, Redemption, or Repurchase of Reorganized Cenveo Equity Interests**

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

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the United States;

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

- in the case of the sale of Reorganized Cenveo Equity Interests, the Reorganized Debtors are or have been during a specified testing period a "U.S. real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes.

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

If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Reorganized Cenveo Equity Interests under the Foreign Investment in Real Property Tax Act ("FIRPTA"). Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such Non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income. Further, the buyer of the Reorganized Cenveo Equity Interests will be required to withhold a tax equal to 15 percent of the amount realized on the sale. The amount of any such withholding would be allowed as a credit against the Non-U.S. Holder's federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the Non-U.S. Holder properly and timely files a tax return with the IRS. In general, the FIRPTA provisions will not apply if (a) the Non-U.S. Holder does not directly or indirectly own more than 5 percent of the value of such interest during a specified testing period, and (b) such interest is regularly traded on an established securities market.

The Debtors do not believe it is likely that Reorganized Cenveo will be a USRPHC for U.S. federal income tax purposes upon the Consummation of the Plan. In general, a corporation is a USRPHC as to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the Code and applicable Treasury Regulations) equals or exceeds 50 percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition or the period of time the Non-U.S. Holder held such interest.

5. **FATCA**

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S.-source payments of fixed or determinable, annual or periodical income (including dividends, if any, on Reorganized Cenveo Equity Interests), and also include gross proceeds from the sale of any property of a type which can produce U.S.-source interest or dividends (which would include Reorganized Cenveo Equity Interests). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

FATCA withholding rules currently apply to U.S.-source payments of fixed or determinable, annual or periodic income, and will apply to payments of gross proceeds from the sale or other disposition of property of a type which can produce U.S.-source interest or dividends after December 31, 2018. Each Non-U.S. Holder should consult its tax advisor regarding the possible impact of these rules on such Non-U.S. Holder's ownership of Reorganized Cenveo Equity Interests.

E. Information Reporting and Back-Up Withholding

The Debtors and Reorganized Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. Under the backup withholding rules, a Holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless, in the case of a U.S. Holder, such U.S. Holder provides a properly executed IRS Form W-9 and, in the case of Non-U.S. Holder, such Non-U.S. Holder provides a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption). Backup withholding is not an additional tax but is, instead, an advance payment that may entitle the Holder to a refund from the IRS to the extent it results in an overpayment of tax, provided that the required information is timely provided to the IRS.

The Debtors and Reorganized Debtors will comply with all applicable reporting requirements of the Code. In general, information reporting requirements may apply to distributions or payments made to a Holder of a Claim under the Plan. In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

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

XII. RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: June 6, 2018

Respectfully submitted

Cenveo, Inc.,
on behalf of itself and each of the other Debtors

By: */s/ Ayman Zameli*
Name: Ayman Zameli
Title: Chief Restructuring Officer
Cenveo, Inc. and its Affiliated Debtors
and Debtors in Possession

Exhibit A

Joint Chapter 11 Plan of Reorganization

Exhibit B

Corporate Organization Chart

Exhibit C

Valuation Analysis

Exhibit D

Liquidation Analysis

Exhibit E

Financial Projections

Exhibit F

Restructuring Support Agreement, Term Sheet, and Amendment