April 21, 2017

TO: HOLDERS OF FIRST LIEN CLAIMS (CLASS 3) AGAINST THE DEBTORS AND HOLDERS OF SECOND LIEN CLAIMS (CLASS 4) AGAINST THE DEBTORS

FROM: AMERIFORGE GROUP, INC. AND ITS AFFILIATED DEBTORS (the "Debtors")[1]

We are writing to you on behalf of the Debtors in connection with the solicitation of your vote as the holder of a first lien claim in Class 3 (each, a "First Lien Claim") or a second lien claim in Class 4 (each, a "Second Lien Claim"), as applicable, each as identified and described in the enclosed *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization for Ameriforge Group, Inc. and its Debtor Affiliates* (as may be amended, modified or supplemented, the "Disclosure Statement"). All capitalized terms not defined in this letter shall have the meaning ascribed to such terms in the *Joint Prepackaged Chapter 11 Plan of Reorganization for Ameriforge Group, Inc. and its Debtor Affiliates* (as may be amended, modified or supplemented, the "Plan").

Over the last several months, the Debtors have engaged in extensive, arm's length, good-faith negotiations with certain holders of the First Lien Claims and Second Lien Claims, each of which has been represented by separate counsel and other advisors, regarding the Restructuring Transactions contemplated by the Plan. As a result of these negotiations, holders of more than approximately 71% in amount of First Lien Claims and more than approximately 75% in amount of Second Lien Claims have entered into a restructuring support agreement (a copy of which is attached as **Exhibit B** to the Disclosure Statement) with the Debtors and certain other entities, pledging their support for the Plan.

The Plan provides for a comprehensive restructuring of the Debtors' obligations, preserves the going-concern value of the Debtors' business, and maximizes recoveries for all stakeholders. After soliciting votes on the Plan, the Debtors intend to file chapter 11 cases and seek confirmation of the Plan by the Bankruptcy Court. Please note that no chapter 11 cases have been commenced as of the date hereof.

[1] The anticipated debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Ameriforge Group Inc. (7053); 230 Bodwell Corporation (3965); Advanced Joining Technologies, Inc. (6451); AF Gloenco Inc. (9958); AFG Brazil Holdings LLC (8618); AFG Brazil LLC (8720); AFG Louisiana Holdings Inc. (4743); Allpoints Oilfield Services LLC (8333); Ameriforge Corporation (1649); Ameriforge Cuming Insulation LLC (0264); Century Corrosion Technologies LLC (8548); Cuming Corporation (9782); Dynafab Acquisitions Corp. (1331); Flotation Technologies LLC (4572); FR AFG Holdings, Inc. (2623); NRG Manufacturing Louisiana LLC (5823); NRG Manufacturing, Inc. (7544); Steel Industries Inc. (5154); Steel Industries Real Estate Holdings LLC (1298); and Taper-Lok Corporation (8833). The debtors' service address is: 945 Bunker Hill Road, Suite 500, Houston, Texas 77024.

The Debtors believe that the Plan represents the best restructuring alternative available to the Debtors and their stakeholders. Accordingly, we urge you to support confirmation and vote to accept the Plan.

Please read the enclosed Disclosure Statement for an explanation of the Plan, including a detailed summary of the treatment of Allowed Claims, the mechanics for distributions under the Plan, the facts and assumptions behind certain predictions and projections for the Plan, and for information relating to the Debtors' anticipated chapter 11 cases. Each estimate and projection in this letter is taken from the Disclosure Statement and is qualified in its entirety by all of the information in the Disclosure Statement and the actual terms of the Plan.

For the purpose of voting on the Plan, the Debtors have provided you with the enclosed ballot, which should be completed and submitted in accordance with the procedures set forth on the ballot and in the Disclosure Statement. If you hold both a First Lien Claim and a Second Lien Claim, you will receive a copy of this letter, a ballot, and the enclosed materials for each of the claims that you hold. While the Debtors believe that the enclosed materials are self-explanatory, should you have any questions or require copies of the solicitation materials, you may contact the Solicitation Agent by: (1) calling the Debtors' restructuring hotline at (646) 282-2500 or (866) 734-9393 (toll free), and ask for the Solicitation Group, (2) emailing tabulation@epiqsystems.com and referencing "AFG" in the subject line, and/or (3) writing to the Solicitation Agent at the following address: Ameriforge Group Inc., *et al.*, c/o Epiq Bankruptcy Solutions, LLC, Solicitation Group, 777 Third Avenue, 12th Floor, New York, NY 10017.

In order to be counted, your completed ballot(s) must actually be received by the Solicitation Agent by **May 5, 2017 at 5:00 p.m. (prevailing Central Time)** pursuant to the instructions set forth on your ballot(s) and as explained in greater detail in the Disclosure Statement.

Sincerely,

AMERIFORGE GROUP, INC.
on behalf of itself and each of its Debtor affiliates

By: /s/ *Curtis Samford*
Name: Curtis Samford
Title: Chief Executive Officer

SOLICITATION VERSION

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
AMERIFORGE GROUP INC., *et al.*,[1]	§	Case No. 17-_____ (___)
Debtors.	§	(Joint Administration Pending)

DISCLOSURE STATEMENT FOR THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF AMERIFORGE GROUP INC. AND ITS DEBTOR AFFILIATES

Edward O. Sassower, P.C. (*pro hac vice* admission pending)
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Facsimile: (713) 752-4221

Proposed Co-Counsel to the Debtors and Debtors in Possession

[1] The anticipated debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Ameriforge Group Inc. (7053); 230 Bodwell Corporation (3965); Advanced Joining Technologies, Inc. (6451); AF Gloenco Inc. (9958); AFG Brazil Holdings LLC (8618); AFG Brazil LLC (8720); AFG Louisiana Holdings Inc. (4743); Allpoints Oilfield Services LLC (8333); Ameriforge Corporation (1649); Ameriforge Cuming Insulation LLC (0264); Century Corrosion Technologies LLC (8548); Cuming Corporation (9782); Dynafab Acquisitions Corp. (1331); Flotation Technologies LLC (4572); FR AFG Holdings, Inc. (2623); NRG Manufacturing Louisiana LLC (5823); NRG Manufacturing, Inc. (7544); Steel Industries Inc. (5154); Steel Industries Real Estate Holdings LLC (1298); and Taper-Lok Corporation (8833). The debtors' service address is: 945 Bunker Hill Road, Suite 500, Houston, Texas 77024.

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126, 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS INTEND TO SUBMIT THIS DISCLOSURE STATEMENT TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING COMMENCEMENT OF SOLICITATION AND THE DEBTORS' FILING FOR RELIEF UNDER CHAPTER 11 OF THE BANKRUPTCY CODE. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE, SUBJECT TO TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT

DISCLOSURE STATEMENT, DATED APRIL 21, 2017

SOLICITATION OF VOTES ON THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION FOR AMERIFORGE GROUP INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

FROM THE HOLDERS OF OUTSTANDING:

VOTING CLASS	NAME OF CLASS UNDER THE PLAN
CLASS 3	FIRST LIEN CLAIMS
CLASS 4	SECOND LIEN CLAIMS

IF YOU ARE IN CLASS 3 OR CLASS 4 YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN

DELIVERY OF BALLOTS

BALLOTS MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE, WHICH IS 5:00 P.M. (PREVAILING CENTRAL TIME) ON MAY 5, 2017, VIA THE ENCLOSED PRE-PAID, PRE-ADDRESSED RETURN ENVELOPE

OR

AT THE FOLLOWING ADDRESSES:

VIA FIRST-CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO:

AMERIFORGE GROUP INC., ET AL.
C/O EPIQ BANKRUPTCY SOLUTIONS, LLC
SOLICITATION GROUP
777 THIRD AVENUE, 12TH FLOOR
NEW YORK, NY 10017

OR

VIA E-MAIL TO:

TABULATION@EPIQSOLUTIONS.COM

PLEASE CHOOSE ONLY ONE METHOD TO RETURN YOUR BALLOT

BALLOTS RECEIVED VIA FACSIMILE WILL NOT BE COUNTED

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURE FOR VOTING ON THE PLAN, PLEASE CALL THE SOLICITATION AGENT AT:

(646) 282-2500 or (866) 734-9393 (toll free)

This disclosure statement (this "Disclosure Statement") provides information regarding the *Joint Prepackaged Chapter 11 Plan of Reorganization for Ameriforge Group, Inc. and its Debtor Affiliates* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"),[2] which the Debtors are seeking to have confirmed by the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit A. The Debtors are providing the information in this Disclosure Statement to certain holders of Claims for purposes of soliciting votes to accept or reject the Plan.

Pursuant to the Restructuring Support Agreement, the Plan is currently supported by the Debtors, holders of more than approximately 71% of the amount of First Lien Claims, the holders of more than approximately 75% of the amount of Second Lien Claims, and the Consenting Sponsor.

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

You are encouraged to read this Disclosure Statement (including the Risk Factors described in Article VII hereof) and the Plan in their entirety before submitting your Ballot to vote on the Plan.

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

The Debtors strongly encourage holders of Claims in Class 3 and Class 4 to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan. Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing.

RECOMMENDATION BY THE DEBTORS

EACH DEBTOR'S BOARD OF DIRECTORS, MEMBER, OR MANAGER, AS APPLICABLE, HAS APPROVED THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT, AND EACH DEBTOR BELIEVES THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF EACH OF THE DEBTOR'S ESTATES, AND PROVIDE THE BEST RECOVERY TO CLAIM HOLDERS. AT THIS TIME, EACH DEBTOR BELIEVES THAT THE PLAN AND RELATED TRANSACTIONS REPRESENT THE BEST ALTERNATIVE FOR ACCOMPLISHING THE DEBTORS' OVERALL RESTRUCTURING OBJECTIVES. EACH OF THE DEBTORS THEREFORE STRONGLY RECOMMENDS THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT NO LATER THAN MAY 5, 2017 AT 5:00 P.M. (PREVAILING CENTRAL TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND ON THE BALLOTS.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

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

After the Petition Date, the Debtors will rely on section 1145(a) of the Bankruptcy Code to exempt from registration under the Securities Act and Blue Sky Laws the offer, issuance, and distribution of New Common Stock and Warrants under the Plan and the shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon exercise of the Warrants. Neither the Solicitation nor this Disclosure Statement constitutes an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized.

Except to the extent publicly available, this Disclosure Statement, the Plan, and the information set forth herein and therein are confidential. This Disclosure Statement and the Plan contain material non-public information concerning the Debtors, their subsidiaries, and their respective debt and Securities. Each recipient hereby acknowledges that it (a) is aware that the federal securities laws of the United States prohibit any person who has material non-public information about a company, which is obtained from the company or its representatives, from purchasing or selling Securities of such company or from communicating the information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such Securities and (b) is familiar with the United States Securities Exchange Act of 1934 (as amended, the "Securities Exchange Act") and the rules and regulations promulgated thereunder, and agrees that it will not use or communicate to any Person or Entity, under circumstances where it is reasonably likely that such Person or Entity is likely to use or cause any Person or Entity to use, any confidential information in contravention of the Securities Exchange Act or any of its rules and regulations, including Rule 10b-5.

DISCLAIMER

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

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

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

Regarding contested matters, adversary proceedings, and other pending, threatened, or potential litigation or other actions, this Disclosure Statement does not constitute, and may not be construed as, an admission of fact, liability, stipulation, or waiver by the Debtors or any other party, but rather as a statement made in the context of settlement negotiations in accordance with Rule 408 of the Federal Rules of Evidence and any analogous state or foreign laws or rules. As such, this Disclosure Statement shall not be admissible in any non-bankruptcy proceeding involving the Debtors or any other party in interest, nor shall it be construed to be conclusive advice on the tax, securities, financial or other effects of the Plan to holders of Claims against or Interests in, the Debtors or any other party in interest. Please refer to Article VII of this Disclosure Statement, entitled "Risk Factors" for a discussion of certain risk factors that holders of Claims voting on the Plan should consider.

Except as otherwise expressly set forth herein, all information, representations, or statements contained herein have been provided by the Debtors. No person is authorized by the Debtors in connection with this Disclosure Statement, the Plan or the Solicitation to give any information or to make any representation or statement regarding this Disclosure Statement, the Plan, or the Solicitation, in each case, other than as contained in this

Disclosure Statement and the exhibits attached hereto or as otherwise incorporated herein by reference or referred to herein. If any such information, representation, or statement is given or made, it may not be relied upon as having been authorized by the Debtors.

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

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EXHIBITS

I. INTRODUCTION

The Debtors, together with their non-Debtor affiliates (the "Company"), are leading global providers of technology, services, and fully-integrated manufacturing capabilities to the oil and gas, general industrial, aerospace, and power generation industries. With more than twenty facilities worldwide and just under 1,100 employees, the Company offers a broad range of both high-engineered and general forged products, as well as complementary aftermarket services to more than 400 customers around the globe. The Company specifically focuses on expertise in (a) the subsea drilling production, completion, and infrastructure sectors of the oil and gas industry; (b) the unconventional land-based drilling, completion, and infrastructure sectors of the oil and gas industry; (c) the gas turbine sector of the power generation industry; (d) specialty components of the aerospace and off-road transportation industries; and I general industrial manufacturing markets.

The Company was founded in 1996 as a provider of basic forged products. Through a series of targeted acquisitions over the last two decades, the Company evolved into the technology and manufacturing specialist it is today, assisted in part by its acquisition by FR Heavy Metal LP (the "Consenting Sponsor"), a global private equity firm affiliated with First Reserve Management L.P., in late 2012. In recent years, however, the Company has worked to streamline its operations to focus on core business lines. This has included, among other things, the acquisition of business lines that maximize the Company's core business offerings and the strategic divestiture of non-core operations, which the Company believes will be value accretive to their stakeholders in the long-term. A more comprehensive discussion of the Debtors' businesses is set forth in Article IV hereof.

The Company has outstanding funded debt obligations in the aggregate principal amount of approximately $751.60 million, consisting of the following:

- approximately $608.28 million under the First Lien Credit Facility (as defined below), consisting of (a) $89.5 million[3] in principal amount outstanding First Lien Revolving Loans (as defined below), and (b) approximately $518.78 million in principal amount outstanding First Lien Term Loans (as defined below), and

- approximately $143.31 million in principal amount outstanding under the Second Lien Credit Facility (as defined below).

As of December 31, 2016, the Company reported approximately $580 million in book value in total assets and approximately $894 million in book value in total liabilities.

In the months and years leading up to their decision to seek relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), the Debtors faced a number of economic hurdles. The difficulties faced by the Company are consistent with those impacting the oil and gas industry more broadly. Beginning in 2014 and continuing through 2016, the oil and gas market experienced a significant oversupply of capacity leading to a substantial and rapid decline in oil prices. This in turn resulted in significantly lower activity by the Company's customers, manifesting into lower revenues and losses. Lower steel prices and declining international demand for industrial products also resulted in lower activity from the Company's distributors. This prolonged downturn in commodity prices only exacerbated the Company's legacy capital structure, which was intended to support a much larger company before the Company began streamlining their business with strategic divestitures.

Between October 2016 and January 2017, to assist with their restructuring, the Company retained Lazard Fréres & Co. LLC and Lazard Middle Markets LLC (collectively, "Lazard") as their investment banker, Kirkland & Ellis LLP ("K&E") as their legal advisors, and Alvarez & Marsal North America, LLC ("A&M") as their restructuring advisors, to advise management and the Company's Board of Directors regarding potential strategic alternatives to enhance the Company's liquidity and address their capital structure. In November 2016, the Company appointed two independent directors to the board of directors for FR AFG Holdings, Inc. ("Holdings") to oversee the Company's restructuring efforts.

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[3] This amount excludes approximately $13.54 million in undrawn letter of credit obligations under the First Lien Credit Agreement as of April 11, 2017.

The Company did not immediately seek to file a chapter 11 proceeding after experiencing the liquidity constraints caused by, among other things, the severe and prolonged downturn in commodity prices. Instead, the Company took measures to preserve their liquidity, including through workforce reductions, monetization of slow-moving inventories, contract termination, facility closures, the removal of excess machinery and equipment, and divestiture of non-core businesses. Cognizant that these efforts alone might not be enough to avoid a "going concern" qualification in the Company's annual financial statement, the Company engaged in discussions with the Prepetition Secured Parties to negotiate a consensual restructuring along with a series of forbearance agreements under which the Prepetition Secured Parties agreed to forbear from enforcing remedies against the Company during the agreed forbearance period. These efforts culminated in the execution of the Restructuring Support Agreement (attached hereto as **Exhibit B**) with the Restructuring Support Parties—*i.e.*, the Consenting First Lien Lenders, the Consenting Second Lien Lenders, and the Sponsor Entities.

Pursuant to the Restructuring Support Agreement, the Debtors' proposed restructuring enjoys the overwhelming support of First Lien Lenders (holding more than approximately 71% in amount of First Lien Claims) and Second Lien Lenders (holding more than approximately 75% in amount of Second Lien Claims), as well as the support of the Consenting Sponsor. The transactions contemplated by the Restructuring Support Agreement will be implemented through the Plan, including an expeditious balance sheet restructuring that will reduce the Debtors' funded-debt obligations by approximately $681.60 million on a post-emergence basis and minimize the time and expense associated with the Chapter 11 Cases. Furthermore, under the Restructuring Support Agreement, the Ad Hoc First Lien Group committed to provide a $70 million new money debtor-in-possession credit facility in the form of the DIP Facility, which will provide the Debtors with much needed liquidity to fund their working capital and operational needs as well as fund the administrative and transaction costs of the Chapter 11 Cases.

Given the overwhelming support for the Debtors' restructuring by the Restructuring Support Parties, the Debtors elected to pursue a prepackaged restructuring in the weeks leading up to the solicitation period because the Debtors believe a prepackaged plan would maximize value by minimizing both the costs of restructuring and the impact on the Debtors' businesses. Among other things, the Debtors intend to file motions to avoid the need to file schedules of assets and liabilities or statements of financial affairs, which will provide them with significant cost savings. In addition, the restructuring contemplated by the Plan in a "prepackaged" manner, will obviate the need for an unsecured creditors' committee and the expenses associated therewith that would otherwise be paid by the Debtors' estates. Thus, the Debtors believe that the Plan represents the most efficient route to effectuate their restructuring and will place the Debtors, their trade partners and other stakeholders in an optimal position going forward.

If confirmed and consummated, the Plan will: (i) significantly de-leverage the Debtors' balance sheet; (ii) provide the Debtors with working capital to fund ongoing operations during the Chapter 11 Cases and post-emergence; (iii) distribute the New Common Stock and Warrants to the holders of First Lien Claims and Second Lien Claims, as applicable; (iv) allow holders of General Unsecured Claims to remain Unimpaired; and (v) maximize recoveries for all key stakeholders.

The formulation of the Restructuring Support Agreement and Plan contemplated thereunder is a significant achievement for the Debtors in the face of their liquidity issues and depressed operating environment. Each of the Debtors strongly believes that the Plan is in the best interests of each of their estates and represents the best available alternative for all of their stakeholders. Given the Debtors' core strengths, including their experienced management team and strategic business plan going-forward, the Debtors are confident that they can implement the Plan's balance sheet restructuring to ensure the Debtors' long-term viability. Through this prepackaged chapter 11 plan of reorganization the Debtors intend to emerge from chapter 11 on an expedited timeline within approximately 60 days following the Petition Date on a schedule to be established by the Bankruptcy Court.[4]

[4] The core terms of the Restructuring Support Agreement will be implemented through the Plan (described more fully in Article II of this Disclosure Statement, entitled "The Plan").

II. THE PLAN

A. Treatment of Claims and Interests

The Plan provides for the treatment of Claims against and Interests in the Debtors through, among other things: (a) the issuance of New Common Stock and the Warrants; (b) the Unimpaired treatment of certain Claims and Interests; and (c) conversion of certain Claims into loans under the Exit Credit Facilities. As more fully described herein and in the Plan:

- holders of Allowed DIP Claims will receive their Pro Rata share of Exit Term Loans, subject to the rights of Eligible Participants to exercise the Subscription Option;
- holders of Allowed First Lien Claims will receive their Pro Rata share of 95.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity, and the Warrant Equity);
- holders of Allowed Second Lien Claims will receive their Pro Rata share of (i) 4.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity, and the Warrant Equity) and (ii) the Warrants;
- holders of Allowed General Unsecured Claims shall remain Unimpaired and paid in the ordinary course of business;
- the Interests in Holdings will be canceled;
- Intercompany Claims and Interests will be Reinstated or canceled, as applicable; and
- holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed Other Priority Claims, and Allowed Professional Claims will be (a) paid in full in Cash, (b) Reinstated, or (c) otherwise rendered Unimpaired, as applicable.

B. New Capital Structure

On the Effective Date, the Debtors will effectuate the Restructuring Transactions by, among other things: (a) entering into the Exit Credit Facilities, pursuant to which the DIP Claims (other than the DIP Payments) will be converted into Exit Term Loans (subject to the rights of Eligible Participants to exercise the Subscription Option); (b) issuing the New Common Stock and Warrants to the holders of First Lien Claims and Second Lien Claims, as applicable, in accordance with Article III of the Plan; and (c) entering into all related documents to which the Reorganized Debtors are contemplated to be a party on the Effective Date. All such documents shall become effective in accordance with their terms and the Plan.

(a) Exit Credit Facilities

Consistent with the Restructuring Support Agreement, on the Effective Date the Debtors will enter into a new senior secured asset-backed revolving credit facility (the "Exit ABL Facility") in the aggregate principal amount of up to $50 million, with borrowings and other credit extensions under the Exit ABL Facility limited to a borrowing base comprised of specified percentages of the Company's accounts receivables and inventory. The Exit ABL Facility will be governed by the Exit ABL Credit Agreement, which shall be consistent with the indicative terms set forth in the Exit ABL Facility Term Sheet attached hereto as **Exhibit I**. The Exit ABL Facility will be secured by a first-priority security interest in customary asset backed loan ("ABL") priority collateral and a second-priority security interest in customary term loan collateral. It is expected that the Exit ABL Facility may include a sublimit for letters of credit, which will initially include both the Converted L/Cs (as defined below), which had been converted to letters of credit under the DIP Facility (to the extent not drawn during the Chapter 11 Cases), and any Additional L/Cs.

In addition, on the Effective Date the Debtors will also enter into a new senior secured term loan (the "Exit Term Loan Facility") in the aggregate principal amount of $70 million (inclusive of amounts outstanding under the DIP Credit Facility that are converted to Exit Term Loans on the Effective Date) provided by certain members of the Ad Hoc First Lien Group, subject to the rights of Eligible Participants to exercise the Subscription Option, as described below. The Exit Term Loan Facility will have terms and conditions substantially similar to the Exit Term Loan Credit Agreement, as set forth in the Exit Term Loan Facility Term Sheet attached hereto as **Exhibit J**. The Exit Term Loan Facility will be secured by a first-priority security interest on customary term loan collateral and a second-priority security interest in customary ABL collateral.

Confirmation of the Plan shall be deemed approval of the Exit Credit Facilities and the Exit Credit Facilities Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, including the Backstop Payment, and authorization of the Reorganized Debtors to enter into and execute the Exit Credit Facilities Documents and such other documents as may be required to effectuate the treatment afforded by the Exit Credit Facilities, without further notice to or order of the Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Debtors may deem to be necessary to consummate the Exit Credit Facilities. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Credit Facilities Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Credit Facilities Documents, (c) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Credit Facilities Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

(b) **Exit Term Loan Subscription Option**

Each First Lien Lender that (a) certifies that it is an accredited investor, (b) owns greater than $5 million of First Lien Claims, and (c) has voted to accept the Plan (each, an "Eligible Participant") shall have the opportunity (the "Subscription Option") to subscribe for a portion of the full amount of the Exit Term Loan Facility, pro rata based on the share of the First Lien Claims of all Eligible Participants represented by such Eligible Participant's First Lien Claims. The First Lien Agent will provide, or cause to be provided, to each Eligible Participant a subscription form, whereby each Eligible Participant may exercise its Subscription Option. The Subscription Option may be exercised during the period commencing on or about the Petition Date and ending on the date that is no longer than seven days prior to the Confirmation Hearing (the "Subscription Period"), after which time each Eligible Participant shall be deemed to have relinquished and waived its right to participate in the Subscription Option to the extent it has not elected to subscribe for the Exit Term Loan Facility. On the Effective Date, each Eligible Participant that exercises the Subscription Option will receive its pro rata portion of the Exit Term Loans.

To the extent not fully funded following the Subscription Period, the Backstop Parties have agreed to backstop the Exit Term Loan Facility to the extent of the Exit Term Loan Backstop Commitment, consistent with the Exit Term Loan Facility Term Sheet, and subject to the terms thereof, to ensure that the entire Exit Term Loan Facility is funded. In consideration of the Exit Term Loan Backstop Commitment, on the Effective Date, the Backstop Parties shall receive the Backstop Payment. The Backstop Payment shall be payable to each Backstop Party proportionally based on such Backstop Party's Exit Term Loan Backstop Commitment (determined without giving effect to the exercise of any Subscription Option). The commitments of Eligible Participants who exercise the Subscription Option will reduce the Exit Term Loan Backstop Commitment on a dollar for dollar basis.

(c) **Existing Letters of Credit**

The approximately $13.54 million of outstanding and undrawn letters of credit under the First Lien Credit Facility will be deemed to be outstanding under the DIP Facility (the "Converted L/Cs"), with the risk participations in such Converted L/Cs held by the lenders holding revolving credit commitments under the First Lien Credit Facility being deemed to be part of the DIP Facility (the "DIP L/C Participating Lenders"). Those risk participations constitute obligations to reimburse the letter of credit issuer for any amounts drawn by the beneficiary thereof if the Company does not do so, pro rata by their revolving credit commitments under the First Lien Credit Facility as deemed to be converted into risk participations under the DIP Facility. If any of the Converted L/Cs were to be drawn by the beneficiary thereof, the Company would be required to reimburse the letter of credit issuer under the DIP Facility for the amount drawn. If the Company does not so reimburse the letter of credit issuer, the DIP L/C Participating Lenders will be required to fund their participations to the letter of credit, and will have Claims for reimbursement under the DIP Facility, and, correspondingly, DIP Claims. Such DIP Claims held by the DIP L/C Participating Lenders will be paid in full in Cash on the Effective Date.

To the extent not drawn during the Chapter 11 Cases, the Converted L/Cs will either be (x) converted to letters of credit under the Exit ABL Facility or (y) cash collateralized at 105% of the face amount thereof, in each case, with the DIP L/C Participating Lenders having no further obligations with respect thereto.

(d) **New Common Stock and Warrants**

All existing Interests in Holdings shall be cancelled as of the Effective Date and, subject to the Restructuring Transactions, Reorganized Holdings shall issue and distribute the New Common Stock and Warrants, to holders of Claims entitled to receive New Common Stock and Warrants, pursuant to the Plan. The issuance of the New Common Stock and Warrants, including the MIP Equity, and the Warrant Equity, and the Warrants shall be authorized without the need for any further corporate action and without any further action by the Debtors, Reorganized Debtors, or Reorganized Holdings, as applicable. Reorganized Holdings' New Organizational Documents shall authorize the issuance and distribution on the Effective Date of the New Common Stock and Warrants, to the applicable Distribution Agent for the benefit of holders of Allowed Claims in Class 3 and Class 4 (as applicable) in accordance with the terms of Article III of the Plan. All New Common Stock and Warrants issued under the Plan, including the MIP Equity and the Warrant Equity, shall be duly authorized, validly issued, fully paid, and non-assessable, and the holders of New Common Stock and Warrants shall be deemed to have accepted the terms of the New Stockholders' Agreement (solely in their capacity as shareholders and warrants holders of Reorganized Holdings) and to be parties thereto without further action or signature. The New Stockholders' Agreement shall be effective as of the Effective Date and, as of such date, shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Common Stock, shall be bound thereby.

C. Unclassified Claims

(1) **Unclassified Claims Summary**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, Professional Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article III of the Plan. The Claim recoveries for such unclassified Claims are set forth below:

Claim	Plan Treatment	Projected Plan Recovery
Administrative Claims	Paid in Full in Cash	100%
DIP Claims	Pro Rata Share of Exit Term Loan	100%
Professional Claims	Paid in Full in Cash	100%
Priority Tax Claims	Paid in Full in Cash	100%

(2) **Unclassified Claims**

(a) **Administrative Claims**

Except to the extent that a holder of an Allowed Administrative Claim agrees to a less favorable treatment, each holder of an Allowed Administrative Claim (other than holders of Professional Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (a) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (c) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim; (d) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable; or I at such time and upon such terms as set forth in an order of the Bankruptcy Court.

(b) **DIP Claims**

Subject to the DIP Orders, on the Effective Date, the DIP Claims and DIP Payments shall be deemed to be Allowed in the full amount due and owing under the DIP Facility as of the Effective Date.

On the Effective Date, (i) the DIP Payments (which shall include payments in respect of Claims of DIP L/C Participating Lenders in respect of any Converted L/Cs that are drawn before the Effective Date and Claims of the Additional L/C Issuing Bank in respect of any Additional L/Cs) shall be paid in full in Cash, (ii) any undrawn Converted L/Cs shall either be (x) converted to letters of credit under the Exit ABL Facility or (y) cash collateralized at 105% of the face amount thereof, in each case, with the DIP L/C Participating Lenders having no further obligations with respect thereto, (iii) any undrawn Additional L/Cs shall be converted to letters of credit under the Exit ABL Facility or governed by a separate letter of credit facility, and (iv) the remaining DIP Claims shall be converted into Exit Term Loans, or repaid by the proceeds funded by Eligible Participants that exercise the Subscription Option.

(c) **Professional Claims**

All requests for payment of Professional Claims for services rendered and reimbursement of expenses incurred prior to the Effective Date must be filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Reorganized Debtors shall pay Professional Claims in Cash in the amount the Bankruptcy Court allows, including from the Professional Fee Escrow Account, which the Reorganized Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date. Professionals shall deliver to the Debtors their estimates for purposes of the Reorganized Debtors computing the Professional Fee Amount no later than three (3) Business Days prior to the anticipated Effective Date. For the avoidance of doubt, no such estimate shall be deemed to limit the amount of the fees and expenses that are the subject of a Professional's final request for payment of Professional Claims filed with the Bankruptcy Court. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. No funds in the Professional Fee Escrow Account shall be property of the Estates, and the Professional Fee Escrow Account shall be maintained in trust solely for the benefit of holders of Professional Claims. Any funds remaining in the Professional Fee Escrow Account after all Allowed Professional Claims have been paid shall be turned over to the Reorganized Debtors.

From and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

For the avoidance of doubt, the Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date shall be paid in full in Cash on the Effective Date without the requirement to file retention or fee applications and without any requirement for notice to or action, order, or approval of the Bankruptcy Court.

(d) **Priority Tax Claims**

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law, or in the ordinary course of business.

(e) **Statutory Fees**

All fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Reorganized Debtors shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

D. Classified Claims and Interests

(1) **Classified Claims and Interests Summary**

The Plan establishes a comprehensive classification of Claims and Interests. The table below summarizes the classification, treatment, voting rights, and estimated recoveries, estimated as of April 13, 2017, of the Claims and Interests, by Class, under the Plan. Amounts in the far right column under the heading "Liquidation Recovery" are estimates only and are based on certain assumptions described herein and set forth in greater detail in the Liquidation Analysis (as defined below) attached hereto as **Exhibit C**. Accordingly, recoveries actually received by holders of Claims and Interests in a liquidation scenario may differ materially from the projected liquidation recoveries listed in the table below.

Class	Claim or Interest	Voting Rights	Treatment	Projected Plan Recovery	Liquidation Recovery
1	Other Secured Claims	Not Entitled to Vote / Presumed to Accept	Paid in Full in Cash	100%	100%
2	Other Priority Claims	Not Entitled to Vote / Presumed to Accept	Paid in Full in Cash	100%	0%
3	First Lien Claims	**Entitled to Vote**	Pro Rata Share of 95.5% of the New Common Stock	81%	12.3%
4	Second Lien Claims	**Entitled to Vote**	Pro Rata Share of (i) 4.5% of the New Common Stock and (ii) the Warrants	30%	0%
5	General Unsecured Claims	Not Entitled to Vote / Presumed to Accept	Unimpaired/Paid in the Ordinary Course of Business	100%	0%

Class	Claim or Interest	Voting Rights	Treatment	Projected Plan Recovery	Liquidation Recovery
6	Intercompany Claims	Not Entitled to Vote / Presumed to Accept or Deemed to Reject	Reinstated or Canceled	0% / 100%	0%
7	Intercompany Interests	Not Entitled to Vote / Presumed to Accept	Reinstated	100%	0%
8	Interests in Holdings	Not Entitled to Vote / Deemed to Reject	Canceled	0%	0%

(2) **Classified Claims and Interests Details**

Except to the extent that the Debtors and a holder of an Allowed Claim or Allowed Interest, as applicable, agree to less favorable treatment, such holder shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Allowed Claim or Allowed Interest. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

(a) **Class 1 — Other Secured Claims**

i. *Classification*: Class 1 consists of any Other Secured Claims against any Debtor.

ii. *Treatment*: Each holder of an Allowed Other Secured Claim shall receive, as the Debtors or the Reorganized Debtors (as applicable) determine, either:

i. payment in full, in Cash, of the unpaid portion of its Allowed Other Secured Claim, including any interest thereon required to be paid under section 506(b) of the Bankruptcy Code (or if payment is not then due, in accordance with the terms of such allowed Other Secured Claim) on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Secured Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Secured Claim is Allowed; and (iii) the date such Allowed Other Secured Claim becomes due and payable, or as soon thereafter as is reasonably practicable;

ii. Reinstatement of such Other Secured Claim;

iii. the collateral securing its Allowed Other Secured Claim, plus any interest thereon required to be paid under section 506(b) of the Bankruptcy Code; or

iv. such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.

iii. *Voting*: Class 1 is Unimpaired. Holders of Allowed Other Secured Claims in Class 1 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Other Secured Claims in Class 1 are not entitled to vote to accept or reject the Plan.

(b) **Class 2 — Other Priority Claims**

i. *Classification*: Class 2 consists of any Other Priority Claims against any Debtor.

ii. *Treatment*: Each holder of an Allowed Other Priority Claim shall receive payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Priority Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Priority Claim is Allowed; and (iii) the date such Allowed Other Priority Claim becomes due and payable, or as soon thereafter as is reasonably practicable.

iii. *Voting*: Class 2 is Unimpaired. Holders of Allowed Other Priority Claims in Class 2 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Other Priority Claims in Class 2 are not entitled to vote to accept or reject the Plan.

(c) **Class 3 — First Lien Claims**

i. *Classification*: Class 3 consists of all First Lien Claims.

ii. *Allowance:* On the Effective Date, the First Lien Claims shall be Allowed in the aggregate principal amount of not less than $608,281,756.58, plus (x) any accrued but unpaid interest thereon payable as of the Petition Date at the applicable interest rate, (y) any accrued but unpaid fees and expenses payable in accordance with the First Lien Loan Documents, and (z) any net obligations arising under any Secured Hedge Agreements (if any). For the avoidance of doubt, the First Lien Claims shall not include any Claims in respect of Converted L/Cs. The First Lien Claims shall not be subject to avoidance, subordination, setoff, deduction, objection, challenge, recharacterization, surcharge under section 506(c) of the Bankruptcy Code or any other claim or defense.

iii. *Treatment*: On the Effective Date, each holder of an Allowed First Lien Claim shall receive on account of such Claim its Pro Rata share of 95.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity and the Warrant Equity).

iv. *Voting*: Class 3 is Impaired. Holders of Allowed First Lien Claims in Class 3 are entitled to vote to accept or reject the Plan.

(d) **Class 4 — Second Lien Claims**

i. *Classification*: Class 4 consists of all Second Lien Claims.

ii. *Allowance:* On the Effective Date, the Second Lien Claims shall be Allowed in the aggregate principal amount of not less than $143,314,316.92, plus any accrued but unpaid interest thereon payable as of the Petition Date at the applicable interest rate and any accrued but unpaid fees and expenses payable in accordance with the Second Lien Loan Documents. The Second Lien Claims shall not be subject to avoidance, subordination, setoff, deduction, objection, challenge, recharacterization, surcharge under section 506(c) of the Bankruptcy Code or any other claim or defense.

iii. *Treatment*: On the Effective Date, each holder of an Allowed Second Lien Claim shall receive its Pro Rata share of (i) 4.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity and the Warrant Equity), and (ii) the Warrants.

iv. *Voting*: Class 4 is Impaired. Holders of Allowed Second Lien Claims in Class 4 are entitled to vote to accept or reject the Plan.

(e) **Class 5 — General Unsecured Claims**

i. *Classification*: Class 5 consists of any General Unsecured Claims against any Debtor.

ii. *Treatment*: Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment of such Claim or has been paid or disallowed by Final Order prior to the Effective Date, on and after the Effective Date, the Reorganized Debtors shall continue to pay or treat each Allowed General Unsecured Claim in the ordinary course of business as if the Chapter 11 Cases had never been commenced, subject to all claims, defenses or disputes the Debtors and Reorganized Debtors may have with respect to such Claims, including as provided in Article IV.Q of the Plan.

iii. *Voting*: Class 5 is Unimpaired. Holders of Allowed General Unsecured Claims in Class 5 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed General Unsecured Claims in Class 5 are not entitled to vote to accept or reject the Plan.

(f) **Class 6 — Intercompany Claims**

i. *Classification*: Class 6 consists of any Intercompany Claims.

ii. *Treatment*: Each Allowed Intercompany Claim shall be Reinstated or cancelled (by way of contribution to capital or otherwise) as of the Effective Date, at the Debtors' or the Reorganized Debtors' option, subject to the Restructuring Transactions. No distribution shall be made on account of any Allowed Intercompany Claim.

iii. *Voting*: Class 6 is either Unimpaired, in which case the holders of Allowed Intercompany Claims in Class 6 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, and not receiving any distribution under the Plan, in which case the holders of such Allowed Intercompany Claims in Class 6 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Allowed Intercompany Claim in Class 6 will not be entitled to vote to accept or reject the Plan.

(g) **Class 7 — Intercompany Interests**

i. *Classification*: Class 7 consists of any Intercompany Interests.

ii. *Treatment*: Each Allowed Intercompany Interest shall be Reinstated as of the Effective Date, subject to the Restructuring Transactions.

iii. *Voting*: Class 7 is Unimpaired. Holders of Allowed Intercompany Interests in Class 7 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Intercompany Interests in Class 7 are not entitled to vote to accept or reject the Plan.

(h) **Class 8 — Interests in Holdings**

i. *Classification*: Class 8 consists of all Interests in Holdings.

ii. *Treatment*: On the Effective Date, subject to the Restructuring Transactions, all Interests in Holdings will be cancelled and the holders of Interests in Holdings shall not receive or retain any distribution, property, or other value on account of their Interests in Holdings.

iii. *Voting*: Class 8 is Impaired. Holders of Interests in Class 8 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

(3) **Special Provision Governing Unimpaired Claims**

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including all rights regarding legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claim.

(4) **Intercompany Interests**

To the extent Reinstated under the Plan, the Intercompany Interests shall be Reinstated for the ultimate benefit of the holders of the New Common Stock, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims. For the avoidance of doubt, to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall be owned by the same Reorganized Debtor that corresponds with the Debtor that owned such Intercompany Interests prior to the Effective Date (subject to the Restructuring Transactions).

(5) **Subordination Rights and Related Claims**

The allowance, classification, and treatment of satisfying all Claims and Interests under the Plan takes into consideration any and all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510(b) or 510(c) of the Bankruptcy Code, or otherwise, including for the avoidance of doubt the Prepetition Intercreditor Agreement. On the Effective Date, any and all subordination rights or obligations that a holder of a Claim or Interest may have with respect to any distribution to be made under the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be enjoined permanently. Accordingly, distributions under the Plan to holders of Allowed Claims (including, for the avoidance of doubt, distributions to holders of Allowed Claims in Class 4) will not be subject to turnover or payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

(6) **Confirmation Pursuant to Section 1129(a)(10) and 1129(b) of the Bankruptcy Code**

The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan (subject to the Restructuring Support Agreement) to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by (a) modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules and (b) withdrawing the Plan as to an individual Debtor at any time before the Confirmation Date; provided that any such modification or withdrawal shall be subject to the RSA Definitive Document Requirements.

E. Liquidation Analysis

The Debtors believe that the Plan provides a greater recovery for holders of Allowed Claims and Interests as would be achieved in the Debtors' liquidation under chapter 7 of the Bankruptcy Code. This belief is based on a number of considerations, including: (a) the Debtors' primary assets would likely have to be sold on a piecemeal basis in a chapter 7 liquidation; (b) the additional Administrative Claims generated by conversion to a chapter 7 case and any related costs in connection with a chapter 7 liquidation; and (c) the absence of a robust market for the liquidation of the Debtors' assets and services.

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

F. Valuation Analysis

The Plan provides for the distribution of the New Common Stock and Warrants to holders of Allowed First Lien Claims and holders of Allowed Second Lien Claims, as applicable, upon consummation of certain of the Restructuring Transactions set forth in the Plan. Accordingly, Lazard, at the request of the Debtors, has performed an analysis, which is attached hereto as **Exhibit D**, of the estimated implied value of the Debtors on a going-concern basis as of June 30, 2017 (the "Valuation Analysis"). Based on the Valuation Analysis, the Reorganized Debtors will have an implied equity value at emergence of approximately $540 million at the midpoint.

The Valuation Analysis, including the procedures followed, assumptions made, qualifications, and limitations on review undertaken described therein, should be read in conjunction with Article VII of this Disclosure Statement, entitled "Risk Factors." The Valuation Analysis is based on data and information as of April 5, 2017. Lazard makes no representations as to changes to such data and information that may have occurred since the date of the Valuation Analysis.

THE VALUATION ANALYSIS REPRESENTS A HYPOTHETICAL VALUATION OF THE REORGANIZED DEBTORS AND THEIR ASSETS AND BUSINESSES, WHICH ASSUMES THAT SUCH REORGANIZED DEBTORS CONTINUE AS AN OPERATING BUSINESS IN SUBSTANTIALLY THE SAME CORPORATE STRUCTURE. THE ESTIMATED VALUE SET FORTH IN THE VALUATION ANALYSIS DOES NOT PURPORT TO CONSTITUTE AN APPRAISAL OR NECESSARILY REFLECT THE ACTUAL MARKET VALUE THAT MIGHT BE REALIZED THROUGH A SALE OR LIQUIDATION OF THE REORGANIZED DEBTORS, THEIR SECURITIES OR THEIR ASSETS, WHICH MAY BE MATERIALLY DIFFERENT THAN THE ESTIMATES SET FORTH IN THE VALUATION ANALYSIS. ACCORDINGLY, SUCH ESTIMATED VALUE IS NOT NECESSARILY INDICATIVE OF THE PRICES AT WHICH ANY SECURITIES OF THE REORGANIZED DEBTORS MAY TRADE AFTER GIVING EFFECT TO THE RESTRUCTURING TRANSACTIONS SET FORTH IN THE PLAN. ANY SUCH PRICES MAY BE MATERIALLY DIFFERENT THAN INDICATED BY THE VALUATION ANALYSIS.

G. Financial Information and Projections

In connection with the planning and development of the Plan, the Debtors, with the assistance of their advisors, prepared projections for the fiscal years 2017 through 2020, which are attached hereto as **Exhibit E** (the "Financial Projections"), including management's assumptions related thereto. For purposes of the Financial Projections, the Debtors have assumed an Effective Date of June 30, 2017. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. The Debtors are unaware of any circumstances as of the date of this Disclosure Statement that would require the re-forecasting of the Financial Projections due to a material change in the Debtors' prospects.

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

III. SOLICITATION AND VOTING PROCEDURES

A. Class Entitled to Vote on the Plan

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

Class	Claim or Interest	Status
3	First Lien Claims	Impaired
4	Second Lien Claims	Impaired

If your Claim or Interest is not included in the Voting Classes, you are not entitled to vote and you will not receive a Solicitation Package (as defined below). If you are a holder of a Claim in one or more of the Voting Classes, you should read your ballot(s) and carefully follow the instructions included in the ballot(s). Please use only the ballot(s) that accompanies this Disclosure Statement or the ballot(s) that the Debtors, or the Solicitation Agent on behalf of the Debtors, otherwise provided to you. If you are a holder of a Claim in more than one of the Voting Classes, you will receive a ballot for each such Claim.

B. Votes Required for Acceptance by a Class

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

C. Certain Factors to Be Considered Prior to Voting

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

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

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

- the Debtors may request Confirmation without the acceptance of all Impaired Classes in accordance with section 1129(b) of the Bankruptcy Code; and

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

While these factors could affect distributions available to holders of Allowed Claims and Interests under the Plan, the occurrence or impact of such factors will not necessarily affect the validity of the vote of the Voting Classes or necessarily require a re-solicitation of the votes of holders of Claims in the Voting Classes.

For a further discussion of risk factors, please refer to "Risk Factors" described in Article VII of this Disclosure Statement.

D. Classes Not Entitled To Vote on the Plan

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

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
5	General Unsecured Claims	Unimpaired	Presumed to Accept
6	Intercompany Claims	Unimpaired / Impaired	Presumed to Accept / Deemed to Reject
7	Intercompany Interests	Unimpaired	Presumed to Accept
8	Interests in Holdings	Impaired	Deemed to Reject

E. Solicitation Procedures

(1) Solicitation Agent

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

(2) Solicitation Package

The following materials constitute the solicitation package (the "Solicitation Package") distributed to holders of Claims in the Voting Classes:

- the Debtors' cover letter in support of the Plan;
- a ballot and applicable voting instructions, together with a pre-paid, pre-addressed return envelope; and
- this Disclosure Statement and all exhibits hereto, including the Plan and all exhibits thereto; *provided* that the Plan Supplement documents shall not be part of the Solicitation Package and, pursuant to the Plan, will be filed with the Bankruptcy Court no later than seven (7) days prior to the Confirmation Hearing.

(3) Distribution of the Solicitation Package and Plan Supplement

The Debtors are causing the Solicitation Agent to distribute the Solicitation Package to holders of Claims in the Voting Classes on April 21, 2017.

The Solicitation Package (without ballots, unless you are an eligible voting party) may also be obtained from the Solicitation Agent by: (1) calling the Solicitation Agent at (646) 282-2500 or toll free at (866) 734-9393 and asking for the "Solicitation Group," (2) emailing tabulation@epiqsystems.com and referencing "AFG" in the subject line, and/or (3) writing to the Solicitation Agent at Ameriforge Group Inc., et al. c/o Epiq Bankruptcy Solutions, LLC, Solicitation Group, 777 Third Avenue, 12th Floor, New York, NY 10017. After the Debtors file the Chapter 11 Cases, you may also obtain copies of any pleadings filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, http://dm.epiq11.com/ameriforge, or for a fee via PACER at https://www.pacer.gov/. Holders should choose only one method to return their Ballot.

At least seven (7) days before the Confirmation Hearing, the Debtors intend to file the Plan Supplement. If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement from the Solicitation Agent by: (1) calling the Solicitation Agent at the telephone number set forth above; (2) visiting the Debtors' restructuring website, http://dm.epiq11.com/ameriforge; or (3) writing to the Solicitation Agent at Ameriforge Group Inc., et al. c/o Epiq Bankruptcy Solutions, LLC, Solicitation Group, 777 Third Avenue, 12th Floor, New York, NY 10017.

F. Voting Procedures

April 20, 2017 (the "Voting Record Date"), is the date that was used for determining which holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the solicitation procedures. Except as otherwise set forth herein, the Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors and other parties in interest.

In order for the holder of a Claim in the Voting Classes to have its ballot counted as a vote to accept or reject the Plan, such holder's ballot must be properly completed, executed, and delivered by (a) using the enclosed pre-paid, pre-addressed return envelope, (b) via first class mail, overnight courier, or hand delivery to Ameriforge Group Inc., et al. c/o Epiq Bankruptcy Solutions, LLC, Solicitation Group, 777 Third Avenue, 12th Floor, New York, NY 10017, or (c) via email (attaching a scanned PDF of the fully executed ballot) to tabulation@epiqsystems.com and referencing "AFG" in the subject line, so that such holder's ballot is *actually received* by the Solicitation Agent on or before the Voting Deadline, *i.e.* May 5, 2017, at 5:00 p.m. (prevailing Central Time).

If a holder of a Claim in a Voting Class transfers all of such Claim or Interest to one or more parties on or after the Voting Record Date and before the holder has cast its vote on the Plan, such Claim holder is automatically deemed to have provided a voting proxy to the purchaser(s) of the holder's Claim, and such purchaser(s) shall be deemed to be the holder(s) thereof as of the Voting Record Date for purposes of voting on the Plan, provided that the transfer complies with the applicable requirements under the Restructuring Support Agreement, if applicable, and the purchaser and agent for the relevant facility provide satisfactory confirmation of the transfer to the Solicitation Agent.

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

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE.

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

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

IT IS IMPORTANT THAT THE HOLDER OF A CLAIM IN THE VOTING CLASSES FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT AND THE ACCOMPANYING INSTRUCTIONS. SUBJECT TO THE TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT, NO BALLOT MAY BE WITHDRAWN OR MODIFIED AFTER THE VOTING DEADLINE WITHOUT THE COMPANY'S PRIOR CONSENT OR PERMISSION OF THE BANKRUPTCY COURT. FOR THE AVOIDANCE OF DOUBT, EXCEPT FOR THE AUTOMATIC TERMINATION OF THE RESTRUCTURING SUPPORT AGREEMENT DUE TO THE OCCURRENCE OF THE EFFECTIVE DATE, (I) UPON THE OCCURRENCE OF A TERMINATION DATE (AS DEFINED IN THE RESTRUCTURING SUPPORT AGREEMENT) (A) ALL BALLOTS TENDERED BY THE CONSENTING FIRST LIEN LENDERS, BY THE CONSENTING SECOND LIEN LENDERS (AS APPLICABLE), OR BY THE SPONSOR ENTITIES (AS APPLICABLE) TO ACCEPT THE PLAN SHALL BE IMMEDIATELY REVOKED AND DEEMED VOID AB INITIO AND (B) NOTWITHSTANDING THE PASSAGE OF THE VOTING DEADLINE, THE CONSENTING FIRST LIEN LENDERS, THE CONSENTING SECOND LIEN LENDERS (AS APPLICABLE), OR THE SPONSOR ENTITIES (AS APPLICABLE) MAY VOTE TO REJECT THE PLAN AND ELECT TO OPT OUT OF THE THIRD-PARTY RELEASE, (II) UPON THE OCCURRENCE OF A REQUIRED CONSENTING SECOND LIEN LENDER TERMINATION DATE (AS DEFINED IN THE RESTRUCTURING SUPPORT AGREEMENT), (A) ALL BALLOTS TENDERED BY THE CONSENTING SECOND LIEN LENDERS (AS APPLICABLE) TO ACCEPT THE PLAN SHALL BE IMMEDIATELY REVOKED AND DEEMED VOID AB INITIO, IN EACH CASE, WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND (B) NOTWITHSTANDING THE PASSAGE OF THE VOTING DEADLINE, THE CONSENTING SECOND LIEN LENDERS MAY VOTE TO REJECT THE PLAN AND ELECT TO OPT OUT OF THE THIRD-PARTY RELEASE, OR (III) UPON THE OCCURRENCE OF A SPONSOR TERMINATION DATE (AS DEFINED IN THE RESTRUCTURING SUPPORT AGREEMENT), (A) ALL BALLOTS TENDERED BY THE SPONSOR ENTITIES (AS APPLICABLE) TO ACCEPT THE PLAN SHALL BE IMMEDIATELY REVOKED AND DEEMED VOID AB INITIO, AND (B) NOTWITHSTANDING THE PASSAGE OF THE VOTING DEADLINE, THE SPONSOR ENTITIES MAY VOTE TO REJECT THE PLAN AND ELECT TO OPT OUT OF THE THIRD-PARTY RELEASE, IN EACH CASE, WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT.

IV. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

The Debtors, together with their non-Debtor affiliates, are a global technology and manufacturing specialist, providing products, services, and fully-integrated manufacturing capabilities to more than 400 customers in the general industrial, oil and gas, aerospace, and power generation industries. With headquarters in Houston, Texas, the Company operates more than twenty facilities worldwide.

A. The Debtors' Corporate History

The Company was founded in 1996 with the acquisition of Forged Vessel Connections. Between 1996 and 2004, the Company's original management team created an industry leading forging and manufacturing platform providing services to the general industrial and oil and gas industries. This strategic vision was accomplished by the acquisitions of various manufacturing companies, including Ameriforge Group Inc.'s ("AFGlobal") predecessor in interest, Ameriforge Corporation ("Ameriforge"), Steel Industries Inc., and Taper-Lok Corporation. Importantly, the physical infrastructure acquired through these initial acquisitions laid the groundwork for the Company to become a one-stop-shop for their customers.

Beginning in 2004, management identified, developed, and oversaw the implementation of a range of initiatives to strengthen and integrate the existing manufacturing platform. These initiatives included increased technology advancement and development of a turnkey systems integration strategy. Between 2004 and 2008, the Company implemented these initiatives by investing to expand its existing operations and through acquisitions, including the acquisitions of SMI Manufacturing, and PK Manufacturing. Such transactions enhanced the Company's manufacturing capabilities. The company also enhanced its aerospace and power generation capabilities through the acquisition of AF Glenco Inc., and M Tech. Through the acquisition of Allpoints, the Company began to provide a direct service to oil and gas customers through the provision of drilling riser and inspection service. Additionally, in 2007, the Company opened the Advanced Technology Center (the "ATC")—a key strategic asset and a significant strength that facilitates the successful execution of AFGlobal's strategy. The ATC was staffed by skilled engineers who could assist the company's clients with product and system development through the planning, prototype, manufacturing, and testing phases.

Following the implementation and optimization of the manufacturing platform, the Company's management sought to extend its capabilities through strategically accretive acquisitions and organic investment initiatives. From 2008 to present, the Company has invested internally and through acquisitions to expand their capabilities and position themselves for exceptional long-term growth. As a result of such investments, the Company has broadened its product offering, filled capacity gaps, and expanded their turnkey capabilities and geographic presence.

To strengthen the Company's competitive position in the offshore riser and subsea equipment market, management sought to extend its reach downstream in the value chain to broaden and enhance its technological expertise. To that end, the Company acquired Century Corrosion Technologies, Cuming Corporation, and Advanced Joining Technologies between 2010 and 2012. Such acquisitions solidified the Company's position at each stage of the value chain for offshore drilling risers and subsea equipment technologies. The Company also constructed a purpose-built drilling riser manufacturing facility in Houston, Texas. Now, the Company is uniquely positioned to provide a turnkey solution to drilling operators.

In 2011, the Company further enhanced its manufacturing capabilities and entered the pressure pumping and gas compression markets with the acquisition of NRG Manufacturing. To provide further capital to fuel its growth, the Company was acquired by the Consenting Sponsor in late 2012 and subsequently rebranded itself as AFGlobal in May 2013.

The Company's management team also pursued a number of targeted acquisitions to accelerate its global expansion. In particular, the Company acquired M-Tech in China to gain immediate access to Chinese and Asian markets, Welding Units in the United Kingdom to further expand into the European market, and Alpha Tech to expand into the Brazilian market. AFGlobal's most recent international expansion was the June 2014 acquisition of 100% of the stock of VerdErg Connectors Ltd. ("VerdErg"), a UK company with a facility south of Liverpool, England, and an engineering office just west of London, England. VerdErg designs and delivers custom diverless subsea pipeline and control connection systems, complementing the Company's existing diver-assisted connectors business.

In July 2016, AFGlobal acquired Managed Pressure Operations ("MPO"), a subsidiary of MHWirth, a key business partner in the offshore oil and gas industry. As a vertically integrated supplier, this acquisition further solidified the company's position as a specialized original equipment manufacturer (an "OEM"). In particular, this acquisition, together with the company's existing technologies, created the most complete deep-water managed pressure drilling offering available in the market.

Most recently, on December 14, 2016, AFGlobal acquired 100% of the stock of Discover Integral Solutions SA de CV ("DIS") based in Monterrey, Mexico. This acquisition enhanced the Company's position as a provider of engineered parts and services for the oil and gas industry and manufacturers of elastomers, a common component in offshore drilling equipment.

The end result of these targeted acquisitions and organic investments has been the Company's transformation into an OEM of its own branded products and services. Uniquely, the Company is an OEM with

capabilities extending from initial forgings, proprietary products, systems integration, and aftermarket service and inspection. The Company offers a highly valuable supply chain solution for end users and a paradigm shift for the industry. Importantly, the Company's direct involvement at each stage of the value chain has in turn optimized numerous complex variables, to produce cost effective, fast, safe, tailored solutions for the Company's clients.

Most of the Company's non-Debtor subsidiaries are entities organized under the laws of foreign countries, including, for example, Brazil, China, Mexico, and the United Kingdom (the "Non-Debtor Entities"). None of the Non-Debtor Entities are currently the subject of any insolvency proceedings (U.S.-based or otherwise). Debtor FR AFG Holdings, Inc. is the ultimate parent company of each of the foregoing entities, as well as of all the Debtors n the Chapter 11 Cases.

B. The Debtors' Assets and Operations

The Company is headquartered in Houston, Texas, and operates more than twenty facilities in 16 locations worldwide. The Company uses these facilities to operate six primary business units: (1) pressure pumping technology, (2) advanced drilling systems, (3) subsea production systems, (4) sealing products and technology, (5) lifecycle services, and (6) aerospace and power generation, each of which is described below. The Company's key customers in general include OEMs that purchase the Company's components for their products, distributors that purchase products for bundling with other related products for resale, and end users that purchase the products for final use.

(1) Pressure Pumping Technology

The Pressure Pumping Technology segment serves as an OEM of advanced pressure pumping equipment and state-of-the-art gas compressors and provides a growing service offering to optimize run-time reliability. Specifically, the Company's full line of pressure pumping equipment includes frac pumps, blenders, hydration units, data vans, and manifolds. The Company also manufactures gas compression packages.

Generally, the Company's key customers for these products are service providers that lack manufacturing and/or packaging capabilities. In particular, the Company's customers for pressure pump and compression products are primarily concentrated in the North American onshore midstream[5] markets, including the Permian and Niobrara Basins. These markets are driven by U.S. drilling and completion ("D&C") capital expenditures, the U.S. onshore rig count, and pressure pumping activity.

(2) Advanced Drilling Systems ("ADS")

The ADS segment is comprised of two business lines: ADS Equipment and ADS Services. ADS Equipment is a comprehensive line of drilling equipment, including drilling risers and riser-related equipment such as telescoping joints, termination joints, spiders, gimbals, running tools, riser buoyancy, and managed pressure drilling (or "MPD") systems. This segment's products can be used for both offshore and onshore drilling.

Equipment for offshore drilling is primarily sold to customers in the Brazil, West Africa, Gulf of Mexico, North Sea, and Asia / Pacific regions. The drivers for this offshore market include, among other things, the offshore drilling rig count (particularly floaters), offshore capital expenditure budgets, technology adoption, environmental and safety regulations, and drilling hazards.

Onshore equipment is primarily sold to customers in the Latin America, North America, Middle East and North Africa, and the Asia / Pacific regions. The drivers for the onshore market include onshore D&C capital expenditures, onshore rig counts, drilling optimization and efficiency, environmental and safety regulations, and drilling hazards.

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[5] Midstream energy companies are primarily engaged in gathering, processing, transporting, storing, and wholesale marketing of oil and gas products.

The ADS Services line provides field services focused on delivering next-generation solutions to oil and gas customers, with a particular emphasis on MPD services. Other services include continuous circulation, engineering and training services, and active control device sales and rentals. Currently ADS Services are concentrated in Middle East and Asia/Pacific markets for onshore drilling with some shallow-water offshore exposure. The market drivers for ADS Services include international onshore D&C capital expenditures, international onshore rig counts, environmental and safety regulations, optimization and efficiency, and geothermal activity.

One of the key components of the ADS segment is MPD. MPD is an adaptive drilling process used to precisely control annular pressure profile throughout the wellbore.[6] It enhances accurate wellbore control, thereby increasing safety and reducing costs. It also enables drilling into narrow margins while mitigating drilling hazards and reducing non-productive time (or downtime). Currently, the Company is one of the only OEM providers of a complete MPD package, including active control device, riser gas handling, and components.

(3) **Subsea Production Systems**

The Subsea Production Systems segment provides custom solutions to support core drilling technologies, including connection systems, buoyancy and insulation modules, valves, and control systems. The customers for these systems operate in the offshore exploration and production ("E&P") markets, located in the North Sea, Brazil, Gulf of Mexico, West Africa, Middle East and North Africa, and Asia. This market is primarily driven by offshore D&C and subsea equipment spending, the offshore rig count, and subsea trees.[7]

(4) **Sealing Products & Technology**

The Sealing Products & Technology segment manufactures a wide range of forged and machined products, from highly engineered connections to standard flanges. These products support more than 100 different industries around the globe. Customers of the Sealing Products & Technology division span all segments of the oil and gas markets—onshore, offshore, upstream, or downstream—around the globe. This market is driven by refining and petrochemical activity and spending, pipeline infrastructure, and offshore production.

(5) **Lifecycle Services**

The Lifecycle Services segment provides comprehensive solutions for fleet management and the maintenance of drilling rig equipment, including service for aftermarket part sales. Lifecycle Services include drilling riser buoyancy inspection and repair, offshore inspection of drilling risings and bolts, and onshore inspection and repair of drilling risers. Aftermarket services include, among other things, drilling riser parts manufacturing, assembly, repair and testing, and providing replacement parts. Customers of Lifecycle Services are primarily concentrated in the offshore upstream market in the Gulf of Mexico and Brazil. Market drivers include offshore rig counts, offshore D&C capital expenditures, regulation and certification, and new technology. The Debtors are the only OEM that services not only its products, but also those of its competitors, thereby providing for a substantially larger "available market."

(6) **Aerospace & Power Generation**

The Aerospace & Power Generation segment provides a comprehensive range of precision machined products and services from raw materials to finished multi-component assemblies around the globe. The Debtors' non-Debtor affiliate, M-Tech, provides many of these services and is strategically located in China to meet the fast-paced delivery demands of a global customer base. This division targets a wide range of markets, including power generation, aerospace and defense, commercial aerospace, space exploration, and oil and gas.

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6 A wellbore is a hole that is drilled to aid in the exploration and recovery of natural resources, including oil, gas, or water.

7 Subsea trees are structures attached to the top of subsea wells to control the flow of oil or gas to or from a well.

C. Organization and Prepetition Capital Structure

(1) Organizational Structure

An organizational chart illustrating the corporate structure of the Company is attached hereto as **Exhibit F**.

(2) The Debtors' Prepetition Capital Structure

As of December 31, 2016, the Company reported approximately $580 million in book value in total assets and approximately $894 million in book value in total liabilities. As of the date hereof, the Debtors have outstanding funded debt obligations in the aggregate principal amount of approximately $751.60 million, including the following:

- approximately $89.5 million[8] in principal amount outstanding under First Lien Revolving Loans,
- approximately $518.78 million in principal amount outstanding under the First Lien Term Loans, and
- approximately $143.31 million in principal amount outstanding under the Second Lien Credit Facility.

(a) First Lien Indebtedness

As of the date hereof, the Debtors had outstanding First Lien Indebtedness (as defined below) consisting of a revolving tranche of loans (the "First Lien Revolving Loans") and a term loan tranche of loans (the "First Lien Term Loans," and together with the First Lien Revolving Loans, the "First Lien Credit Facility")), which rank *pari passu*. Deutsche Bank Trust Company Americas (the "First Lien Agent"), the First Lien Lenders, Holdings, as parent, and Debtor AFGlobal (the "Borrower") are parties to that certain Credit Agreement, dated as of December 19, 2012, and amended and restated on January 25, 2013 (as subsequently amended, amended and restated, supplemented, or otherwise modified, refinanced, or replaced from time to time prior to the Petition Date, the "First Lien Credit Agreement"). Each of the Debtors guaranteed the obligations of the Borrower under the First Lien Credit Agreement.

The First Lien Revolving Loans bear interest at prime or the applicable LIBOR rate, at the Borrower's election, plus an applicable margin which, depending upon the ratio of the Debtors' secured net debt to EBITDA (as defined in the First Lien Credit Agreement), floats between, for revolving loans bearing interest at the prime rate, 2.25% and 2.75% per annum or, for revolving loans bearing interest at the LIBOR rate, 3.25 to 3.75 per annum. The interest rate for the First Lien Revolving Loans was 4.0% per annum as of December 31, 2015, and December 31, 2016. In addition to the interest expense, the First Lien Credit Agreement requires the payment of, among other fees, a commitment fee, which is computed at the rate of either 0.375% or 0.500% per annum, depending upon the ratio of Debtors' secured net debt to EBITDA (as defined in the First Lien Credit Agreement),based on the actual daily amount by which the First Lien Lenders' aggregate commitment to make loans under the First Lien Credit Facility exceed the outstanding borrowings thereunder during each quarter. The First Lien Revolving Loans mature on December 19, 2017.

The First Lien Term Loans also bear interest at prime or the applicable LIBOR rate, at the Borrower's election, plus an applicable margin which, depending upon the ratio of the Debtors' secured net debt to EBITDA (as defined in the First Lien Credit Agreement), floats between, for term loans bearing interest at the prime rate, 2.50% and 2.75% per annum or, for term loans bearing interest at the LIBOR rate, 3.50% and 3.75% per annum. The interest rate for the First Lien Term Loans was 5.0% per annum as of December 31, 2015, and December 31, 2016. The First Lien Term Loans mature on the December 19, 2019.

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[8] This amount excludes approximately $13.54 million in undrawn letter of credit obligations under the First Lien Credit Agreement as of April 11, 2017.

Pursuant to, among other things, that certain First Lien Security Agreement, dated as of December 19, 2012 (together with all other pledge agreements or similar security documents entered into by any Debtor and the First Lien Agent in respect of the Debtors' assets and all other documentation executed in connection with any of the foregoing, each as amended, restated, supplemented, or otherwise modified from time to time, the "First Lien Security Documents"), the Debtors have granted a first-priority lien and security interest (the "Prepetition First Liens") in, to, and against substantially all of the Debtors' assets described in the First Lien Security Documents, including, without limitation, 100% of the equity of AFGlobal and the other Debtors (other than Holdings), 65% of the equity of AFGlobal and the other Debtors' (other than Holdings) directly owned foreign subsidiaries, promissory notes and the Debtors' intellectual property (collectively, the "Prepetition Collateral"), to the First Lien Agent for the benefit of the First Lien Lenders (the First Lien Credit Agreement, the First Lien Security Documents, including, without limitation, the Prepetition Intercreditor Agreement (as defined below), the letter of credit documentation, and any other collateral and ancillary documents executed in connection therewith, collectively, the "First Lien Loan Documents").

As of the date hereof, the Debtors were jointly and severally liable to the First Lien Agent and the First Lien Lenders for all loans under the First Lien Revolving Loans, the First Lien Term Loans, letter of credit obligations, and other obligations described therein and payable thereunder (the "First Lien Indebtedness") in the aggregate principal amount of approximately $621.82 million, consisting of (a) approximately $89.5 million under the First Lien Revolving Credit Facility, (b) approximately $518.78 million under the First Lien Term Loan Facility, and (c) $13.54 million in undrawn letter of credit obligations.

(b) **Second Lien Indebtedness**

As of the date hereof, the Debtors had outstanding Second Lien Indebtedness (as defined below) consisting of a term loan tranche of loans (the "Second Lien Credit Facility," and together with the First Lien Credit Facility, the "Prepetition Credit Facilities"), Delaware Trust Company (as successor administrative and collateral agent, and in such capacity, the "Second Lien Agent," and together with the First Lien Agent, the "Prepetition Agents"), the Second Lien Lenders, Holdings, and the Borrower are parties to that certain Credit Agreement, dated as of December 19, 2012, and amended and restated on January 25, 2013 (as subsequently amended, amended and restated, supplemented, or otherwise modified, refinanced, or replaced from time to time prior to the Petition Date, the "Second Lien Credit Agreement," and together with the First Lien Credit Agreement, the "Credit Agreements"). Each of the Debtors guaranteed the obligations of the Borrower under the Second Lien Credit Agreement. The Second Lien Credit Facility bears interest at prime or the applicable LIBOR rate, at the Borrower's election, plus an applicable margin equal to, for loans bearing interest at the prime rate, 6.50% or, for loans bearing interest at the LIBOR rate, 7.50%. The interest rate for was 8.75% per annum as of December 31, 2015, and December 31, 2016. The Second Lien Credit Facility matures on December 19, 2020.

Pursuant to, among other things, that certain Second Lien Security Agreement, dated as of December 19, 2012 (together with all other pledge agreements or similar security documents entered into by any Debtor and the Second Lien Agent in respect of the Debtors' assets and all other documentation executed in connection with any of the foregoing, each as amended, restated, supplemented, or otherwise modified from time to time, the "Second Lien Security Documents"), the Debtors have granted a second-priority lien and security interest (the "Prepetition Second Liens," and together with the Prepetition First Liens, the "Prepetition Liens") in, to, and against the Prepetition Collateral, to the Second Lien Agent for the benefit of the Second Lien Lenders (the Second Lien Credit Agreement, the Second Lien Security Documents, including, without limitation, the Prepetition Intercreditor Agreement, and any other collateral and ancillary documents executed in connection therewith, collectively, the "Second Lien Loan Documents," and collectively with the First Lien Loan Documents, the "Prepetition Loan Documents").

As of the date hereof, the Debtors were jointly and severally liable for all loans under the Second Lien Credit Facility, and other obligations described therein and payable thereunder (the "Second Lien Indebtedness") in the aggregate principal amount of approximately $143.31 million.

(c) **Prepetition Intercreditor Agreement**

The Debtors and the Prepetition Agents, as representatives of the Prepetition Secured Parties, are parties to that certain Junior Lien Intercreditor Agreement, dated as of December 19, 2012 (the "Prepetition Intercreditor

Agreement"). The Prepetition Intercreditor Agreement is a "subordination agreement" within the meaning of section 510(a) of the Bankruptcy Code and is, therefore, enforceable in the Chapter 11 Cases. The Prepetition Intercreditor Agreement governs certain of the respective rights and interests of the First Lien Lenders and Second Lien Lenders relating to, among other things, their rights and their ability to exercise remedies in connection with an Event of Default (as defined in the Prepetition Intercreditor Agreement) and in the event of a bankruptcy filing, including related enforcement and turnover provisions. As more particularly stated in the Prepetition Intercreditor Agreement, the Prepetition First Liens have priority over, and are senior in all respects, to the Prepetition Second Liens.

(d) **Promissory Note**

In December 14, 2015, the Debtors entered into a promissory note with Bill Bridges Long Stroke Technology, LLC (the "Promissory Note"), to finance the acquisition of various patents. The Promissory Note became due and payable monthly starting January 1, 2016, and will be paid in 35 monthly installments of $33,500, with a final payment of $27,500 due December 2018. As of the date hereof, approximately $721,057 remains outstanding under the Promissory Note. The Promissory Note is classified as a Class 5 General Unsecured Claim for purposes of the Plan.

(e) **Swap Agreements**

Effective April 9, 2013, the Debtors entered into two swap agreements (the "Swaps") with Deutsche Bank AG and Goldman Sachs, each at a notional amount of $125 million. Each of these Swaps matures on April 1, 2018, and has a fixed interest rate of 1.66% with average quarterly net settlements of approximately $260,000 paid by the Debtors. The Swaps are considered "Secured Hedge Agreements" under the First Lien Loan Documents and any net obligations arising under the Swaps will be treated as Class 3 First Lien Claims.

(f) **Common and Preferred Stock**

Since December 19, 2012, Holdings has owned all of the issued and outstanding common stock of AFGlobal. AFGlobal remains a wholly-owned subsidiary of Holdings. As of today, there are approximately 47,733,886 Holdings common shares issued and outstanding. Approximately 84.8% of the outstanding common stock is held by the Consenting Sponsor and certain of its co-investors. Another 8.6% of the common stock is held by Zeta Investment S.r.L., which acquired its interest as partial consideration for the sale of Special Flanges S.p.A. to the Debtors in 2013. The approximately 6.6% of remaining common stock is held by certain current and former management, employees, legacy shareholders, and service providers.

As of the date hereof, there are approximately 916,857 Holdings preferred shares issued and outstanding, all of which are owned by the Consenting Sponsor, with an additional 9,083,143 preferred shares authorized but unissued.

V. EVENTS LEADING TO THE CHAPTER 11 CASES

As stated above, the Debtors intend to file the Chapter 11 Cases to implement a prepackaged chapter 11 plan of reorganization that provides for a comprehensive balance sheet restructuring of their funded debt obligations with the consent of the majority of the Prepetition Secured Parties and the Consenting Sponsor. Given the events described in greater detail below and other considerations, the Debtors have concluded in the exercise of their business judgment and as fiduciaries for all of the Debtors' stakeholders that the best path to maximize the value of their businesses is a strategic prepackaged chapter 11 filing to implement the Plan in accordance with the terms of the Restructuring Support Agreement.

A. Commodity Price Decline

The difficulties faced by the Debtors are consistent with problems faced industry wide. Beginning in 2014 and throughout 2015 and 2016, the oil and gas market experienced a significant over supply of capacity, leading to a substantial and rapid decline in oil prices. This, in turn, resulted in significantly lower activity by the Debtors' primary customers—oil and gas E&P companies. This manifested into fewer new contracts with these customers

and, consequently, lower revenues and losses. Additionally, lower steel prices and declining international demand for industrial products resulted in lower activity from the Debtors' distributors. Accordingly, to adjust to the lower level of activity in both the oil and gas and general industrial markets, the Debtors initiated actions to restructure and adjust their operations and cost structure, including through workforce reductions and strategic divestitures of non-core assets.

Due in part to these cost-saving initiatives, and despite these overall depressed market conditions, the Debtors were able to maintain strong operations through 2016, with continuing improvement and growth in early 2017. This resulted, in part, from key operational and financial responses to the deteriorating market, as well as a proactive approach to addressing leverage concerns. Specifically, the Debtors determined that pursuing a comprehensive balance sheet restructuring was preferable to efforts to continue to wait out the market, which could ultimately lead to a less organized or free fall chapter 11 filing at a later date.

B. Operational Responses

As discussed above, in response to the oil and gas crisis and decline in the general industrial market, the Debtors implemented a number of operational initiatives to reduce costs and increase efficiencies. This included workforce reductions, monetization of slow-moving inventories, contract termination, facility closures, and the removal of excess machinery and equipment that resulted in asset impairments.

In particular, throughout 2015 and 2016, the Debtors reduced their workforce from 2,600 employees to approximately 1,100 employees, sold two shuttered manufacturing facilities and underutilized machinery and equipment, entered into leaseback arrangements for three of their manufacturing facilities that closed in March 2016, permanently shuttered three leased manufacturing facilities, curtailed capital spending, and liquidated slow moving inventory and reduced purchase order quantities.

The Debtors' management also proactively implemented strategic initiatives. These strategic initiatives included redefining their products and services portfolio via mergers and acquisitions and internal development, transforming cost structures and working capital efficiency, with a focus on the oil and gas OEM strategy.

As a part of this overall strategy, the Debtors marketed and sold one of their foreign affiliates—Special Flanges in December 2016. The Debtors originally acquired Special Flanges in 2013, but later determined it did not fit with their core business focus. Thus in support of their strategic initiative to streamline their business, the Debtors determined that they could sell Special Flanges at a favorable price given the market conditions at the end of 2016. The sale closed on December 28, 2016, generating proceeds of approximately $35 million. These proceeds provided the Debtors with much needed liquidity to avoid a near-term bankruptcy filing, giving the Debtors additional runway to pursue restructuring negotiations with their creditors and other stakeholders.

C. Financial Responses

The Debtors have also undertaken efforts to increase liquidity and strengthen their balance sheet. In December 2015, the Debtors raised capital through the issuance of preferred shares to retire approximately $44.5 million of the Second Lien Term Loan. On January 7, 2016, an additional $47.2 million, approximately, of the Second Lien Term Loan was extinguished using proceeds from a sale of preferred stock.

D. Changes in Management and the Board of Directors and Other Recent Developments

Anticipating the need for a potential restructuring in the near future given the Company's liquidity constraints, the Company's board of directors decided to appoint two independent directors to oversee any restructuring efforts. Accordingly, in November 2016, Alan Carr and Jonathan Foster were appointed to the board of directors of Holdings.

To assist with a potential restructuring, the Company retained K&E, Lazard, and A&M in October 2016, November 2016, and January 2017, respectively. Since their respective engagements, Lazard and K&E have assisted the Company's management with organizing the Company's lender groups and negotiating the terms of Forbearance Agreements and Restructuring Support Agreement and assessing the Company's strategic restructuring options. At the same time, personnel from A&M and the Company undertook a number of steps to preserve

liquidity, including: (a) the development of a 13-week cash flow forecast; (b) a daily review of disbursements by A&M; (c) the deferral of non-critical disbursements; and (d) the deferral of payments to non-critical vendors. Ultimately, however, the implementation of these measures was not, by itself, sufficient to solve the Company's liquidity problems without the need for a more extensive balance sheet restructuring of its funded debt obligations.

E. The Forbearance Negotiations and the Restructuring Support Agreement

The Debtors engaged K&E and Lazard in October 2016 to evaluate the Debtors' restructuring options in light of an impending December 2016 debt service payment (the "December Payment"). Accordingly, K&E and Lazard began discussions with an ad hoc group of First Lien Lenders (the "Ad Hoc First Lien Group") regarding potential options surrounding the upcoming interest payment and the framework for a broader restructuring. The Debtors ultimately made the December Payment, allowing them to continue negotiations with their First Lien Lenders into early 2017, as well as to begin negotiations with their Second Lien Lenders regarding a global restructuring solution. This culminated in the restructuring contemplated under the Restructuring Support Agreement, dated as of April 5, 2017 (attached hereto **Exhibit B**).

Although the Debtors also made their debt service payment due under the First Lien Credit Facility on March 31, 2017, the Debtors did not make their debt service payment due under the Second Lien Credit Facility Agreement due that same day, and the Debtors' annual financial statement issued that same day contained a "going concern" qualification from their independent external auditor, which nevertheless resulted in a violation of or default under the terms of the Credit Agreements that is subject to a 30-day cure period. To facilitate the negotiation and preparation of the prepackaged restructuring completed under the Restructuring Support Agreement, the First Lien Secured Parties and Second Lien Secured Parties also entered into substantially similar forbearance agreements (collectively, the "Forbearance Agreements") on April 5, 2017, to forbear from exercising remedies in connection with such defaults while the Restructuring Support Agreement remains in effect.

The Restructuring Support Agreement, which has the support of the overwhelming majority of the holders of the Debtors' funded indebtedness, contemplates the Company's restructuring through, among other things, (a) a debt-to-equity conversion of the Debtors' prepetition funded debt obligations into the New Common Stock and the Warrants, as applicable, (b) the reinstatement or unimpairment of all general unsecured claims, and (c) the entry into the Exit Credit Facilities, which will provide the Reorganized Debtors with access to as much as $120 million of post-emergence liquidity, including a $70 million term loan backstopped by members of the Ad Hoc First Lien Group. In short, the restructuring contemplated by the Restructuring Support Agreement will enable the Debtors to de-lever their balance sheet by more than $681 million and position their businesses for stability and long-term success after emergence from bankruptcy.

F. Importance of Deleveraging

Since the Debtors' strategically streamlined their business to focus on their core business lines, the Debtors' financial performance has shown promising signs of growth. Following their strategic divestiture of non-core operations, however, the Debtors' profitability and growth has been hampered by a legacy capital structure that is not commensurate with the current size of the Debtors' business. The debt service obligations under this legacy capital structure consume much of the Debtors' free cash flow, and, when coupled with operations prone to fluctuations in liquidity, prevent the Debtors from making value accretive investments in their business. Accordingly, the Debtors plan to commence the Chapter 11 Cases to implement the balance sheet restructuring contemplated under the Restructuring Support Agreement and to put themselves in a position to execute on their new business plan and capitalize on their growth opportunities.

Significantly, this reorganization carries the support of each class of the Debtors' secured creditors, as the First Lien Agent, more than approximately 71% of its First Lien Lenders, the Second Lien Agent, more than approximately 75% of its Second Lien Lenders, and the Consenting Sponsor are signatories to the Restructuring Support Agreement, which requires the parties to support the reorganization contemplated under the Plan. This level of consensus for a comprehensive reorganization reflects not only the enormous efforts undertaken by the Debtors and the Prepetition Secured Parties over recent months, but also the parties' belief in the Debtors prospects as a reorganized enterprise. More importantly, the Plan leaves General Unsecured Claims unimpaired, truly

minimizing any potential adverse effects to the Debtors' businesses as a result of the restructuring and leaving the Debtors poised to swiftly emerge from bankruptcy.

VI. OTHER KEY ASPECTS OF THE PLAN

A. Distributions

One of the key concepts under the Bankruptcy Code is that only claims and interests that are "allowed" may receive distributions under a chapter 11 plan. This term is used throughout the Plan and the descriptions below. In general, an Allowed Claim or Interest means that the Debtors agree, or if there is a dispute, the Bankruptcy Court determines, that the Claim or Interest, and the amount thereof, is in fact a valid obligation of or Interest in the Debtors.

(1) Distributions on Account of Claims and Interests Allowed as of the Effective Date

Except as otherwise provided in the Plan, a Final Order, or as otherwise agreed to by the Debtors or the Reorganized Debtors, as the case may be, and the holder of the applicable Claim, on the first Distribution Date, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date; *provided*, *however*, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (2) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in accordance with Articles II.D and III.B of the Plan, respectively. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business. A Distribution Date shall occur no more frequently than once in every 90 day period after the Effective Date, as necessary, in the Reorganized Debtors' sole discretion.

(2) 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 fees and expenses incurred by the Distribution Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Distribution Agent shall be paid in Cash by the Reorganized Debtors.

(3) Record Date for Distributions to Holders of Non-Publicly Traded Securities

On the Effective Date, the various transfer registers for each class of Claims or Interests as maintained by the Debtors or their respective agents shall be deemed closed, and there shall be no further changes in the record holders of any Claims or Interests. The Distribution Agent shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Effective Date. In addition, with respect to payment of any Cure amounts or disputes over any Cure amounts, neither the Debtors nor the Distribution Agent shall have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable executory contract or unexpired lease as of the Effective Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim for a Cure amount.

(4) **Proofs of Claim / Disputed Claims Process**

Notwithstanding section 502(a) of the Bankruptcy Code, and in light of the Unimpaired status of all General Unsecured Claims under the Plan, except as required by Article V.C of the Plan, holders of Claims need not file Proofs of Claim, and the Reorganized Debtors and the holders of Claims shall determine, adjudicate, and resolve any disputes over the validity and amounts of such Claims in the ordinary course of business as if the Chapter 11 Cases had not been commenced except that (unless expressly waived pursuant to the Plan) the Allowed amount of such Claims shall be subject to the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 and 503 of the Bankruptcy Code, to the extent applicable. All Proofs of Claim filed in these Chapter 11 Cases, except those permitted by Article V.C of the Plan, shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all Proofs of Claim filed against the Debtors, regardless of the time of filing, and including Claims filed after the Effective Date, shall be deemed withdrawn, other than as provided below. Notwithstanding anything in Article VII.A of the Plan, (a) all Claims against the Debtors that result from the Debtors' rejection of an executory contract or unexpired lease, (b) disputes regarding the amount of any Cure pursuant to section 365 of the Bankruptcy Code, and (c) Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court. From and after the Effective Date, the Reorganized Debtors may satisfy, dispute, settle, or otherwise compromise any Claim without approval of the Bankruptcy Court.

(5) **Objections to Claims**

Except insofar as a Claim is Allowed under the Plan, the Debtors, the Reorganized Debtors, or any other party in interest shall be entitled to object to Claims. Any objections to Claims shall be served and filed (a) on or before the ninetieth (90th) day following the later of (i) the Effective Date and (ii) the date that a Proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (b) such later date as ordered by the Bankruptcy Court upon motion filed by the Debtors or Reorganized Debtors. For the avoidance of doubt, except as otherwise provided in the Plan, 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.R of the Plan.

(6) **No Distribution Pending Allowance**

If an objection to a Claim is deemed, as set forth in Article VII.A of the Plan, or filed, as set forth in Article VII.B of the Plan, no payment or distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

(7) **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 practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent 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, without any interest to be paid on account of the such Claim unless required under applicable bankruptcy law.

(8) **Special Rules for Distributions to Holders of Disputed Claims**

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 or Interest have been resolved by settlement or Final Order or the Claims have been Allowed or expunged.

(9) **No Interest**

Unless otherwise specifically provided for in the Plan, the DIP Orders, or by any other order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

(10) **Disallowance of Claims and Interests**

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

B. General Settlement of Claims and Interests

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. 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 is within the range of reasonableness. Subject to Article VI of the Plan, all distributions made to holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final.

C. Restructuring Transactions

On or about the Effective Date, the Debtors or the Reorganized Debtors, in each case, with the consent of the Required First Lien Lenders and the Required Second Lien Lenders and, subject to the Sponsor Entities Consent Right (as defined in, and solely to the extent applicable under, the Restructuring Support Agreement), the Sponsor Entities, which consent shall not be unreasonably withheld, conditioned or delayed, shall take all actions as may be necessary or appropriate to effectuate the transactions described in, approved by, contemplated by, or necessary to effectuate the Restructuring Support Agreement and the Plan (collectively, the "Restructuring Transactions"), including: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, formation, organization, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including, but not limited to the documents comprising the Plan Supplement; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) such other transactions that are required to effectuate the Restructuring Transactions, including those described in the Restructuring Transactions Exhibit (if any), in the most tax efficient manner, including any mergers, consolidations, restructurings, conversions, dispositions, transfers, formations, organizations, dissolutions or liquidations; I the execution, delivery, and filing, if applicable, of the Exit Credit Facilities Documents, the New Stockholders' Agreement, and the Warrant Agreement; (f) the adoption of the Management Incentive Plan and the issuance and reservation of the MIP Equity on the terms and conditions set by the New Board on or promptly after the Effective Date consistent with the MIP Term Sheet; and (g) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

Each of the matters provided for by the Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Reorganized Debtors, whether taken prior to or as of the Effective Date, shall be deemed authorized and approved in all respects without the need for any further corporate action and without any further action by the Debtors or the Reorganized Debtors, as applicable. Such actions may include the following: (a) the adoption and/or filing of the New Organizational Documents and the New Stockholders' Agreement; (b) the selection of the New Board and New Board Observer; (c) the authorization, issuance, and distribution of the New Common Stock and Warrants and the shares of New Common Stock (including any other securities issuable upon the exercise of the Warrants) issued upon the exercise of the Warrants; (d) rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts or Unexpired Leases; I the entry into the Exit Credit Facilities and the execution and delivery of the Exit Credit Facilities Documents, as applicable; and (f) the adoption of the Management Incentive Plan, subject to the establishment of the terms thereof by the New Board consistent with the MIP Term Sheet, in accordance with Article IV.Q of the Plan, in each case subject to the RSA Definitive Document Requirements.

D. Directors and Officers

The New Board shall consist of seven (7) members to be appointed for an initial three-year term. The initial members of the New Board shall consist of (a) the Chief Executive Officer of the Reorganized Debtors, (b) one representative of First Reserve Management, L.P. and its Affiliates, (c) two representatives of Carlyle Investment Management L.L.C., (d) two representatives of Eaton Vance Management, and I one representative of Stellex Capital Partners LP, or such members as may otherwise be determined in accordance with the Governance Term Sheet. There also shall be one non-voting observer (the "New Board Observer") to be designated by one member of the Ad Hoc Second Lien Group so long as such member (a) holds, as of the Effective Date, Second Lien Claims in an amount no less than such holdings as of the date of execution of the Restructuring Support Agreement, and (b) maintains, after the Effective Date, holdings of at least 75% of the New Common Stock (on a fully-diluted basis) issued to such member on the Effective Date on account of such Second Lien Claims. The right to designate the New Board Observer shall be personal to such appointing member and not transferable to another party.

The New Board Observer shall be given notice of, and an opportunity to attend, all New Board meetings and receive in advance all materials distributed to members of the New Board in connection with such meetings; provided that, for this purpose, such meetings shall not include committee meetings other than special or transaction committees formed to discuss or evaluate a potential change of control transaction; provided further that the New Board Observer shall not have the right to attend such portions of meetings or receive such portions of materials where the New Board determines in good faith, based on the advice of counsel, that the provision of such materials to the New Board Observer or the New Board Observer's participation in such meetings would result in a waiver or compromise of the attorney-client privilege. The New Board Observer shall receive from customary D&O indemnification and insurance from the Reorganized Debtors.

The members of the New Board will be identified as part of the Plan Supplement at or prior to the Confirmation Hearing consistent with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, except as otherwise provided in the Plan Supplement or announced on the record at the Confirmation Hearing, the existing officers of the Debtors shall serve in their current capacities for the Reorganized Debtors. From and after the Effective Date, each director, officers, or manager of the Reorganized Debtors shall serve pursuant to the terms of the respective Reorganized Debtor's charters and bylaws or other formation and constituent documents, and applicable laws of the respective Reorganized Debtor's jurisdiction of formation.

E. Management Incentive Plan

The New Board shall adopt and implement the Management Incentive Plan, consistent with the Restructuring Support Agreement, on or promptly after the Effective Date, subject to the establishment of the terms thereof by the New Board consistent with the MIP Term Sheet. Any MIP Equity issued in connection with the Management Incentive Plan shall dilute all of the New Common Stock equally, including the New Common Stock issuable upon the exercise of the Warrants. Confirmation shall be deemed approval of the Management Incentive Plan, without any further action or approval required by the Bankruptcy Court, subject to the establishment of the terms of the Management Incentive Plan, consistent with the MIP Term Sheet, and its subsequent adoption by, the New Board.

F. Treatment of Executory Contracts and Unexpired Leases

(1) Assumption of Executory Contracts and Unexpired Leases

Each Executory Contract and Unexpired Lease shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code, unless such Executory Contract or Unexpired Lease (a) was previously assumed or rejected; (b) was previously expired or terminated pursuant to its own terms; (c) is the subject of a motion or notice to assume or assume and assign Filed on or before the Confirmation Date; or (d) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases. The assumption of Executory Contracts and Unexpired Leases hereunder may include the assignment of certain of such contracts to Affiliates. The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions and assignments.

To the maximum extent permitted by law, to the extent that any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

Except as otherwise provided in the Plan or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

(2) Cure of Defaults and Objections to Cure and Assumption

The Debtors or the Reorganized Debtors, as applicable, shall pay Cures, if any, on the Effective Date or as soon as reasonably practicable thereafter. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure that differ from the amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty must be filed with the Solicitation Agent on or before 30 days after the Effective Date. Any such request that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. Any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure; provided, however, that nothing in the Plan shall prevent the Reorganized Debtors from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtors also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be filed with the Bankruptcy Court on or before the Confirmation Hearing. Any such objection will be scheduled to be heard by the Bankruptcy Court at the Confirmation Hearing or at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing for which such objection is timely filed. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

If there is any dispute regarding any Cure, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other

matter pertaining to assumption, then payment of any Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. The Debtors and Reorganized Debtors, as applicable, reserve the right at any time to move to reject any Executory Contract or Unexpired Lease based upon an existence of any such unresolved dispute.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable Cure pursuant to Article V.B of the Plan shall result in the full release and satisfaction of any Cures, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Confirmation Order, and for which any Cure has been fully paid pursuant to Article V.B of the Plan, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.**

(3) **Rejection Damages Claims**

Each Executory Contract and Unexpired Lease, if any, set forth on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be deemed rejected, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including the Effective Date.

In the event that the rejection of an executory contract or unexpired lease by any of the Debtors results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors or their respective properties or interests in property as agents, successors, or assigns, unless a Proof of Claim is filed with the Bankruptcy Court and served upon counsel for the Debtors and the Reorganized Debtors no later than thirty (30) days after the later of (i) the Effective Date or (ii) the effective date of the rejection of such Executory Contract or Unexpired Lease. Any such Claims, to the extent Allowed, shall be classified as Class 5 (General Unsecured Claims).

Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each rejected Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

(4) **Insurance Policies**

Notwithstanding anything in the Plan to the contrary, all of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto, including all D&O Liability Insurance Policies (including tail coverage liability insurance). Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of all such insurance policies, including the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of insurance policies, including the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be filed, and shall survive the Effective Date.

After the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce, modify or restrict in any way, the coverage under any D&O Liability Insurance Policy (including such tail coverage liability insurance) in effect as of the Effective Date, and all members, managers, directors, and officers of the Debtors who served in such capacity at any time prior to the Effective Date of the Plan shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date of the Plan.

(5) **Nonoccurrence of Effective Date**

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline(s) have expired.

(6) **Reservation of Rights**

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or the Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

G. Release, Injunction, and Related Provisions

(1) **Discharge of Claims and Termination of Interests**

Except as otherwise provided for in the Plan, effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

(2) **Releases by the Debtors**

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Action brought as counterclaims or defenses to Claims asserted against the Debtors), the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities

Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtor Release; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

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

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, each Releasing Party, to the fullest extent allowed by applicable law, is deemed to have released and discharged each Debtor, Reorganized Debtor, and other Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct, or (c) obligations under the First Lien Credit Agreement and the Second Lien Credit Agreement which by their express terms survive the termination of the First Lien Credit Agreement and the Second Lien Credit Agreement, including the rights of the First Lien Agent and the Second Lien Agent to expense reimbursement, indemnification and similar amounts.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third Party Release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for

the good and valuable consideration provided by the Released Parties; (4) a good-faith settlement and compromise of the Claims released by the Third-Party Release; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to the Third-Party Release.

(4) **Exculpation**

Notwithstanding anything contained in the Plan to the contrary, 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, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. 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, 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.

(5) **Preservation of Causes of Action**

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, including pursuant to Article VIII of the Plan, the DIP Orders, or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, including pursuant to Article VIII of the Plan, the DIP Orders, or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to Article IV.R of the Plan include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action preserved pursuant to the first paragraph of Article IV.R of the Plan that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

(6) **Injunction**

Except as otherwise provided in the Plan or for obligations created or issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.B or Article VIII.C of the Plan, discharged pursuant to Article VIII.A of the Plan, or are subject to exculpation pursuant to Article VIII.D of the Plan shall be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the 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 encumbrance of any kind against such Entities or the property or 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 timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and I 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 discharged, released, exculpated, or settled pursuant to the Plan.

H. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Indemnification

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the New Organizational Documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' directors, officers, employees, or agents that were employed by, or serving on the board of directors of, any of the Debtors as of the Petition Date, to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any Claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and, notwithstanding anything in the Plan to the contrary, none of the Reorganized Debtors will amend and/or restate the New Organizational Documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

J. Recoupment

In no event shall any holder of a Claim be entitled to recoup such Claim against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

K. Release of Liens

Except as otherwise specifically provided in the Plan, the Exit Credit Facilities Documents (including in connection with any express written amendment of any mortgage, deed of trust, Lien, pledge, or other security interest under the Exit Credit Facilities Documents), or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, 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 Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors, the DIP Administrative Agent, the First Lien Agent, the Second Lien Agent or any other holder of a Secured Claim. In addition, at the sole expense of the Debtors or the Reorganized Debtors, the DIP Administrative Agent, the First Lien Agent, and the Second Lien Agent shall execute and deliver all documents reasonably requested by the Debtors, Reorganized Debtors or administrative agent(s) for the Exit Credit Facilities to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorize the Reorganized Debtors and their designees to file UCC-3 termination statements and other release documentation (to the extent applicable) with respect thereto.

L. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502I(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (a) such Claim has been adjudicated as noncontingent, or (b) the relevant holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

M. Employee Arrangements of the Reorganized Debtors

As of the Effective Date, the Reorganized Debtors shall be authorized to: (a) maintain, amend, or revise employment, indemnification, and other arrangements with their directors, officers, and employees, that were employed by, or serving on the board of directors of, any of the Debtors as of the Petition Date that have not been rejected before or as of the Effective Date, subject to the terms and conditions of any such agreement; and (b) enter into new employment, indemnification, and other arrangements with directors, officers, and employees, in the case of this clause (b), as determined by the board of directors of the applicable Reorganized Debtor. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

N. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan, or in any agreement, instrument, or other document incorporated in the Plan (including the Restructuring Transactions), on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use,

acquire, or dispose of property and pursue, compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

O. Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise provided in the Plan: (a) the obligations of the Debtors under the DIP Facility, the First Lien Loan Documents, the Second Lien Loan Documents, and any Interest in Holdings, certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of, or ownership interest in, the Debtors giving rise to any Claim or Interest shall be cancelled, other than an Intercompany Interest, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation, or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; provided that notwithstanding Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the holder of an Allowed Claim shall continue in effect solely for purposes of (i) enabling such holder to receive distributions under the Plan on account of such Allowed Claim as provided in the Plan, provided, further, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; provided, further, that nothing in this section shall effect a cancellation of any New Common Stock, Warrants, Intercompany Interests, or Intercompany Claims (subject to, with respect to Intercompany Interests and Intercompany Claims, the Restructuring Transactions).

Notwithstanding Confirmation, the occurrence of the Effective Date or anything to the contrary in the Plan, only such matters which by their express terms survive the termination of the First Lien Credit Agreement and the Second Lien Credit Agreement shall survive the occurrence of the Effective Date, including the rights of the First Lien Agent and the Second Lien Agent to expense reimbursement, indemnification and similar amounts.

P. Charter, Bylaws, and New Organizational Documents

On the Effective Date, or as soon thereafter as is reasonably practicable, the Reorganized Debtors' respective certificates of incorporation and bylaws (and other formation and constituent documents relating to limited liability companies) shall be amended as may be required to be consistent with the provisions of the Plan, the New Stockholders' Agreement, the other New Organizational Documents, the Warrant Agreement, the Governance Term Sheet, and the Exit Credit Facilities Documents, as applicable, and the Bankruptcy Code, in each case subject to the RSA Definitive Document Requirements. The New Organizational Documents shall, among other things: (a) authorize the issuance of the New Common Stock and the Warrants and the shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants; and (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting equity Securities. After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other formation and constituent documents as permitted by the laws of its respective jurisdiction of formation and the terms of the New Stockholders Agreement, the other New Organizational Documents, and the Warrant Agreement.

Q. Modification of Plan

Effective as of the date hereof: (a) the Debtors reserve the right (subject to the Restructuring Support Agreement and the RSA Definitive Document Requirements) in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan before the entry of the Confirmation Order consistent with the terms set forth in the Plan; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth in the Plan. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, shall

not amend or modify the Plan in a manner inconsistent with the Restructuring Support Agreement and the RSA Definitive Document Requirements.

R. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation of votes thereon pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

S. Revocation or Withdrawal of Plan

The Debtors reserve the right (subject to the Restructuring Support Agreement) to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (c) nothing contained in the Plan shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity, (2) prejudice in any manner the rights of any Debtor or any other Entity, or (3) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

T. Reservation of Rights

The Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

U. Plan Supplement Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After any of such documents included in the Plan Supplement are filed, copies of such documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Solicitation Agent's website at http://dm.epiq11.com/ameriforge or the Bankruptcy Court's website at https://www.pacer.gov/.

V. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Plan:

(a) the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Amount;

(b) the DIP Orders shall have been entered by the Bankruptcy Court, and shall not have been stayed or modified or vacated;

(c) (i) the Confirmation Order shall have been entered by the Bankruptcy Court and (ii) such order shall have become a Final Order that has not been stayed or modified or vacated;

(d) the Debtors shall not be in default under the DIP Facility or the DIP Orders (or, to the extent that the Debtors are in default on the proposed Effective Date, such default shall have been waived by the DIP Lenders or cured by the Debtors in a manner consistent with the DIP Facility, and the DIP Orders);

(e) the Debtors shall have obtained a binding commitment for a senior secured asset-backed revolving credit facility in the aggregate principal amount of up to $50 million, which may be in the form of the Exit ABL Facility;

(f) the Exit Credit Facilities Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Credit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Credit Facilities shall be deemed to occur concurrently with the occurrence of the Effective Date;

(g) (i) the Definitive Documents shall have satisfied the RSA Definitive Document Requirements; and (ii) in addition to the RSA Definitive Document Requirements applicable to the Exit Credit Facilities Documents, the Exit Credit Facilities Documents also shall be in form and substance reasonably satisfactory to the Exit ABL Facility Administrative Agent and Exit Term Loan Facility Administrative Agent, as applicable (in each case solely with respect to the provisions thereof that affect the rights and duties of the Exit ABL Facility Administrative Agent or Exit Term Loan Facility Administrative Agent, as applicable);

(h) all conditions precedent to the issuance of the New Common Stock, and the Warrants (and the automatic issuance of the New Common Stock, including the Warrants on the Effective Date), other than any conditions related to the occurrence of the Effective Date, shall have occurred;

(i) all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the New Stockholders' Agreement and the Warrant Agreement shall have been waived or satisfied in accordance with the terms thereof, and the closing of the New Stockholders' Agreement and the Warrant Agreement shall be deemed to occur concurrently with the occurrence of the Effective Date;

(j) to the extent required under applicable non-bankruptcy law, the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

(k) all governmental and material third party approvals and consents, including Bankruptcy Court approval, that are necessary to implement the Restructuring Transactions shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(l) the Restructuring Support Agreement shall not have terminated as to all parties thereto and shall be in full force and effect and the Debtors and the applicable Restructuring Support Parties then party thereto shall be in compliance therewith;

(m) all fees and expenses payable by the Debtors pursuant to Article XII.C of the Plan, section 16 of the Restructuring Support Agreement and the DIP Orders have been paid in full in Cash; and

(n) with respect to all documents and agreements necessary to implement the Plan: (1) all conditions precedent to such documents and agreements (other than any conditions precedent related to the occurrence of the Effective Date) shall have been satisfied or waived pursuant to the terms of such documents or agreements; (2) such documents and agreements shall have been tendered for delivery to the required parties and been approved by any required parties and, to the extent required, filed with and approved by any applicable Governmental Units in accordance with applicable laws; and (3) such documents and agreements shall have been effected or executed.

W. Waiver of Conditions Precedent

The Debtors, with the prior written consent of the Required First Lien Lenders and the Required Second Lien Lenders, and, solely with respect to the conditions in (x) Article IX.A(m), with respect to the Restructuring Expenses of the Sponsor Entities, and (y) Article IX.A(g), subject to the RSA Definitive Document Requirements, the as applicable, may waive any of the conditions to the Effective Date set forth in Article IX.A of the Plan (except

for Article IX.AI(i) of the Plan) at any time without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm or consummate the Plan; provided, however, the condition in Article IX.A(f) of the Plan may be waived with respect to a particular Definitive Document only to the extent that every party that maintains a consent right over the subject Definitive Document as set forth in the Restructuring Support Agreement agrees to waive such condition with respect to the subject Definitive Document.

X. Effect of Non-Occurrence of Conditions to Consummation

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order, then, except as provided in such Final Order, the Plan will be null and void in all respects, and nothing contained in the Plan, the Disclosure Statement, or the Restructuring Support Agreement shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by an Entity; (b) prejudice in any manner the rights of any Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity.

VII. RISK FACTORS

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

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

A. General

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

B. Risks Relating to the Plan and Other Bankruptcy Law Considerations

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

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

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

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors may seek, as promptly as practicable thereafter, Confirmation. If the Plan does not receive the required support from Classes 3 and/or 4, the Debtors may elect, subject to the terms of the Restructuring Support Agreement, to amend the Plan, seek to sell their assets pursuant to section 363 of the Bankruptcy Code, or proceed with liquidation. There can be no assurance that the terms of any such alternative chapter 11 plan or sale pursuant to section 363 of the Bankruptcy Code would be similar or as favorable to the holders of Allowed Claims as those proposed in the Plan.

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

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

The Bankruptcy Court could fail to approve this Disclosure Statement and determine that the votes in favor of the Plan should be disregarded. The Debtors then would be required to recommence the solicitation process, which would include re-filing a plan of reorganization and disclosure statement. Typically, this process involves a 60- to 90-day period and includes a Bankruptcy Court hearing with respect to the required approval of a disclosure statement, followed (after Bankruptcy Court approval) by solicitation of claim and interest holder votes for the plan of reorganization, followed by a confirmation hearing at which the Bankruptcy Court will determine whether the requirements for confirmation have been satisfied, including the requisite claim and interest holder acceptances.

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

- the potential absence of a market for the Debtors' assets on a going concern basis;
- additional administrative expenses involved in the appointment of a trustee; and
- additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other Executory Contracts in connection with a cessation of the Debtors' operations.

(4) **The Debtors May Object to the Amount or Classification of a Claim or Interest.**

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

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

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

The Confirmation and effectiveness of the Plan are subject to certain conditions that may or may not be satisfied. The Debtors cannot assure you that all requirements for Confirmation and effectiveness required under the Plan will be satisfied. If each condition precedent to Consummation is not met or waived, the Effective Date will not take place. In the event that the Plan is not Confirmed or is not Consummated, the Debtors may seek Confirmation of a new plan (subject to the terms of the Restructuring Support Agreement).

(6) **Contingencies May Affect Distributions to Holders of Allowed Claims.**

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.

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

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

- solicitation comply with applicable nonbankruptcy law;
- the plan of reorganization be transmitted to substantially all creditors and other interest holders entitled to vote; and
- the time prescribed for voting is not unreasonably short.

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

(8) **There is a Risk of Termination of the Restructuring Support Agreement.**

To the extent that events giving rise to termination of the Restructuring Support Agreement occur, the Restructuring Support Agreement may terminate prior to the Confirmation or Consummation of the Plan, which could result in the loss of support for the Plan by important creditor constituencies and could result in the loss of use of cash collateral by the Debtors under certain circumstances. Any such loss of support could adversely affect the Debtors' ability to confirm and consummate the Plan.

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

Certain parties in interest may contest the Debtors' authority to commence and/or prosecute the Chapter 11 Cases. If, pursuant to any such proceeding, the Bankruptcy Court finds that some or all of the Debtors could not commence the Chapter 11 Cases for any reason (including for cause or any grounds supporting abstention), the Debtors may be unable to consummate the transactions contemplated by the Restructuring Support Agreement and the Plan, and the Consenting First Lien Lenders, in their capacity as DIP Lenders, may be unwilling to proceed with their $70 million new money investment, and the Consenting First Lien Lenders may not accept the Exit Term Loan Facility in exchange for their respective DIP Claims (subject to the rights of the Eligible Participants to exercise the Subscription Option). If some or all of the Chapter 11 Cases are dismissed, the Debtors may be forced to cease operations due to insufficient funding and/or liquidate their businesses in another forum to the detriment of all parties in interest.

(10) **The United States Trustee or Other Parties May Object to the Plan on Account of the Third-Party Release Provisions.**

Any party in interest, including the United States Trustee (the "U.S. Trustee"), could object to the Plan on the grounds that the third-party release contained in Article VIII.C of the Plan is not given consensually or in a permissible non-consensual manner. In response to such an objection, the Bankruptcy Court could determine that the third-party release is not valid under the Bankruptcy Code. If the Bankruptcy Court makes such a determination, the Plan could not be confirmed without modifying the Plan to alter or remove the third-party release. This could result in substantial delay in Confirmation of the Plan or the Plan not being confirmed at all.

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

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

(12) **The Plan May Have Material Adverse Effects on the Debtors' Operations.**

The solicitation of acceptances of the Plan and commencement of the Chapter 11 Cases could adversely affect the relationships between the Debtors and their respective customers, employees, partners, and other parties. Such adverse effects could materially impair the Debtors' operations.

(13) **The Debtors Cannot Predict the Amount of Time Spent in Bankruptcy for the Purpose of Implementing the Plan, and a Lengthy Bankruptcy Proceeding Could**

Disrupt the Debtors' Businesses, as Well as Impair the Prospect for Reorganization on the Terms Contained in the Plan.

The Debtors estimate that the process of obtaining Confirmation and Consummation of the Plan by the Bankruptcy Court will last approximately 60 days from the Petition Date, but it could last considerably longer if, for example, Confirmation is contested or the conditions to Confirmation or Consummation are not satisfied or waived.

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

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

A lengthy bankruptcy proceeding also would involve additional expenses and divert the attention of management from the operation of the Debtors' businesses.

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

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

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

If another party in interest were to propose an alternative plan of reorganization following expiration or termination of the Debtors' exclusivity period, such a plan may be less favorable to existing holders of Claims. An alternative plan of reorganization also may not be predicated on the $70 million new money investment from the Consenting First Lien Lenders, in their capacity as DIP Lenders, and the Consenting First Lien Lenders acceptance of the Exit Term Loan Facility (subject to the rights of Eligible Participants to exercise the Subscription Option), which may result in less favorable treatment for a number of other constituencies, including the holders of Claims in Classes 3, 4, and 5.

The Debtors consider maintaining relationships with their stakeholders, customers, and other partners as critical to maintaining the value of their enterprise following the Effective Date and have sought to treat those constituencies accordingly. However, proponents of alternative plans of reorganization may not share the Debtors' assessments and may seek to impair the Claims or Interests of such constituencies to a greater degree. If there were competing plans of reorganization, the Chapter 11 Cases likely would become longer, more complicated, more

litigious, and much more expensive. If this were to occur, or if the Debtors' stakeholders or other constituencies important to the Debtors' business were to react adversely to an alternative plan of reorganization, the adverse consequences discussed in the foregoing sections also could occur.

(15) **The Debtors' Business May Be Negatively Affected if the Debtors Are Unable to Assume Their Executory Contracts.**

An executory contract is a contract on which performance remains due to some extent by both parties to the contract. The Plan provides for the assumption of all Executory Contracts and Unexpired Leases, except any such contracts or leases specifically identified in the Plan Supplement. The Debtors intend to preserve as much of the benefit of their existing Executory Contracts and Unexpired Leases as possible. However, with respect to some limited classes of Executory Contracts, including licenses with respect to patents or trademarks, the Debtors may need to obtain the consent of the counterparty to maintain the benefit of the contract. If such consent is required, there is no guarantee that such consent either would be forthcoming or that conditions would not be attached to any such consent that makes assuming the contracts unattractive. The Debtors then would be required to either forego the benefits offered by such contracts or to find alternative arrangements to replace them.

(16) **Material Transactions Could Be Set Aside as Fraudulent Conveyances or Preferential Transfers.**

Certain payments received by stakeholders prior to the bankruptcy filing could be challenged under applicable debtor/creditor or bankruptcy laws as either a "fraudulent conveyance" or a "preferential transfer." A fraudulent conveyance occurs when a transfer of a debtor's assets is made with the intent to defraud creditors or in exchange for consideration that does not represent reasonably equivalent value to the property transferred. A preferential transfer occurs upon a transfer of property of the debtor while the debtor is insolvent for the benefit of a creditor on account of an antecedent debt owed by the debtor that was made on or within 90 days before the petition date or one year before the petition date, if the creditor, at the time of such transfer, was an insider. If any transfer were challenged in the Bankruptcy Court and found to have occurred with regard to any of the Debtors' material transactions, the Bankruptcy Court could order the recovery of all amounts received by the recipient of the transfer.

(17) **The Debtors May Be Unsuccessful in Obtaining First Day Orders To Permit Them to Pay Their Vendors or Continue Operating Their Businesses in the Ordinary Course of Business.**

The Debtors have attempted to address potential concerns of their customers, vendors, and other key parties in interest that might arise from the filing of the Plan through a variety of provisions incorporated into or contemplated by the Plan, including the Debtors' intention to seek appropriate Bankruptcy Court orders to permit the Debtors to pay their prepetition and postpetition accounts payable to parties in interest in the ordinary course. However, there can be no guarantee that the Debtors will be successful in obtaining the necessary approvals of the Bankruptcy Court for such arrangements or for every party in interest the Debtors may seek to treat in this manner, and, as a result, the Debtors' businesses might suffer.

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

Upon commencing the Chapter 11 Cases, the Debtors will ask the Bankruptcy Court to authorize the Debtors to enter into postpetition financing arrangements and use cash collateral to fund the Chapter 11 Cases and to provide customary adequate protection to the Prepetition Secured Parties, which requests will be in accordance with the terms of the Restructuring Support Agreement. Such access to postpetition financing and cash collateral will provide liquidity during the pendency of the Chapter 11 Cases. There can be no assurance that the Bankruptcy Court will approve the DIP Facility and/or such use of cash collateral on the terms requested. Moreover, if the Chapter 11 Cases take longer than expected to conclude, the Debtors may exhaust their available cash collateral and postpetition financing. There is no assurance that the Debtors will be able to obtain an extension of the right to obtain further postpetition financing or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' businesses may be impaired materially.

(19) **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 Petition Date or before Confirmation of the Plan (a) would be subject to compromise and/or treatment under the Plan and/or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through the Plan could be asserted against the applicable Reorganized Debtors and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations on a post-reorganization basis.

C. Risks Relating to the Restructuring Transactions

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

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

(2) **The Support of the Restructuring Support Parties Is Subject to the Terms of the Restructuring Support Agreement Which Is Subject to Termination in Certain Circumstances.**

Pursuant to and subject to the terms of the Restructuring Support Agreement, the Restructuring Support Parties are obligated to support the restructuring discussed above and the Plan. Nevertheless, the Restructuring Support Agreement is subject to termination upon the occurrence of certain termination events. Accordingly, the Restructuring Support Agreement may be terminated after the date of this Disclosure Statement, and such a termination would present a material risk to Confirmation and/or Consummation of the Plan because the Plan may no longer have the support of the Restructuring Support Parties.

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

The Financial Projections attached hereto as **Exhibit E** includes projections covering the Debtors' operations through 2020. These projections are based on assumptions that are an integral part of the projections, including Confirmation and Consummation of the Plan in accordance with its terms, the anticipated future performance of the Debtors, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize.

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

Further, during the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as restructuring activities and expenses, 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 the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting

date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

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

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

For the restructuring to be successful, during the period before the Effective Date, the Debtors must continue to retain, motivate, and recruit executives and other key employees and maintain employee morale. Moreover, the Debtors must be successful at retaining and motivating key employees following the Effective Date. Employees of the Debtors may feel uncertainty about their future roles with the Debtors until, or even after, future strategies are announced or executed. The potential distractions of the restructuring may adversely affect the ability of the Debtors to retain, motivate, and recruit executives and other key employees and keep them focused on applicable strategies and goals. Additionally, the Debtors' employees could seek employment with one of the Debtors' competitors, which, in light of the Chapter 11 Cases, may seek to lure the employees at a time when such employees may be fearful about the Debtors' future. To be sure, a failure by the Debtors to attract, retain, and motivate executives and other employees during the period prior to or after the Effective Date could have a negative impact on the Debtors' businesses.

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

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

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

If the Plan is not Confirmed and Consummated, the ongoing businesses of the Debtors may be adversely affected and there may be various consequences, including:

- the adverse impact to the Debtors' businesses caused by the failure to pursue other beneficial opportunities due to the focus on the restructuring, without realizing any of the anticipated benefits of the restructuring;
- the incurrence of substantial costs by the Debtors in connection with the restructuring, without realizing any of the anticipated benefits of the restructuring;
- the possibility, for the Debtors, of being unable to repay indebtedness when due and payable; and
- the Debtors pursuing traditional chapter 11 or chapter 7 proceedings, resulting in recoveries for creditors and interest holders that are less than contemplated under the Plan, or resulting in no recovery for certain creditors and interest holders.

(6) **Even if the Restructuring Transactions are Successfully Consummated, the Debtors Will Continue to Face Risks.**

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

D. Risks Relating to the New Common Stock and Warrants

(1) **The Debtors May Not Be Able to Achieve Their Projected Financial Results.**

The Debtors may not be able to meet their projected financial results or achieve the revenue or cash flow that the Debtors have assumed in projecting their future business prospects. If the Debtors do not achieve these projected revenue or cash flow levels, the Debtors may lack sufficient liquidity to continue operating as planned after emergence. The financial projections represent management's view based on currently known facts and hypothetical assumptions about their future operations. They do not, however, guarantee the Debtors' future financial performance.

(2) **The Plan Exchanges Senior Indebtedness for Junior Securities.**

If the Plan is confirmed and consummated, holders of First Lien Claims and Second Lien Claims will receive the New Common Stock and the Warrants, as applicable. Thus, in agreeing to the Plan, certain of such holders will be consenting to the exchange of their interests in senior debt, which has, among other things, a stated interest rate, a maturity date, and a liquidation preference over equity securities, for the New Common Stock and the Warrants, which are equity securities that will be subordinate to all future creditor claims.

(3) **A Liquid Trading Market for the New Common Stock and the Warrants May Not Develop.**

The Debtors make no assurance that liquid trading markets for the New Common Stock and the Warrants will develop. The New Common Stock and Warrants will not be listed on any securities exchange. The liquidity of any market for the New Common Stock and the Warrants will depend, among other things, upon the number of holders of New Common Stock and Warrants, the Reorganized Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Therefore, the Debtors cannot assure that an active trading market will develop or, if a market develops, what the liquidity or pricing characteristics of that market will be.

(4) **The Debtors May Be Controlled by Significant Holders.**

If the Plan is Confirmed and Consummated, holders of First Lien Claims and Second Lien Claims will receive the New Common Stock and Warrants, as applicable. The holders of First Lien Claims and Second Lien Claims will own approximately 95.5% and 4.5% of the New Common Stock (in each case, subject to dilution on account of the MIP Equity and Warrant Equity), respectively. If holders of a significant portion of the New Common Stock were to act as a group, such holders would be in a position to control the outcome of actions requiring shareholder approval. In addition, the Ad Hoc First Lien Group will appoint a majority of the directors of the New Board.

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

The Debtors' financial projections are based on numerous assumptions including: timely Confirmation and Consummation pursuant to the terms of the Plan; the anticipated future performance of the Debtors; industry performance; general business and economic conditions; and other matters, many of which are beyond the control of

the Debtors and some or all of which may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the date of this Disclosure Statement or subsequent to the date that the Disclosure Statement is approved by the Bankruptcy Court may affect the actual financial results of the Debtors' operations. These variations may be material and may adversely affect the ability of the Debtors to make payments with respect to indebtedness following Consummation. Because the actual results achieved throughout the periods covered by the projections may vary from the projected results, the projections should not be relied upon as an assurance of the actual results that will occur. Except with respect to the projections and except as otherwise specifically and expressly stated, the Disclosure Statement does not reflect any events that may occur subsequent to the date of the Disclosure Statement. Such events may have a material impact on the information contained in the Disclosure Statement. The Debtors do not intend to update the projections and therefore the projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the projections.

E. Risks Relating to the Debtors' Business

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

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

(2) The Debtors' Substantial Liquidity Needs May Impact Revenue.

The Debtors' principal sources of liquidity historically have been cash flow from operations, sales, borrowings under their Prepetition Credit Facilities, and issuances of equity securities. If the Debtors' cash flow from operations decreases, the Debtors' ability to expend the capital necessary to grow their businesses and continue to provide innovative product and service offerings will be severely strained.

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources and have extremely limited, if any, access to additional financing. In addition to the cash necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors cannot guarantee that cash on hand, cash flow from operations, and cash provided by the DIP Facility will be sufficient to continue to fund their operations and allow the Debtors to satisfy obligations related to the Chapter 11 Cases until the Debtors are able to emerge from bankruptcy protection.

The Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) their ability to comply with the terms and condition of any debtor-in-possession financing and/or cash collateral order entered by the Bankruptcy Court in connection with the Chapter 11 Cases; (b) their ability to maintain adequate cash on hand; (c) their ability to generate cash flow from operations; (d) their ability to develop, confirm, and consummate a chapter 11 plan or other alternative restructuring transaction; I the availability of incremental draws under the DIP Facility; and (f) the cost, duration, and outcome of the Chapter 11 Cases. The Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the Debtors' control. In the event that cash on hand, cash flow from operations, and cash provided under the DIP Facility are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors can provide no assurance that additional financing would be available or, if available, offered to the Debtors on acceptable terms. The Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at all. In addition, the Debtors' ability to consummate the Plan is dependent on, among other things, their ability to satisfy the conditions precedent to the Exit Credit Facilities. The Debtors can provide no assurance that such conditions will be satisfied. The Debtors' long-term liquidity requirements and the adequacy of their capital resources are difficult to predict at this time.

(3) **Oil and Natural Gas Prices are Volatile, and and Low Oil or Natural Gas Prices Could Materially Adversely Affect the Debtors' Business.**

The Debtors' revenues depend in part on the level of global activity for offshore and land-based oil and natural gas exploration, development, and production. Both short-term and long-term trends in oil and natural gas prices affect these levels. Oil and natural gas are commodities, and therefore, their prices are subject to wide fluctuations in response to changes in supply and demand. Oil and natural gas prices, as well as the level of exploration, development, and production activity, can be highly volatile and have experienced significant decline in recent years. For example, from January 1, 2016, through December 31, 2016, oil prices were as high as $53.72 per barrel and as low as $29.01 per barrel. As of the date hereof, oil prices were $51.05 per barrel. Likewise, from January 1, 2016, through December 31, 2016, natural gas prices were as high as $3.60 per MMBtu and as low as $1.70 per MMBtu. As of the date hereof, natural gas prices were $3.16 per MMbtu. Worldwide military, political, and economic events, including the initiatives by the Organization of Petroleum Exporting Countries, affect both the demand for, and supply of, oil and natural gas. Weather conditions, governmental regulation, and taxes (both in the United States and elsewhere), levels of consumer demand, speculation in the price of commodities in the commodity futures market and other factors beyond the Debtors' control may also affect the supply of and demand for oil and natural gas. Low oil and natural gas prices have resulted in a significant decrease in the demand for the Debtors' products and services. Continued low oil and natural gas prices, or a further decline in oil and gas prices, could depress the level of exploration, development, and production activity, and result in a corresponding further decline in the demand for the Debtors' products and services, which would have an adverse effect on the Debtors' revenues, cash flows, and profitability. There can be no assurances as to the future level of demand for the Debtors' products and services or future conditions in the oil and natural gas and oilfield services industries.

(4) **Acquisitions of Companies, Products, or Technologies, or Internal Restructuring and Cost Savings Initiatives May Disrupt the Debtors' Ongoing Businesses.**

The Debtors have acquired and may continue to acquire companies, products, and technologies that complement their strategic direction. Acquisitions involve significant risks and uncertainties, including:

- inability to successfully integrate the acquired technology and operations into the Debtors' business and maintain uniform standards, controls, policies, and procedures;
- inability to realize synergies expected to result from an acquisition;
- challenges retaining the key employees, customers, resellers and other business partners of the acquired operation; and
- the internal control environment of an acquired entity may not be consistent with the Debtors' standards and may require significant time and resources to improve.

Acquisitions and divestitures are inherently risky. The Debtors' transactions may not be successful and may, in some cases, harm operating results or their financial condition. In addition, if the Debtors use debt to fund acquisitions or for other purposes, their interest expense and leverage may significantly increase. If the Debtors issue equity securities as consideration in an acquisition, current shareholders' percentage ownership and earnings per share may be diluted.

In addition, from time to time, the Debtors may undertake internal restructurings and other initiatives intended to reduce expenses. These initiatives may not lead to the benefits the Debtors expect, may be disruptive to the Debtors' personnel and operations, and may require substantial management time and attention. Moreover, the Debtors could encounter delays in executing their plans, which could entail further disruption and associated costs. If these disruptions result in a decline in productivity of the Debtors' personnel, negative impacts on operations, or if they experience unanticipated expenses associated with these initiatives, the Debtors' business and operating results may be harmed.

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

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

F. Certain Tax Implications of the Chapter 11 Cases

Holders of Allowed First Lien Claims and Allowed Second Lien Claims should carefully review Article X of this Disclosure Statement, "Certain U.S. Federal Income Tax Consequences," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Reorganized Debtors and holders of such Claims.

G. Disclosure Statement Disclaimer

(1) **Information Contained Herein Is Solely for Soliciting Votes.**

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

(2) **Disclosure Statement May Contain Forward-Looking Statements.**

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

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

- business strategy;
- technology;
- financial condition, revenues, cash flows, and expenses;
- levels of indebtedness, liquidity, and compliance with debt covenants;
- financial strategy, budget, projections, and operating results;
- oil and natural gas prices and the overall health of the oil and natural gas industry;
- steel prices and the future demand for industrial products;
- future demand for oilfield services;
- the amount, nature, and timing of capital expenditures, including future development costs;

- availability and terms of capital;
- successful results from the Debtors' operations;
- the integration and benefits of asset and property acquisitions or the effects of asset and property acquisitions or dispositions on the Debtors' cash position and levels of indebtedness;
- costs of conducting the Debtors' operations;
- general economic and business conditions;
- effectiveness of the Debtors' risk management activities;
- environmental liabilities;
- counterparty credit risk;
- the outcome of pending and future litigation;
- governmental regulation and taxation of the oil and natural gas industry;
- developments in oil-producing and natural gas-producing countries;
- uncertainty regarding the Debtors' future operating results;
- plans, objectives, and expectations;
- variations in the market demand for, and prices of, oil, natural gas liquids, and natural gas;
- the adequacy of the Debtors' capital resources and liquidity;
- access to capital and general economic and business conditions;
- risks in connection with acquisitions;
- the potential adoption of new governmental regulations impacting the Debtors' businesses; and
- the Debtors' ability to satisfy future cash obligations and environmental costs.

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

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

THIS DISCLOSURE STATEMENT IS NOT LEGAL, BUSINESS, OR TAX ADVICE TO YOU. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other

matters concerning his or her Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation.

(4) **No Admissions Made**

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

(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. All parties, including the Debtors, reserve the right to continue to investigate Claims and Interests and file and prosecute objections to Claims and Interests.

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

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

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

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

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

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

(9) **No Representations Outside of the Disclosure Statement Are Authorized**

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

VIII. CONFIRMATION PROCEDURES

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

A. The Confirmation Hearing

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a plan of reorganization. On the Petition Date, the Debtors will file a motion requesting that the Bankruptcy Court set a date and time within approximately 30 days after the Petition Date for the Confirmation Hearing. In this case, the Debtors will also request that the Bankruptcy Court approve this Disclosure Statement at the Confirmation Hearing. The Confirmation Hearing, once set, 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 in accordance with the Bankruptcy Rules, without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to section 1127 of the Bankruptcy Code and the Restructuring Support Agreement, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

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

B. Confirmation Standards

Among the requirements for Confirmation are that the Plan (a) is accepted by all Impaired Classes of Claims and Interests or, if rejected by an Impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (b) is feasible; and (c) is in the "best interests" of holders of Claims and Interests that are Impaired under the Plan.

The following requirements must be satisfied pursuant to section 1129(a) of the Bankruptcy Code before a bankruptcy court may confirm a plan of reorganization. The Debtors believe that the Plan fully complies with all the applicable requirements of section 1129 of the Bankruptcy Code set forth below, other than those pertaining to voting, which has not yet taken place.

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors (or any other proponent of the Plan) 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 by the Debtors (or any other proponent of the Plan) or by a Person issuing Securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incident to the Chapter 11 Cases is subject to the approval of the Bankruptcy Court as reasonable.
- The Debtors (or any other proponent of the Plan) have disclosed the identity and affiliations of any individual proposed to serve, after Confirmation, as a director, or officer, the Reorganized Debtors, any Affiliate of the Debtors reorganized under the Plan, or any successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy.
- The Debtors (or any other proponent of the Plan) have disclosed the identity of any Insider that will be employed or retained the Reorganized Debtors and the nature of any compensation for such Insider.

- With respect to each holder within an Impaired Class of Claims or Interests, as applicable, each such holder (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

- With respect to each Class of Claims or Interests, such Class (a) has accepted the Plan or (b) is Unimpaired under the Plan (subject to the "cram-down" provisions discussed below); see Section E hereof ("Confirmation Without Acceptance by All Impaired Classes").

- The Plan provides for treatment of Claims, as applicable, in accordance with the provisions of section 507(a) of the Bankruptcy Code.

- If a Class of Claims is Impaired under the Plan, at least one Class of Claims that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any Insider.

- Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors, or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

- All fees payable under 28 U.S.C. § 1930 have been paid or the Plan provides for the payment of all such fees on the Effective Date.

- The Plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection I(1)(B) or (g) of section 1114 of the Bankruptcy Code, at any time prior to Confirmation, for the duration of the period the applicable Debtor has obligated itself to provide such benefits.

C. Best Interests Test / Liquidation Analysis

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

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

D. Feasibility

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

business operations. Therefore, Confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

E. Confirmation Without Acceptance by All Impaired Classes

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

(1) No Unfair Discrimination

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

(2) Fair and Equitable Test

This test applies to Classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no Class of Claims or Interests receive more than 100% of the amount of the allowed Claims or Interests in such Class. As to the dissenting Class, the test sets different standards depending on the type of Claims or Interests in such Class. In order to demonstrate that a plan is fair and equitable, the plan proponent must demonstrate:

- Secured Creditors: Each holder of a secured claim: (1) retains its liens on the property, to the extent of the allowed amount of its secured claim, and receives deferred cash payments having a value, as of the effective date of the chapter 11 plan, of at least the allowed amount of such claim; (2) has the right to credit bid the amount of its claim if its property is sold and retains its liens on the proceeds of the sale (or if sold, on the proceeds thereof); or (3) receives the "indubitable equivalent" of its allowed secured claim.

- Unsecured Creditors: Either (1) each holder of an impaired unsecured claim receives or retains under the chapter 11 plan property of a value equal to the amount of its allowed claim or (2) the holders of claims and interests that are junior to the claims of the non-accepting class will not receive any property under the chapter 11 plan.

- Holders of Interests: Either (1) each holder of an impaired interest will receive or retain under the chapter 11 plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled, or the value of the interest or (2) the holders of interests that are junior to the non-accepting class will not receive or retain any property under the chapter 11 plan.

The Debtors believe the Plan satisfies the "fair and equitable" requirement notwithstanding that Class 8 (the Interests in Holdings) are deemed to reject the Plan, because, as to such Class, there is no Class of equal priority receiving more favorable treatment and no Class that is junior to such Classes will receive or retain any property on account of the Claims or Interests in such Class.

The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for "cram down" (or non-consensual Confirmation of the Plan) pursuant to section 1129(b) of the Bankruptcy Code.

F. Alternatives to Confirmation and Consummation of the Plan

If the Plan cannot be confirmed, subject to the requirements of the Restructuring Support Agreement, the Debtors may seek to (1) prepare and present to the Bankruptcy Court an alternative chapter 11 plan for confirmation, (2) effect a merger or sale transaction, including, potentially, a sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (3) liquidate their assets and businesses under chapter 7 of the Bankruptcy Code. If the Debtors were to pursue a liquidation of their assets and businesses in chapter 7, the Debtors would convert these Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, and a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on creditors' recoveries and the Debtors is described in the unaudited Liquidation Analysis attached hereto as **Exhibit C**.

IX. IMPORTANT SECURITIES LAW DISCLOSURE

A. New Common Stock and Warrants

As discussed herein, the Plan provides for the Reorganized Debtors to distribute the New Common Stock and the Warrants to holders of First Lien Claims and Second Lien Claims in accordance with Article III of the Plan. The MIP Equity will also be distributed under the Management Incentive Plan after the Effective Date.

The Debtors believe that the class of New Common Stock and the Warrants will be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable Blue Sky Law. The Debtors further believe that the offer and sale of the New Common Stock and/or the Warrants pursuant to the Plan is, and subsequent transfers of the New Common Stock and/or Warrants by the holders thereof that are not "underwriters" (as defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code) will be, exempt from federal and state securities registration requirements under the Bankruptcy Code and any applicable state Blue Sky Law as described in more detail below.

B. Issuance and Resale of New Common Stock and Warrants

All shares of the New Common Stock and the Warrants issued (a) to holders of First Lien Claims and (b) holders of Second Lien Claims, as applicable, on account of their Claims and all shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants, will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code. Section 1145 of the Bankruptcy Code provides that Section 5 of the Securities Act and any state law requirements for the offer and sale of a security do not apply to the offer or sale of stock, options, warrants 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 are issued principally in such exchange or partly for cash and property. The Debtors believe that the offer and sale of the New Common Stock and Warrants, and all shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon exercise of the Warrants, in exchange for the Claims described above satisfy the requirements of section 1145(a) of the Bankruptcy Code. Accordingly, no registration statement will be filed under the Securities Act or any state securities laws. Recipients of the New Common Stock and the Warrants are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state Blue Sky Law. As discussed below, the exemptions provided for in section 1145(a) do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code.

C. Resales of New Common Stock and Warrants; 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" all "affiliates," which are all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means 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 or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "Controlling Person" of the debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns 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 New Common Stock and/or the Warrants by entities deemed to be "underwriters" (which definition includes "Controlling Persons") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of New Common Stock and/or Warrants who are deemed to be "underwriters" may be entitled to resell their New Common Stock pursuant to the limited safe harbor resale provisions of 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 the required holding period has been met and, under certain circumstances, current information regarding the issuer is publicly available and volume limitations, manner of sale requirements and certain other conditions are met. Whether any particular Person would be deemed to be an "underwriter" (including whether the Person is a "Controlling Person") with respect to the New Common Stock and Warrants would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the New Common Stock and/or Warrants and, in turn, whether any Person may freely resell New Common Stock and/or Warrants. However, the Debtors do not intend to make publicly available the requisite information regarding the Company, and, as a result, after the holding period, Rule 144 will not be available for resales of the New Common Stock or Warrants by Persons deemed to be underwriters or otherwise.

Accordingly, the Debtors recommend that potential recipients of the New Common Stock and the Warrants consult their own counsel concerning their ability to freely trade such securities without compliance with the federal law and any applicable state Blue Sky Law. In addition, these securities will not be registered under the Exchange Act or listed on any national securities exchange. The Debtors make no representation concerning the ability of a person to dispose of the New Common Stock or the Warrants

D. New Common Stock & Management Incentive Plan

The terms of the Management Incentive Plan shall be determined by the Consenting First Lien Lenders prior to the Confirmation Hearing. The Confirmation Order shall authorize the New Board to adopt and enter into the Management Incentive Plan, which shall reserve 10% of the New Common Stock for MIP Equity. Grants of such MIP Equity will dilute all of the New Common Stock outstanding at the time of such issuance.

X. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

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 holders of Claims entitled to vote on

the Plan (*i.e.*, holders of Allowed First Lien Claims and Allowed Second Lien Claims). It does not address the U.S. federal income tax consequences to holders of Claims not entitled to vote on the Plan or to holders of Interests. This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax 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. The Debtors have not requested, and will not 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 non-U.S., state, local or non-income tax consequences of the Plan (including such consequences with respect to the Debtors or the Reorganized Debtors), 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 Tax Code, persons liable for alternative minimum tax, U.S. holders whose functional currency is not the U.S. dollar, U.S. expatriates, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, controlled foreign corporations, passive foreign investment companies, partnerships (or other entities treated as partnerships or other pass-through entities), beneficial owners of partnerships (or other entities treated as partnerships or other pass-through entities), subchapter S corporations, persons who hold Claims or who will hold the New Common Stock and/or Warrants 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 Tax Code). This summary also assumes that the First Lien Claims and the Second Lien Claims will be respected as debt for U.S. federal income tax purposes in accordance with their form. The U.S. federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors and holders of Allowed First Lien Claims and Allowed Second Lien Claims described below also may vary depending on the nature of any Restructuring Transactions that the Debtors and/or Reorganized Debtors engaged in.

This summary does not address the receipt, if any, of property by holders of Claims other than in their capacity as such (*e.g.*, this summary does not discuss the treatment of any commitment fee or similar arrangement), and the treatment of the receipt of any such property may vary significantly from the treatment described herein.

For purposes of this discussion, a "U.S. holder" is a holder of a Claim that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons (within the meaning of section 7701(a)(30) of the Tax Code) have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "non-U.S. holder" is any holder of a Claim that is neither a U.S. holder nor a 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 entity. Partners (or other beneficial owners) of partnerships (or other entities treated as partnerships or other pass-through entities) that are holders of Claims should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

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 OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

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

(1) Characterization of Restructuring Transactions

The Debtors intend to cause the New Common Stock and Warrants that will be received by the holders of Claims entitled to New Common Stock or Warrants in exchange for their Claims pursuant to the Plan to be issued by Reorganized Holdings to Reorganized Debtor Ameriforge Group Inc., and then exchanged (in addition to the other consideration, if applicable) by Reorganized Debtor Ameriforge Group Inc. with such holders pursuant to the Plan, and to treat such transactions as occurring in the same order (issuance, contribution, and exchange) for U.S. federal income tax purposes. The Debtors believe, and intend to take the position that, this treatment applies for U.S. federal income tax purposes, and the remainder of the discussion assumes this to be the case. The tax consequences to the Debtors, the Reorganized Debtors, and holders of Claims described herein could be materially different in the event this characterization was not respected for U.S. federal income tax purposes.

The Debtors do not currently anticipate that the Restructuring Transactions will result in any immediate material U.S. federal income tax liability to the Debtors or the Reorganized Debtors. As discussed immediately below, however, the Debtors do expect the Restructuring Transactions to result in material decreases in certain of the Reorganized Debtors' tax attributes.

(2) Cancellation of Debt Income and Reduction of Tax Attributes

In general, absent an exception, a debtor will realize and recognize cancellation of debt income ("COD Income"), for U.S. federal income tax purposes, upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of Cash paid, (ii) the issue price of any new indebtedness of the debtor issued, and (iii) the fair market value of any other consideration (including stock or warrants of the debtor or another entity) given in satisfaction of such indebtedness at the time of the exchange.

Under section 108 of the Tax Code, COD Income is excluded from a debtor's gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to the rule discussed in the preceding sentence. In general, tax attributes will be reduced in the following order: (a) net operating losses ("NOLs") and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; I tax basis in assets (but not in an amount greater than the excess of the aggregate tax bases of the property held by the debtor immediately after the discharge over the aggregate amount of the debtor's liabilities immediately after the discharge); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code. The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. Any excess COD Income over the amount of available tax attributes is not subject to U.S. federal income tax and generally has no other U.S. federal income tax impact.

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

As a result of the Restructuring Transactions, the Debtors expect to realize significant COD Income, which is expected to result in material reductions in NOLs, NOL carryforwards, tax basis in assets, and other tax attributes.

(3) **Limitation of NOL Carryforward and Other Tax Attributes**

The Debtors estimate that the Debtors' NOL carryforwards as of the end of 2016 total approximately $224.83 million. Following the Effective Date, the Debtors anticipate that any surviving NOL carryovers, capital loss carryovers, tax credit carryovers, and certain other tax attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Reorganized Debtors allocable to periods before the Effective Date (collectively, the "Pre-Change Losses") may be subject to limitation under sections 382 and 383 of the Tax Code as a result of an "ownership change" of the Reorganized Debtors by reason of the transactions consummated pursuant to the Plan.

Under sections 382 and 383 of the Tax Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. The rules of section 382 of the Tax Code are complicated, but as a general matter, the Debtors anticipate that the distribution of the New Common Stock pursuant to the Plan will result in an "ownership change" of the Reorganized Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the Tax Code applies.

(a) **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) multiplied by (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the "ownership change" occurs: 2.09% for ownership changes occurring in April 2017).

If a corporation (or affiliated group) has a net unrealized built-in gain at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then the section 382 limitation may be increased to the extent that the debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65. If a corporation (or affiliated 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 affiliated group's) net unrealized built-in gain or 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% of the fair market value of its assets (with certain adjustments) before the ownership change.

Section 383 of the Tax 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.

Notwithstanding the rules described above, if post-ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change (the "***Business Continuity Requirement***"), the annual limitation resulting from the ownership change is zero.

As discussed below, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

(b) **Special Bankruptcy Exceptions**

An exception to the foregoing annual limitation rules generally applies when shareholders or so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their claims, at least 50% of the vote

and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis, but, instead, NOL carryforwards will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the taxable year that includes the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies, the Business Continuity Requirement does not apply, although a different business continuation requirement may apply under the Treasury Regulations. 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 effectively would be eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule 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 because under the 382(l)(6) Exception, the debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo an ownership change within two years without automatically triggering the elimination of its Pre-Change Losses. If the 382(l)(6) Exception applies, the Business Continuity Requirement discussed above also applies.

The Debtors have not yet determined whether the ownership change resulting from the Restructuring Transactions will qualify for the 382(l)(5) Exception, but even if such ownership change qualifies for the 382(l)(5) Exception, the Debtors or the Reorganized Debtors may decide to elect out of the 382(l)(5) Exception, particularly if it appears likely that another ownership change will occur within two years after emergence. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the Tax Code were to occur after the Effective Date.

(4) **Alternative Minimum Tax**

In general, an alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income ("AMTI") at a 20% rate to the extent such tax exceeds the corporation's regular U.S. federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, except for alternative tax NOLs generated in certain years, which can offset 100% of a corporation's AMTI, only 90% of a corporation's AMTI may be offset by available alternative tax NOL carryforwards. The effect of this rule could cause the Debtors or the Reorganized Debtors to owe some U.S. federal income tax on taxable income in the current year or future years even if NOL carryforwards are available to offset that taxable income. Additionally, under section 56(g)(4)(G) of the Tax Code, an ownership change (as discussed above) that occurs with respect to a corporation having a net unrealized built-in loss in its assets will cause, for AMT purposes, the adjusted basis of each asset of the corporation immediately after the ownership change to be equal to its proportionate share (determined on the basis of respective fair market values) of the fair market value of the assets of the corporation, as determined under section 382(h) of the Tax Code, immediately before the ownership change, the effect of which may increase the amount of AMT owed by the Reorganized Debtors.

C. Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed First Lien Claims and Allowed Second Lien Claims

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan. Holders of First Lien Claims and Second Lien Claims are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

(1) **U.S. Federal Income Tax Consequences to U.S. Holders of Allowed First Lien Claims**

Pursuant to the Plan, except to the extent that a U.S. holder of a First Lien Claim agrees to a less favorable treatment in exchange for full and final satisfaction, settlement, release and discharge of such Claims, the U.S. holder of such Claims shall receive a Pro Rata distribution of 95.5% of the New Common Stock (subject to dilution).

The Debtors expect to take the position that the First Lien Claims constitute debt of Ameriforge Group Inc., but the New Common Stock constitutes stock in Reorganized Holdings. Accordingly, holders of First Lien Claims are not receiving any stock or securities of Ameriforge Group Inc. in exchange for their First Lien Claims, and a U.S. holder of such Claim will be treated as receiving its distributions under the Plan in a taxable exchange under section 1001 of the Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest (or original issue discount ("OID"), if any), each U.S. holder of such Claim should recognize gain or loss equal to the difference between: (i) the fair market value of the New Common Stock received in exchange for the Claim; and (ii) such U.S. holder's adjusted basis, if any, in such Claim. Subject to the rules regarding market discount and accrued interest discussed below, any gain or loss recognized will generally be capital gain or loss and will generally be long-term capital gain or loss if the U.S. holder has held the Claim for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations.

U.S. holders of Allowed First Lien Claims should obtain a tax basis in the New Common Stock received, other than any such amounts treated as received in satisfaction of accrued but untaxed interest (or OID, if any), equal to the fair market value of such stock as of the date of the exchange. The holding period for any such stock should begin on the day following the Effective Date.

The tax basis of any New Common Stock determined to be received in satisfaction of accrued but untaxed interest (or OID, if any) should equal the amount of such accrued but untaxed interest (or OID, if any), but in no event should such basis exceed the fair market value of the stock received in satisfaction of accrued but untaxed interest (or OID, if any). The holding period for any such stock should begin on the day following the Effective Date.

(2) **U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Second Lien Claims**

(a) **In General**

Except to the extent that a U.S. holder of a Second Lien Claim agrees to a less favorable treatment in exchange for full and final satisfaction, settlement, release and discharge of such Claims, the U.S. holder of such Claims shall receive a Pro Rata distribution of (a) 4.5% of the New Common Stock (subject to dilution), and (b) the Warrants.

The Debtors expect to take the position that the Second Lien Claims constitute debt of Ameriforge Group Inc., but the New Common Stock and Warrants constitute stock or securities of Reorganized Holdings. Accordingly, holders of Second Lien Claims are not receiving any stock or securities of Ameriforge Group Inc. in exchange for their Second Lien Claims, and a U.S. holder of such Claim will be treated as receiving its distributions under the Plan in a taxable exchange under section 1001 of the Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest (or OID, if any), each U.S. holder of such Claim should recognize gain or loss equal to the difference between (i) the fair market value of the New Common Stock and Warrants received in exchange for such Claim; and (ii) such U.S. holder's adjusted basis, if any, in such Claim. Subject to the rules regarding market discount and accrued interest discussed below, any gain or loss recognized will generally be capital gain or loss and will generally be long-term capital gain or loss if the U.S. holder has held the Claim for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations.

U.S. holders of Allowed Second Lien Claims should obtain a tax basis in the New Common Stock and Warrants received, other than any such amounts treated as received in satisfaction of accrued but untaxed interest (or OID, if any), equal to the fair market value of such stock and warrants as of the date of exchange. The holding period for any such stock or warrants should begin on the day following the Effective Date.

The tax basis of any New Common Stock or Warrants determined to be received in satisfaction of accrued but untaxed interest (or OID, if any) should equal the amount of such accrued but untaxed interest (or OID, if any), but in no event should such basis exceed the fair market value of stock and warrants received in satisfaction of accrued but untaxed interest (or OID, if any). The holding period for any such stock or warrants should begin on the day following the Effective Date.

(b) **Treatment of Warrants**

A U.S. holder that elects to exercise the Warrants should be treated as purchasing Warrant Equity in exchange for its participation right and the amount of cash funded by the U.S. holder to exercise such Warrants. Such a purchase should generally be treated as the exercise of an option under general tax principles, and such U.S. holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Warrants. A U.S. holder's aggregate tax basis in the Warrant Equity should equal the sum of (i) the amount of cash paid by the U.S. holder to exercise the Warrants plus (ii) such U.S. holder's tax basis in the Warrants immediately before the Warrants are exercised. A U.S. holder's holding period for the Warrant Equity received pursuant to such exercise should begin on the day following such exercise.

If a U.S. holder sells the Warrants, the holder should recognize gain or loss, as discussed below. A U.S. holder that elects not to exercise the Warrants generally should be entitled to claim a capital loss equal to the amount of tax basis allocated to such Warrants, subject to any limitation on such U.S. holder's ability to utilize capital losses. U.S. holders electing not to exercise their Warrants should consult with their own tax advisors as to the tax consequences of electing not to exercise the Warrants.

In certain circumstances, the Warrants may be exercised on a cashless basis. A cashless exercise may be treated as the exercise of an option to receive a variable number of shares of New Common Stock with an exercise price of zero or as a recapitalization. However, the IRS could take the position that the U.S. holder is treated as selling a portion of the Warrants or underlying shares of New Common Stock for cash that is used to pay the exercise price for the Warrant, in which case a U.S. holder would recognize gain or loss with respect to such deemed sale (and the tax basis of the New Common Stock received would also be affected). U.S. holders should consult with their own tax advisors as to the tax consequences of a cashless exercise of the Warrants.

The Warrant Agreement provides for adjustments to the number of shares of New Common Stock for which the Warrants may be exercised or to the exercise price of the Warrants. Under certain circumstances, such adjustments could cause the holders of Warrants to be treated as receiving a constructive dividend, which would be subject to the rules discussed below regarding dividends.

(3) **Accrued Interest**

To the extent that any amount received by a U.S. holder of a Claim is attributable to accrued but unpaid interest on the debt instruments constituting the surrendered Claim, the receipt of such amount should be taxable to the U.S. holder as ordinary interest income (to the extent not already taken into 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 included in the U.S. holder's gross income but was not paid in full by the Debtors.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. 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, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. However, certain Treasury

Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the holder should be allocated in some way other than as provided in the Plan.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE U.S. FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

(4) **Market Discount**

Under the "market discount" provisions of the Tax Code, some or all of any gain realized by a U.S. holder of a Claim who exchanges the Claim for an amount on the Effective Date 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 its holder's initial tax basis in the debt instrument is less than (a) the stated redemption price at maturity or (b) in the case of a debt instrument issued with OID, its adjusted issue price, by at least a *de minimis* amount (equal to 0.25% of the stated redemption price at maturity 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 had been 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).

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

(5) **Limitation on Use of Capital Losses**

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

(6) **Ownership and Disposition of New Common Stock and Warrants**

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

Distributions on account of the New Common Stock treated as dividends generally should be eligible (i) for the dividends-received deduction if paid to U.S. holders that are corporations and (ii) for the reduced tax rates that apply to "qualified dividend income" if paid to non-corporate U.S. holders. However, the dividends-received deduction and reduced tax rates that apply to qualified dividend income are only available if certain holding period requirements are satisfied. The length of time that a U.S. holder has held its stock is reduced for any period during which the holder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness

that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

Unless a non-recognition provision applies, U.S. holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Common Stock and/or Warrants. Such capital gain will be long-term capital gain if at the time of the sale, redemption, or other taxable disposition, the U.S. holder held the stock for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations.

(7) **Medicare Tax**

Certain U.S. holders that are individuals, estates, or trusts are required to pay an additional 3.8% tax on, among other things, interest, 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 consideration received pursuant to the Plan.

D. Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Allowed First Lien Claims and Allowed Second Lien Claims

(1) **In General**

This following discussion 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. Non-U.S. holders should consult their own tax advisors regarding the U.S. federal, state, and local and the foreign tax consequences of the consummation of the Plan to such non-U.S. holders and the ownership and disposition of the New Common Stock, and Warrants, as applicable.

Whether a non-U.S. holder realizes gain or loss on the exchange of Claims pursuant to the Plan, or upon a subsequent disposition of the consideration received under 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.

(a) **Gain Recognition in Connection with the Plan or upon Disposition of Consideration Received under the Plan**

Other than with respect to any amounts received that are attributable to accrued but untaxed interest (or OID, if any), any gain realized by a non-U.S. holder on the exchange of its Claim, or on the disposition of the New Common Stock or Warrants, generally will not be subject to U.S. federal income taxation unless (i) the non-U.S. holder is an individual who was present in the United States for 183 days or more during the taxable year in which the gain is realized and certain other conditions are met or (ii) such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment or fixed base maintained by such non-U.S. holder in the United States).

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% (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. If the second exception applies, the non-U.S. holder generally will be subject to U.S. federal income tax in the same manner as a U.S. holder with respect to such gain. In addition, if such a non-U.S. holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Notwithstanding the general rule stated above, non-U.S. holders could be subject to tax upon the disposition of the New Common Stock or Warrants if Holdings or Reorganized Holdings was determined to be a U.S. real property holding corporation (a "USRPHC") under the Foreign Investment in Real Property Tax Act. However, the Debtors do not believe that Holdings or Reorganized Holdings, as applicable, is a USRPHC, has been a USRPHC in the past 5 years, or will be a USRPHC in the future.

(b) **Distributions with Respect to New Common Stock**

Any distributions made on account of the New Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Holdings, as determined under U.S. federal income tax principles. To the extent that a non-U.S. holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the non-U.S. holder's basis in its shares. Any such distributions in excess of the non-U.S. holder's basis in its shares (determined on a share-by-share basis) generally should be treated as gain (which is subject to tax only in the circumstances described above).

Except as described below, dividends paid with respect to New Common Stock held by a non-U.S. holder that are not effectively connected with the non-U.S. holder's conduct of a U.S. trade or business will be subject to U.S. federal withholding tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty). 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 providing the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or a successor form). Dividends paid with respect to stock held by a non-U.S. holder that are effectively connected with the 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 or fixed base maintained by such non-U.S. holder in the United States) generally will not be subject to withholding tax if the non-U.S. holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent. Instead, such dividends would 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% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

(c) **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 on the receipt of "withholdable payments," including U.S.-source interest and dividends and, beginning January 1, 2019, gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. Foreign financial institutions that are located in a jurisdiction that has an intergovernmental agreement with the United States governing FATCA may be subject to different rules. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding tax.

Each non-U.S. holder should consult its own tax advisor regarding the possible impact of these rules on such non-U.S. holder's ownership of the consideration being received under the Plan.

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. The Debtors and Reorganized Debtors will also comply with all applicable reporting requirements of the Tax Code. In general, information reporting requirements may apply to distributions or payments made to a holder of a Claim under the Plan, as well as future payments made with respect to consideration received under the Plan. In addition, backup withholding of taxes will generally apply to payments in respect of an Allowed Claim under the Plan, as well as future payments with respect to the consideration received under 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 a non-U.S. holder, such non-U.S. holder provides a properly executed applicable IRS Form W-8 (or, in each case, such holder otherwise establishes eligibility for an exemption).

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

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 U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS 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, NON-U.S., OR NON-INCOME TAX LAW, AND OF ANY CHANGE IN APPLICABLE TAX LAW.

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XI. CONCLUSION AND RECOMMENDATION

The Debtors believe that Confirmation and Consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urge all holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their ballots so they will be received by the Solicitation Agent no later than 5:00 p.m. (prevailing Central Time) on May 5, 2017.

Dated: April 21, 2017

Respectfully submitted,

AMERIFORGE GROUP INC.
on behalf of itself and each of its Debtor affiliates

By: */s/ Thomas E. Giles*
Name: Thomas E. Giles
Title: EVP & General Counsel

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EXHIBIT A TO THE DISCLOSURE STATEMENT

JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION
FOR AMERIFORGE GROUP INC. AND ITS DEBTOR AFFILIATES

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
AMERIFORGE GROUP INC., *et al.*,[1]	§	Case No. 17-_____ (___)
Debtors.	§	(Joint Administration Pending)

JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION FOR AMERIFORGE GROUP INC. AND ITS DEBTOR AFFILIATES

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THIS CHAPTER 11 PLAN IS BEING SOLICITED FOR ACCEPTANCE OR REJECTION IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126. THIS CHAPTER 11 PLAN WILL BE SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS' FILING FOR CHAPTER 11 BANKRUPTCY.

[1] The anticipated debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Ameriforge Group Inc. (7053); 230 Bodwell Corporation (3965); Advanced Joining Technologies, Inc. (6451); AF Gloenco Inc. (9958); AFG Brazil Holdings LLC (8618); AFG Brazil LLC (8720); AFG Louisiana Holdings Inc. (4743); Allpoints Oilfield Services LLC (8333); Ameriforge Corporation (1649); Ameriforge Cuming Insulation LLC (0264); Century Corrosion Technologies LLC (8548); Cuming Corporation (9782); Dynafab Acquisitions Corp. (1331); Flotation Technologies LLC (4572); FR AFG Holdings, Inc. (2623); NRG Manufacturing Louisiana LLC (5823); NRG Manufacturing, Inc. (7544); Steel Industries Inc. (5154); Steel Industries Real Estate Holdings LLC (1298); and Taper-Lok Corporation (8833). The debtors' service address is: 945 Bunker Hill Road, Suite 500, Houston, Texas 77024.

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INTRODUCTION

Each of Ameriforge Group Inc.; 230 Bodwell Corporation; Advanced Joining Technologies, Inc.; AF Gloenco Inc.; AFG Brazil Holdings LLC; AFG Brazil LLC; AFG Louisiana Holdings Inc.; Allpoints Oilfield Services LLC; Ameriforge Corporation; Ameriforge Cuming Insulation LLC; Century Corrosion Technologies LLC; Cuming Corporation; Dynafab Acquisitions Corp.; Flotation Technologies LLC; FR AFG Holdings, Inc.; NRG Manufacturing Louisiana LLC; NRG Manufacturing, Inc.; Steel Industries Inc.; Steel Industries Real Estate Holdings LLC; and Taper-Lok Corporation jointly propose this chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code. Although proposed jointly for administrative purposes, the Plan constitutes a separate plan for each of the foregoing entities and each of the foregoing entities is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

Reference is made to the accompanying *Disclosure Statement for the Prepackaged Joint Chapter 11 Plan of Reorganization for Ameriforge Group Inc. and its Debtor Affiliates* for a discussion of the Debtors' history, business, properties and operations, projections, risk factors, a summary and analysis of the Plan and the transactions contemplated thereby, and certain related matters.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

A. Defined Terms

1. "*Ad Hoc First Lien Group*" means the ad hoc group of certain unaffiliated holders of First Lien Claims represented by Jones Day.

2. "*Ad Hoc Second Lien Group*" means the ad hoc group of certain unaffiliated holders of Second Lien Claims represented by Akin Gump Strauss Hauer & Feld LLP.

3. "*Additional L/C Issuing Bank*" means the financial institution identified in the DIP Credit Agreement as the issuing bank of Additional L/Cs.

4. "*Additional L/Cs*" means letters of credit issued by the Additional L/C Issuing Bank under the DIP Orders during the pendency of the Chapter 11 Cases, each of which letter of credit shall be cash collateralized in the amount of 105% of the face amount of such letter of credit with the proceeds of the DIP Facility or Cash Collateral (as defined in the DIP Orders).

5. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Allowed Professional Claims; (c) the DIP Claims and the DIP Payments; and (d) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

6. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

7. "*Allowed*" means, with reference to any Claim or Interest, (a) any Claim or Interest arising on or before the Effective Date (i) as to which no objection to allowance, priority, or secured status, and no request for estimation or other challenge, including pursuant to section 502(d) of the Bankruptcy Code or otherwise, has been interposed prior to the Effective Date, or (ii) as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, (b) any Claim or Interest that is compromised, settled, or otherwise resolved pursuant to the authority of the Debtors or Reorganized Debtors, (c) any Claim or

Interest as to which the liability of the Debtors or Reorganized Debtors, as applicable, and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court, or (d) any Claim or Interest expressly allowed hereunder; provided, however, that notwithstanding the foregoing, (x) unless expressly waived by the Plan, the Allowed amount of Claims or Interests shall be subject to and shall not exceed the limitations under or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable, and (y) the Reorganized Debtors shall retain all claims and defenses with respect to Allowed Claims that are Reinstated or otherwise Unimpaired pursuant to the Plan.

8. "*Annual Incentive Plan*" means the Debtors' executive and senior manager bonus plan for the 2017 calendar year in effect as of the Petition Date.

9. "*Avoidance Actions*" means any and all avoidance, recovery, subordination, or other Claims, actions, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under sections 502, 510, 542, 544, 545, and 547 through and including 553 of the Bankruptcy Code.

10. "*Backstop Parties*" means the members of the Ad Hoc First Lien Group providing the Exit Term Loan Backstop Commitment.

11. "*Backstop Payment*" means a Cash payment equal to 2.50% of the amount of the Exit Term Loans payable to the Backstop Parties as consideration for providing the Exit Term Loan Backstop Commitment.

12. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as may be amended from time to time.

13. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of Texas or such other court having jurisdiction over the Chapter 11 Cases.

14. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

15. "*Business Day*" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

16. "*Cash*" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

17. "*Causes of Action*" means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through and including 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

18. "*Certificate*" means any instrument evidencing a Claim or an Interest.

19. "*Chapter 11 Cases*" means the procedurally consolidated chapter 11 cases filed or to be filed (as applicable) for the Debtors in the Bankruptcy Court.

20. "*Claim*" has the meaning set forth in section 101(5) of the Bankruptcy Code.

21. "*Class*" means a category of holders of Claims or Interests under section 1122(a) of the Bankruptcy Code.

22. "*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

23. "*Confirmation Date*" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

24. "*Confirmation Hearing*" means the hearing(s) before the Bankruptcy Court under section 1128 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order.

25. "*Confirmation Order*" means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code and approving the Disclosure Statement and Solicitation Materials, which order shall be in form and substance reasonably acceptable to the Debtors, the Required First Lien Lenders, the Required Second Lien Lenders, and the Sponsor Entities (pursuant to the Sponsor Entities Consent Right (as defined in the Restructuring Support Agreement), to the extent applicable).

26. "*Consenting First Lien Lenders*" means, collectively, the First Lien Lenders that are parties to the Restructuring Support Agreement and each of which is designated as a "Consenting First Lien Lender" thereunder.

27. "*Consenting First Lien Secured Parties*" means, collectively, the Consenting First Lien Lenders and the First Lien Agent.

28. "*Consenting Second Lien Lenders*" means, collectively, the Second Lien Lenders that are party to the Restructuring Support Agreement and each of which is designated as a "Consenting Second Lien Lender" thereunder.

29. "*Consenting Second Lien Secured Parties*" means, collectively, the Consenting Second Lien Lenders and the Second Lien Agent.

30. "*Consenting Sponsor Lenders*" means, collectively, the Debt Fund Affiliates and Non-Debt Fund Affiliates (each as defined in the First Lien Credit Agreement and Second Lien Credit Agreement, as applicable) that are holders of First Lien Claims and/or Second Lien Claims, are parties to the Restructuring Support Agreement and each of which is designated as a "Consenting Sponsor Lender" thereunder.

31. "*Consenting Sponsor*" means FR Heavy Metal LP, solely in its capacity as holder of direct and/or indirect existing Interests in the Debtors.

32. "*Consummation*" means the occurrence of the Effective Date.

33. "*Converted DIP Loans*" means the outstanding DIP Loans that shall be converted into Exit Term Loans on the Effective Date.

34. "*Converted L/C Issuing Bank*" means any L/C Issuer under (and as defined in) the First Lien Credit Agreement as issuer of Converted L/Cs.

35. "*Converted L/Cs*" means any issued and outstanding letter of credit obligations, including related fees, under the First Lien Loan Documents as of the Petition Date that upon entry of the DIP Orders have been converted to letter of credit obligations issued and outstanding under the DIP Facility and incremental to the DIP Loans.

36. "*Cure*" or "*Cure Claim*" means a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor's defaults under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

37. "*D&O Liability Insurance Policies*" means all unexpired directors', managers', and officers' liability insurance policies (including any "tail policy") of any of the Debtors with respect to directors, managers, officers, and employees of the Debtors.

38. "*Debtor Release*" means the releases set forth in Article VIII.B of the Plan.

39. "*Debtors*" means, collectively, each of the following: Ameriforge Group Inc.; 230 Bodwell Corporation; Advanced Joining Technologies, Inc.; AF Gloenco Inc.; AFG Brazil Holdings LLC; AFG Brazil LLC; AFG Louisiana Holdings Inc.; Allpoints Oilfield Services LLC; Ameriforge Corporation; Ameriforge Cuming Insulation LLC; Century Corrosion Technologies LLC; Cuming Corporation; Dynafab Acquisitions Corp.; Flotation Technologies LLC; FR AFG Holdings, Inc.; NRG Manufacturing Louisiana LLC; NRG Manufacturing, Inc.; Steel Industries Inc.; Steel Industries Real Estate Holdings LLC; and Taper-Lok Corporation.

40. "*Definitive Documents*" means (a) the Plan, (b) the Plan Supplement, (c) the Confirmation Order, (d) the Disclosure Statement, (e) the Solicitation Materials, (f) the DIP Orders, (g) the DIP Loan Documents, (h) the Exit Credit Facilities Documents, (i) the New Stockholders' Agreement, (j) the New Organizational Documents; and (k) the Warrant Agreement, each of which shall be subject to the RSA Definitive Document Requirements.

41. "*DIP Administrative Agent*" means Deutsche Bank AG, New York Branch in its capacity as administrative agent and collateral agent under the DIP Facility, or its successor thereunder.

42. "*DIP Claims*" means any and all Claims held by any of the DIP Lenders, the DIP L/C Participating Lenders, the DIP Administrative Agent or the Additional L/C Issuing Bank arising under or related to the DIP Loan Documents or the DIP Orders (including on account of Claims for reimbursement in respect of any Converted L/Cs that have been drawn on or before the Effective Date, or proceeds of the DIP Facility drawn to cash collateralize the Additional L/Cs), including Claims for payment of the DIP Payments.

43. "*DIP Credit Agreement*" means that certain senior secured debtor-in-possession credit agreement, dated as of [__], 2017, as amended, restated, modified, supplemented, or replaced from time to time in accordance with its terms, by and among the Debtors, the DIP Lenders, and the DIP Administrative Agent.

44. "*DIP L/C Participating Lenders*" means, collectively, the revolving lenders under the First Lien Credit Agreement in respect of the Converted L/Cs.

45. "*DIP Loan Documents*" means the DIP Credit Agreement and any amendments, modifications, supplements thereto, as well as any related notes, certificates, agreements, security agreements, documents and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection with the DIP Credit Agreement.

46. "*DIP Facility*" means that certain $70 million senior secured super-priority debtor-in-possession financing facility provided by the DIP Lenders on the terms of, and subject to the conditions set forth in, the DIP Credit Agreement.

47. "*DIP Lenders*" means, collectively, the lenders under the DIP Facility, solely in their capacity as such.

48. "*DIP Loans*" means amounts loaned by the DIP Lenders pursuant to the DIP Credit Agreement.

49. "*DIP Orders*" means, collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Credit Agreement and access the DIP Facility.

50. "*DIP Payments*" means any and all Claims held by any of the DIP Lenders, the DIP L/C Participating Lenders, the DIP Administrative Agent, or the Additional L/C Issuing Bank arising under or related to the DIP Loan Documents or the DIP Orders comprising (x) any fees, expenses, and other payments (other than accrued interest on the DIP Loans that is not otherwise due and payable and payments due for principal of, or

interest on, the DIP Loans) and (y) Claims for reimbursement or other Claims arising from any drawn Converted L/Cs.

51. "*Disclosure Statement*" means the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization for Ameriforge Group Inc. and its Debtor Affiliates*, as the same may be amended, supplemented or modified from time to time, including all exhibits and schedules thereto, to be approved by the Confirmation Order.

52. "*Disputed*" means, with respect to a Claim, (a) any such Claim to the extent neither Allowed or Disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503, or 1111 of the Bankruptcy Code, or (b) to the extent the Debtors or any party in interest has interposed a timely objection before the Confirmation Date in accordance with the Plan, which objection has not been withdrawn or determined by a Final Order. To the extent the Debtors dispute only the Allowed amount of a Claim, such Claim shall be deemed Allowed in the amount the Debtors do not dispute, if any, and Disputed as to the balance of such Claims.

53. "*DTC*" means The Depository Trust Company or any Affiliate thereof.

54. "*Distribution Agent*" means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan.

55. "*Distribution Date*" means, except as otherwise set forth herein, the date or dates determined by the Debtors or the Reorganized Debtors, on or after the Effective Date, upon which the Distribution Agent shall make distributions to holders of Allowed Claims entitled to receive distributions under the Plan.

56. "*Effective Date*" means the date that is the first Business Day after the Confirmation Date on which all conditions precedent to the occurrence of the Effective Date set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan.

57. "*Eligible Participant*" shall have the meaning set forth in Article IV.E of the Plan.

58. "*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

59. "*Estate*" means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor's Chapter 11 Case.

60. "*Exculpated Parties*" means each of the following, solely in its capacity as such: (i)(a) the Debtors; (b) the Reorganized Debtors, and (c) with respect to each of the forgoing parties in clauses (i)(a) and (i)(b), each of 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 current and former officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; and (ii)(a) the Consenting First Lien Lenders; (b) the First Lien Agent; (c) the Ad Hoc First Lien Group; (d) the DIP Lenders; (e) the DIP L/C Participating Lenders; (f) the Additional L/C Issuing Bank; (g) the DIP Administrative Agent; (h) the Consenting Second Lien Lenders; (i) the Second Lien Agent; (j) the Ad Hoc Second Lien Group; (k) the Sponsor Entities; and (l) with respect to each of the foregoing parties in clauses (ii)(a) through (ii)(l), each of such Entity's current and former Affiliates, and each such entity's and its 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 current and former officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

61. "*Executory Contract*" means a contract or lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

62. "*Exit ABL Credit Agreement*" means the credit agreement evidencing the Exit ABL Facility.

63. "*Exit ABL Facility*" means that certain senior secured asset-backed revolving credit facility in the aggregate principal amount of up to $50 million to be entered into by the Reorganized Debtors on terms consistent with those set forth in the Exit ABL Facility Term Sheet.

64. "*Exit ABL Facility Agent*" means the Entity identified in the Exit ABL Credit Agreement as the administrative agent and collateral agent under the Exit ABL Facility or any successor thereto.

65. "*Exit ABL Facility Documents*" means the Exit ABL Credit Agreement and any guarantee, security agreement, deed of trust, mortgage, and other relevant documentation entered into with respect to the Exit ABL Facility, including, for the avoidance of doubt, the Exit Credit Facilities Intercreditor Agreement, subject to the satisfaction of the RSA Definitive Document Requirements.

66. "*Exit ABL Facility Term Sheet*" means the term sheet attached as **Exhibit I** to the Disclosure Statement setting forth the indicative terms of the Exit ABL Facility.

67. "*Exit Credit Agreements*" means, collectively, the Exit ABL Credit Agreement and the Exit Term Loan Credit Agreement.

68. "*Exit Credit Facilities*" means, collectively, the Exit ABL Facility and the Exit Term Loan Facility.

69. "*Exit Credit Facilities Documents*" means, collectively, the Exit ABL Facility Documents and the Exit Term Loan Facility Documents.

70. "*Exit Credit Facilities Intercreditor Agreement*" means the intercreditor agreement by and among the Exit ABL Facility Agent and the Exit Term Loan Facility Agent and acknowledged and agreed to by the Reorganized Debtors and subject to the satisfaction of the RSA Definitive Document Requirements.

71. "*Exit Facilities Term Sheets*" means the Exit ABL Facility Term Sheet and the Exit Term Loan Facility Term Sheet.

72. "*Exit Term Loans*" means the loans that shall be deemed on the Effective Date to be outstanding under the Exit Term Loan Credit Agreement.

73. "*Exit Term Loan Backstop Commitment*" means the Backstop Parties' commitment to backstop the syndication of the Exit Term Loan Facility in accordance with the Exit Term Loan Facility Term Sheet.

74. "*Exit Term Loan Credit Agreement*" means the credit agreement evidencing the Exit Term Loan Facility.

75. "*Exit Term Loan Facility*" means that certain senior secured term loan facility in the aggregate principal amount of $70 million, including the Converted DIP Loans, to be entered into by the Reorganized Debtors on terms consistent with those set forth in the Exit Term Loan Facility Term Sheet, subject to the rights of Eligible Participants to exercise the Subscription Option with respect thereto.

76. "*Exit Term Loan Facility Documents*" means the Exit Term Loan Credit Agreement and any guarantee, security agreement, deed of trust, mortgage, and other relevant documentation entered into with respect to the Exit Term Loan Facility, including, for the avoidance of doubt, the Exit Credit Facilities Intercreditor Agreement.

77. "*Exit Term Loan Facility Term Sheet*" means the term sheet attached as **Exhibit J** to the Disclosure Statement setting forth the material terms and conditions of the Exit Term Loan Facility.

78. "*Federal Judgment Rate*" means the federal judgment rate in effect pursuant to 28 U.S.C. § 1961 as of the Petition Date, compounded annually.

79. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court.

80. "*Final Decree*" means the decree contemplated under Bankruptcy Rule 3022.

81. "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

82. "*First Lien Agent*" means Deutsche Bank Trust Company Americas, or any successor thereto, as administrative agent, collateral agent, swing line lender, and L/C issuer under the First Lien Credit Agreement, solely in its capacity as such.

83. "*First Lien Claims*" means all Claims against the Debtors arising under the First Lien Loan Documents; provided, however, that the First Lien Claims shall not include any Claims in respect of Converted L/Cs.

84. "*First Lien Credit Agreement*" means that certain Credit Agreement, dated as of December 19, 2012, among the Debtors, the First Lien Agent, and the First Lien Lenders, as amended and restated on January 25, 2013, and as further amended, restated, supplemented or otherwise modified.

85. "*First Lien Lenders*" means the lenders party to the First Lien Credit Agreement, in their capacities as such.

86. "*First Lien Loan Documents*" means, collectively, the First Lien Credit Agreement, and any security documents, including the Prepetition Intercreditor Agreement, the letter of credit documentation, and any other collateral and ancillary documents, including any applicable forbearance agreement, executed in connection with the First Lien Credit Agreement.

87. "*General Unsecured Claim*" means any Claim other than a DIP Claim, a First Lien Claim, a Second Lien Claim, an Administrative Claim, a Professional Claim, a Priority Tax Claim, an Other Secured Claim, an Intercompany Claim, or an Other Priority Claim.

88. "*General Unsecured Creditor*" means the holder of a General Unsecured Claim.

89. "*Governance Term Sheet*" means the term sheet, attached as **Exhibit H** to the Disclosure Statement, setting forth the material terms and conditions of the New Organizational Documents and the New Stockholders' Agreement.

90. "*Governmental Unit*" has the meaning set forth in section 101(27) of the Bankruptcy Code.

91. "*Holdings*" means FR AFG Holdings, Inc., a Delaware corporation, the ultimate parent of each of the Debtors.

92. "*Impaired*" means, with respect to any Class of Claims or Interests, a Claim or an Interest that is not Unimpaired.

93. "*Indemnification Provisions*" means each of the Debtors' indemnification provisions in place whether in the Debtors' bylaws, certificates of incorporation, other formation documents, board resolutions, management or indemnification agreements, employment contracts, or otherwise, for the current and former directors, officers, managers, employees, attorneys, other professionals, and agents of the Debtors and such current and former directors', officers', and managers' respective Affiliates.

94. "*Insider*" has the meaning set forth in section 101(31) of the Bankruptcy Code.

95. "*Intercompany Claim*" means any Claim held by a Debtor against another Debtor or by a Non-Debtor Subsidiary against a Debtor.

96. "*Intercompany Interest*" means, other than an Interest in Holdings, an Interest in a Debtor or Non-Debtor Subsidiary held by a Debtor.

97. "*Interests*" means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor and options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), including any claim against the Debtors subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

98. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

99. "*Management Incentive Plan*" means a post-Effective Date management incentive plan, the material terms of which shall be determined by the New Board and shall be consistent with Article IV.Q, the MIP Term Sheet, and the Restructuring Support Agreement.

100. "*MIP Equity*" means 10 percent (10%) of the New Common Stock (or restricted stock units, options, phantom stock or units, stock appreciation rights, or other instruments) (on a fully diluted basis) that will be reserved for grants made from time to time to the directors, officers, and other management of the Reorganized Debtors to participants under, and pursuant to, the Management Incentive Plan, which shall dilute all New Common Stock equally.

101. "*MIP Term Sheet*" means the term sheet attached as **Exhibit K** to the Disclosure Statement, setting forth certain terms of the Management Incentive Plan.

102. "*New Board*" means Reorganized Holdings' initial board of directors as of the Effective Date.

103. "*New Board Observer*" has the meaning set forth in Article IV.O of the Plan.

104. "*New Common Stock*" means the common stock of Reorganized Holdings.

105. "*New Organizational Documents*" means the form of the certificates or articles of incorporation, bylaws, or such other applicable formation documents of each of the Reorganized Debtors, including the New Stockholders' Agreement, which shall be consistent in all material respects with the Governance Term Sheet.

106. "*New Stockholders' Agreement*" means that certain shareholders' agreement, in substantially the form to be Filed as part of the Plan Supplement, effective as of the Effective Date, to which all parties receiving New Common Stock (and all persons to whom such parties may sell or transfer their New Common Stock in the future and all persons who purchase or acquire the New Common Stock from Reorganized Holdings in future transactions) shall be required to become or shall be deemed parties, which shall be consistent in all material respects with the Governance Term Sheet.

107. "*Non-Debtor Subsidiaries*" means all of Holdings' direct and indirect wholly owned subsidiaries who are not Debtors in these Chapter 11 Cases.

108. "*Other Priority Claim*" means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

109. "*Other Secured Claim*" means any Secured Claim other than the following: (a) a First Lien Claim; (b) a Second Lien Claim; or (c) a DIP Claim. For the avoidance of doubt, a Secured Tax Claim constitutes an Other Secured Claim.

110. "*Person*" has the meaning set forth in section 101(41) of the Bankruptcy Code.

111. "*Petition Date*" means the date on which each of the Debtors filed its respective petition for relief commencing the Chapter 11 Cases.

112. "*Plan*" means this joint prepackaged chapter 11 plan, including all appendices, exhibits, schedules and supplements hereto (including any appendices, exhibits, schedules and supplements to the Plan that are contained in the Plan Supplement), as it may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and the Restructuring Support Agreement, subject to the RSA Definitive Document Requirements.

113. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement), to be Filed by the Debtors no later than 7 days before the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as amendments to the Plan Supplement, including the following, as applicable: (a) the Exit Credit Agreements; (b) the New Organizational Documents; (c) a list of retained Causes of Action; (d) the New Stockholders' Agreement; (e) a disclosure of the members of the New Board; (f) the Warrant Agreement; (g) the Schedule of Rejected Executory Contracts and Unexpired Leases; (h) the Restructuring Transactions Exhibit (if necessary); and (i) the Subscription Form. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date consistent with the Restructuring Support Agreement and the RSA Definitive Document Requirements.

114. "*Prepetition Intercreditor Agreement*" means that certain Junior Lien Intercreditor Agreement, dated as of December 19, 2012, by and among the First Lien Agent, as senior priority representative, and the Second Lien Agent, as second priority representative, and acknowledged and agreed to by the Debtors. The Prepetition Intercreditor Agreement shall be construed to be part of the First Lien Loan Documents and the Second Lien Loan Documents.

115. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

116. "*Pro Rata*" means the proportion that an Allowed Claim or Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that respective Class, or the proportion that Allowed Claims or Allowed Interests in a particular Class bear to the aggregate amount of Allowed Claims or Allowed Interests in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim or Allowed Interests under the Plan.

117. "*Professional*" means an Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to (i) sections 327, 328, 329, 330, or 331 of the Bankruptcy Code or (ii) an order entered by the Bankruptcy Court authorizing such retention, or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

118. "*Professional Claims*" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court.

119. "*Professional Fee Amount*" means the aggregate amount of Professional Claims and other unpaid fees and expenses that the Professionals estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Effective Date, which estimates Professionals shall deliver to the Debtors as set forth in Article II.C of the Plan.

120. "*Professional Fee Escrow Account*" means an interest-bearing account funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Amount as set forth in Article II.C of the Plan.

121. "*Proof of Claim*" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

122. "*Reinstate," "Reinstated,"* or "*Reinstatement*" means leaving a Claim Unimpaired under the Plan.

123. "*Released Parties*" means each of the following, solely in its capacity as such: (i)(a) the Debtors; and (b) with respect to each of the forgoing parties in clause (i)(a), each of 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 officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; and (ii)(a) the Consenting First Lien Lenders; (b) the First Lien Agent; (c) the Ad Hoc First Lien Group; (d) the DIP Lenders; (e) the DIP L/C Participating Lenders; (f) each L/C Issuer under (and as defined in) the First Lien Credit Agreement; (g) each Converted L/C Issuing Bank; (h) the Additional L/C Issuing Bank; (i) the DIP Administrative Agent; (j) the Consenting Second Lien Lenders; (k) the Second Lien Agent; (l) the Ad Hoc Second Lien Group; (m) the Sponsor Entities; and (n) with respect to each of the forgoing parties in clauses (ii)(a) through (ii)(m), each of such Entity's current and former Affiliates, and each such entity's and its 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 current and former officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided, however, that any holder of a Claim or Interest that opts out of, or otherwise objects to, the releases contained in the Plan shall not be a "Released Party."

124. "*Releasing Parties*" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Consenting First Lien Lenders; (c) the First Lien Agent; (d) the Ad Hoc First Lien Group; (e) the DIP Lenders; (f) the DIP L/C Participating Lenders; (g) each L/C Issuer under (and as defined in) the First Lien Credit Agreement; (h) each Converted L/C Issuing Bank; (i) the Additional L/C Issuing Bank; (j) the DIP Administrative Agent; (k) the Consenting Second Lien Lenders; (l) the Second Lien Agent; (m) the Ad Hoc Second Lien Group; (n) the Sponsor Entities; (o) all holders of Claims and Interests that are deemed to accept the Plan; (p) all holders of Claims who either (1) vote to accept or (2) receive a ballot but abstain from voting on the Plan; (q) all holders of Claims entitled to vote who vote to reject the Plan that do not elect on their Ballot to opt-out of the Third-Party Release; (r) all other holders of Claims and Interests to the extent permitted by law; and (s) with respect to the Debtors and each of the foregoing Entities in clauses (a) through (r), each such Entity and its current and former Affiliates, and each such entity's and its current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided, however, that the foregoing clauses (a) through (s) shall be subject, in all material respects, to the terms of the Restructuring Support Agreement.

125. "*Reorganized Debtor*" means a Debtor, or any successor or assign thereto, by merger, consolidation, or otherwise, on and after the Effective Date.

126. "*Reorganized Holdings*" means Holdings, or any successor or assignee thereto, by merger, consolidation, or otherwise, on and after the Effective Date.

127. "*Required First Lien Lenders*" means the Consenting First Lien Lenders who hold, in the aggregate, at least a majority in principal amount outstanding of all First Lien Claims held by the Consenting First Lien Lenders (excluding, for the avoidance of doubt, all of the First Lien Claims held by the Sponsor Entities and the Consenting Second Lien Lenders).

128. "*Required Second Lien Lenders*" means the Consenting Second Lien Lenders who hold, in the aggregate, at least 75% in principal amount outstanding of all Second Lien Claims held by the Consenting Second Lien Lenders (excluding, for the avoidance of doubt, all of the Second Lien Claims held by the Consenting First Lien Lenders and the Sponsor Entities).

129. "*Restructuring Expenses*" means the reasonable and documented fees and expenses of (i) Jones Day as counsel and Houlihan Lokey Capital, Inc. as financial advisor to the Ad Hoc First Lien Group, (ii) Akin Gump Strauss Hauer & Feld, LLP as counsel and PJT Partners LP as financial advisor to the Ad Hoc Second Lien Group, (iii) Simpson Thacher & Bartlett LLP as counsel to the Sponsor Entities, (iv) the First Lien Agent, including counsel to the First Lien Agent and (v) the Second Lien Agent, including counsel to the Second Lien Agent.

130. "*Restructuring Support Agreement*" means that certain Amended and Restated Restructuring Support Agreement, dated as of April 5, 2017, by and among the Debtors and the Restructuring Support Parties, including all exhibits thereto, as such agreement may be amended from time to time in accordance with the terms thereof, which shall be attached as **Exhibit B** to the Disclosure Statement.

131. "*Restructuring Support Parties*" means, collectively, the Consenting First Lien Lenders, the Consenting Second Lien Lenders, and the Sponsor Entities, in each case, that are party to the Restructuring Support Agreement.

132. "*Restructuring Transactions*" shall have the meaning set forth in Article IV.B of the Plan.

133. "*Restructuring Transactions Exhibit*" means an exhibit, which may be included, as needed, in the Plan Supplement, that sets forth the Restructuring Transactions the Debtors intend to implement on the Effective Date.

134. "*RSA Definitive Document Requirements*" means that the Definitive Documents shall be subject to the respective consent rights of the Debtors and the applicable Restructuring Support Parties as set forth in the Restructuring Support Agreement.

135. "*Schedule of Rejected Executory Contracts and Unexpired Leases*" means a schedule that will be Filed as part of the Plan Supplement at the Debtors' option, in consultation with the Required First Lien Lenders and the Required Second Lien Lenders, and will include a list of all Executory Contracts and Unexpired Leases that the Debtors intend to reject as of the Effective Date.

136. "*Second Lien Agent*" means Delaware Trust Company, or any successor thereto, as successor administrative agent and collateral agent under the Second Lien Credit Agreement, in its capacity as such.

137. "*Second Lien Claims*" means all Claims against the Debtors arising under the Second Lien Loan Documents.

138. "*Second Lien Credit Agreement*" means that certain Second Lien Credit Agreement, dated as of October 3, 2014, among the Debtors, the Second Lien Agent, and the Second Lien Lenders, as amended and restated on January 25, 2013, and as further amended, restated, supplemented or otherwise modified.

139. "*Second Lien Lenders*" means the lenders and their Affiliates party to the Second Lien Credit Agreement, in their capacities as such.

140. "*Second Lien Loan Documents*" means, collectively, the Second Lien Credit Agreement, and any security documents, including the Prepetition Intercreditor Agreement, the letter of credit documentation, and any other collateral and ancillary documents, including any applicable forbearance agreement, executed in connection with the Second Lien Credit Agreement.

141. "*Secured Claim*" means a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed pursuant to the Plan as a Secured Claim.

142. "*Secured Hedge Agreement*" shall have the meaning ascribed to such term in the First Lien Credit Agreement.

143. "*Secured Tax Claim*" means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

144. "*Securities Act*" means the Securities Act of 1933, as amended, 15 U.S.C. §§ 77a–77aa, or any similar federal, state, or local law.

145. "*Security*" shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

146. "*Servicer*" means an agent or other authorized representative of holders of Claims or Interests.

147. "*Severance Program*" means that certain severance program by and between the Debtors and certain current executive and senior management employees, in effect as of the date hereof, including any letters, contracts, agreements, or obligations with respect thereto.

148. "*Solicitation Agent*" means Epiq Bankruptcy Solutions, LLC, the notice, claims, and solicitation agent retained by the Debtors in the Chapter 11 Cases by Bankruptcy Court order.

149. "*Solicitation Materials*" means, collectively, the solicitation materials with respect to the Plan.

150. "*Sponsor Entities*" means, collectively, the Consenting Sponsor and the Consenting Sponsor Lenders.

151. "*Subscription Form*" shall have the meaning set forth in Article IV.E of the Plan.

152. "*Subscription Option*" shall have the meaning set forth in Article IV.E of the Plan.

153. "*Subscription Period*" shall have the meaning set forth in Article IV.E of the Plan.

154. "*Third-Party Release*" means the releases set forth in Article VIII.C of the Plan.

155. "*U.S. Trustee*" means the Office of the United States Trustee for the Southern District of Texas.

156. "*Unclaimed Distribution*" means any distribution under the Plan on account of an Allowed Claim to a holder that 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.

157. "*Unexpired Lease*" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

158. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class consisting of Claims or Interest that are not impaired within the meaning of section 1124 of the Bankruptcy Code.

159. "*Warrant Agreement*" means the Definitive Document governing the Warrants, the form of which is attached to the Disclosure Statement as **Exhibit G**, and as further amended, modified or supplemented, shall be Filed as part of the Plan Supplement.

160. "*Warrant Equity*" means the New Common Stock issuable upon the exercise of the Warrants.

161. "*Warrants*" means 5-year warrants entitling the holders thereof to purchase their Pro Rata share of 12.5% of the New Common Stock (taking into account the exercise of the Warrants and subject to dilution on account of the MIP Equity, if applicable, and any issuances of New Common Stock before the exercise date of the Warrants) for an aggregate exercise price (to be allocated across the Warrants on a Pro Rata basis on the shares of New Common Stock underlying each Warrant) based on $660 million of total enterprise value, which Warrants will have Black-Scholes protection for third party extraordinary transactions within the first two years, and on such other terms and conditions set forth in the Warrant Agreement.

B. Rules of Interpretation

For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections, respectively, hereof or hereto; (e) the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (j) references to "Proofs of Claim," "holders of Claims," "Disputed Claims," and the like shall include "Proofs of Interest," "holders of Interests," "Disputed Interests," and the like as applicable; (k) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (l) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation."

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to conflict of laws principles.

E. Reference to Monetary Figures

All references in the Plan to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.

F. Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control. In the event of an inconsistency between the Plan and any Definitive Documents or other documents, schedules or exhibits contained in the Plan Supplement, subject to the RSA Definitive Document Requirements, such Definitive Document or other document, schedule or exhibit shall control. In the event of an inconsistency between the Plan or any Definitive Documents or other documents, schedules or exhibits contained in the Plan Supplement, on the one hand, and the Confirmation Order, on the other hand, the Confirmation Order shall control.

II. ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, Professional Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

A. Administrative Claims

Except to the extent that a holder of an Allowed Administrative Claim agrees to less favorable treatment, each holder of an Allowed Administrative Claim (other than holders of Professional Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (a) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (c) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim; (d) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable; or (e) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

B. DIP Claims

Subject to the DIP Orders, on the Effective Date, the DIP Claims and DIP Payments shall be deemed to be Allowed in the full amount due and owing under the DIP Facility as of the Effective Date.

On the Effective Date, (i) the DIP Payments (which shall include payments in respect of Claims of DIP L/C Participating Lenders in respect of any Converted L/Cs that are drawn before the Effective Date and Claims of the Additional L/C Issuing Bank in respect of any Additional L/Cs) shall be paid in full in Cash, (ii) any undrawn Converted L/Cs shall either be (x) converted to letters of credit under the Exit ABL Facility or (y) cash collateralized at 105% of the face amount thereof, in each case, with the DIP L/C Participating Lenders having no further obligations with respect thereto, (iii) any undrawn Additional L/Cs shall be converted to letters of credit under the Exit ABL Facility or governed by a separate letter of credit facility, and (iv) the remaining DIP Claims shall be converted into Exit Term Loans, or repaid by the proceeds funded by Eligible Participants that exercise the Subscription Option.

C. Professional Claims

All requests for payment of Professional Claims for services rendered and reimbursement of expenses incurred prior to the Effective Date must be filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Reorganized Debtors shall pay Professional Claims in Cash in the amount the Bankruptcy Court allows, including from the Professional Fee Escrow Account, which the Reorganized Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date. Professionals shall deliver to the Debtors their estimates for purposes of the Reorganized Debtors computing the Professional Fee Amount no later than three (3) Business Days prior to the anticipated Effective Date. For the avoidance of doubt, no such estimate shall be deemed to limit the amount of the fees and expenses that are the subject of a Professional's final request for payment of Professional Claims filed with the Bankruptcy Court. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. No funds in the Professional Fee Escrow Account shall be property of the Estates, and the Professional Fee Escrow Account shall be maintained in trust solely for the benefit of holders of Professional Claims. Any funds remaining in the Professional Fee Escrow Account after all Allowed Professional Claims have been paid shall be turned over to the Reorganized Debtors.

From and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

For the avoidance of doubt, the Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date shall be paid in full in Cash on the Effective Date without the requirement to file retention or fee applications and without any requirement for notice to or action, order, or approval of the Bankruptcy Court.

D. Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law, or in the ordinary course of business.

E. Statutory Fees

All fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Reorganized Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the

earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

III. CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

The Plan constitutes a separate plan proposed by each Debtor within the meaning of section 1121 of the Bankruptcy Code. Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance with section 1122 of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied or disallowed by Final Order prior to the Effective Date. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (*i.e.*, there will be eight (8) Classes for each Debtor other than, for the avoidance of doubt, Class 8, which shall exist solely at Holdings); provided that any Class that does not contain any Allowed Claims or Allowed Interests with respect to a particular Debtor will be treated in accordance with Article III.D below.

Below is a chart assigning each Class a number for purposes of identifying each separate Class.

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	First Lien Claims	Impaired	**Entitled to Vote**
4	Second Lien Claims	Impaired	**Entitled to Vote**
5	General Unsecured Claims	Unimpaired	Presumed to Accept
6	Intercompany Claims	Unimpaired/Impaired	Presumed to Accept / Deemed to Reject
7	Intercompany Interests	Unimpaired	Presumed to Accept
8	Interests in Holdings	Impaired	Deemed to Reject

B. Treatment of Classes of Claims and Interests

Except to the extent that the Debtors and a holder of an Allowed Claim or Allowed Interest, as applicable, agree to less favorable treatment, such holder shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Allowed Claim or Allowed Interest. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

(a) **Class 1 — Other Secured Claims**

(1) *Classification*: Class 1 consists of any Other Secured Claims against any Debtor.

(2) *Treatment*: Each holder of an Allowed Other Secured Claim shall receive, as the Debtors or the Reorganized Debtors (as applicable) determine, either:

(A) payment in full, in Cash, of the unpaid portion of its Allowed Other Secured Claim, including any interest thereon required to be paid under section 506(b) of the Bankruptcy Code (or if payment is not then due, in accordance with the

terms of such allowed Other Secured Claim) on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Secured Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Secured Claim is Allowed; and (iii) the date such Allowed Other Secured Claim becomes due and payable, or as soon thereafter as is reasonably practicable;

(B) Reinstatement of such Other Secured Claim;

(C) the collateral securing its Allowed Other Secured Claim, plus any interest thereon required to be paid under section 506(b) of the Bankruptcy Code; or

(D) such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.

(3) *Voting*: Class 1 is Unimpaired. Holders of Allowed Other Secured Claims in Class 1 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Other Secured Claims in Class 1 are not entitled to vote to accept or reject the Plan.

(b) **Class 2 — Other Priority Claims**

(1) *Classification*: Class 2 consists of any Other Priority Claims against any Debtor.

(2) *Treatment*: Each holder of an Allowed Other Priority Claim shall receive payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Priority Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Priority Claim is Allowed; and (iii) the date such Allowed Other Priority Claim becomes due and payable, or as soon thereafter as is reasonably practicable.

(3) *Voting*: Class 2 is Unimpaired. Holders of Allowed Other Priority Claims in Class 2 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Other Priority Claims in Class 2 are not entitled to vote to accept or reject the Plan.

(c) **Class 3 — First Lien Claims**

(1) *Classification*: Class 3 consists of all First Lien Claims against any Debtor.

(2) *Allowance:* On the Effective Date, the First Lien Claims shall be Allowed in the aggregate principal amount of not less than $608,281,756.58, plus (x) any accrued but unpaid interest thereon payable as of the Petition Date at the applicable interest rate, (y) any accrued but unpaid fees and expenses payable in accordance with the First Lien Loan Documents, and (z) any net obligations arising under any Secured Hedge Agreements (if any). For the avoidance of doubt, the First Lien Claims shall not include any Claims in respect of Converted L/Cs. The First Lien Claims shall not be subject to avoidance, subordination, setoff, deduction, objection, challenge, recharacterization, surcharge under section 506(c) of the Bankruptcy Code or any other claim or defense.

(3) *Treatment*: On the Effective Date, each holder of an Allowed First Lien Claim shall receive on account of such Claim its Pro Rata share of 95.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity and the Warrant Equity).

(4) *Voting*: Class 3 is Impaired. Holders of Allowed First Lien Claims in Class 3 are entitled to vote to accept or reject the Plan.

(d) **Class 4 — Second Lien Claims**

(1) *Classification*: Class 4 consists of all Second Lien Claims against any Debtor.

(2) *Allowance:* On the Effective Date, the Second Lien Claims shall be Allowed in the aggregate principal amount of not less than $143,314,316.92, plus any accrued but unpaid interest thereon payable as of the Petition Date at the applicable interest rate and any accrued but unpaid fees and expenses payable in accordance with the Second Lien Loan Documents. The Second Lien Claims shall not be subject to avoidance, subordination, setoff, deduction, objection, challenge, recharacterization, surcharge under section 506(c) of the Bankruptcy Code or any other claim or defense.

(3) *Treatment*: On the Effective Date, each holder of an Allowed Second Lien Claim shall receive its Pro Rata share of (i) 4.5% of the New Common Stock (subject to dilution on account of, to the extent applicable, the MIP Equity and the Warrant Equity), and (ii) the Warrants.

(4) *Voting*: Class 4 is Impaired. Holders of Allowed Second Lien Claims in Class 4 are entitled to vote to accept or reject the Plan.

(e) **Class 5 — General Unsecured Claims**

(1) *Classification*: Class 5 consists of any General Unsecured Claims against any Debtor.

(2) *Treatment*: Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment of such Claim or has been paid or disallowed by Final Order prior to the Effective Date, on and after the Effective Date, the Reorganized Debtors shall continue to pay or treat each Allowed General Unsecured Claim in the ordinary course of business as if the Chapter 11 Cases had never been commenced, subject to all claims, defenses or disputes the Debtors and Reorganized Debtors may have with respect to such Claims, including as provided in Article IV.R of the Plan.

(3) *Voting*: Class 5 is Unimpaired. Holders of Allowed General Unsecured Claims in Class 5 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed General Unsecured Claims in Class 5 are not entitled to vote to accept or reject the Plan.

(f) **Class 6 — Intercompany Claims**

(1) *Classification*: Class 6 consists of any Intercompany Claims against any Debtor.

(2) *Treatment*: Each Allowed Intercompany Claim shall be Reinstated or cancelled (by way of contribution to capital or otherwise) as of the Effective Date, at the Debtors' or the Reorganized Debtors' option, subject to the Restructuring Transactions. No distribution shall be made on account of any Allowed Intercompany Claim.

(3) *Voting*: Class 6 is either Unimpaired, in which case the holders of Allowed Intercompany Claims in Class 6 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, and not receiving any distribution under the Plan, in which case the holders of such Allowed Intercompany Claims in Class 6 are deemed to have rejected the Plan pursuant to section 1126(g) of the

Bankruptcy Code. Therefore, each holder of an Allowed Intercompany Claim in Class 6 will not be entitled to vote to accept or reject the Plan.

(g) **Class 7 — Intercompany Interests**

(1) *Classification*: Class 7 consists of any Intercompany Interests in any Debtor.

(2) *Treatment*: Each Allowed Intercompany Interest shall be Reinstated as of the Effective Date, subject to the Restructuring Transactions.

(3) *Voting*: Class 7 is Unimpaired. Holders of Allowed Intercompany Interests in Class 7 are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Intercompany Interests in Class 7 are not entitled to vote to accept or reject the Plan.

(h) **Class 8 — Interests in Holdings**

(1) *Classification*: Class 8 consists of all Interests in Holdings.

(2) *Treatment*: On the Effective Date, subject to the Restructuring Transactions, all Interests in Holdings will be cancelled and the holders of Interests in Holdings shall not receive or retain any distribution, property, or other value on account of their Interests in Holdings.

(3) *Voting*: Class 8 is Impaired. Holders of Interests in Class 8 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including all rights regarding legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claim.

D. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest, or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

E. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Claims or Interests eligible to vote and no holder of Claims or Interests eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims or Interests in such Class.

F. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan (subject to the Restructuring Support Agreement) to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by (a) modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules and (b) withdrawing the Plan as to an individual

Debtor at any time before the Confirmation Date; provided that any such modification or withdrawal shall be subject to the RSA Definitive Document Requirements, to the extent applicable.

G. Intercompany Interests

To the extent Reinstated under the Plan, the Intercompany Interests shall be Reinstated for the ultimate benefit of the holders of the New Common Stock, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims. For the avoidance of doubt, to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall be owned by the same Reorganized Debtor that corresponds with the Debtor that owned such Intercompany Interests prior to the Effective Date (subject to the Restructuring Transactions).

IV. PROVISIONS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. 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 is within the range of reasonableness. Subject to Article VI of the Plan, all distributions made to holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final.

B. Restructuring Transactions

On or about the Effective Date, the Debtors or the Reorganized Debtors, in each case, with the consent of the Required First Lien Lenders and the Required Second Lien Lenders and, subject to the Sponsor Entities Consent Right (as defined in, and solely to the extent applicable under, the Restructuring Support Agreement), the Sponsor Entities, which consent shall not be unreasonably withheld, conditioned or delayed, shall take all actions as may be necessary or appropriate to effectuate the transactions described in, approved by, contemplated by, or necessary to effectuate the Restructuring Support Agreement and the Plan (collectively, the "Restructuring Transactions"), including: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, formation, organization, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including, but not limited to the documents comprising the Plan Supplement; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) such other transactions that are required to effectuate the Restructuring Transactions, including those described in the Restructuring Transactions Exhibit (if any), in the most tax efficient manner, including any mergers, consolidations, restructurings, conversions, dispositions, transfers, formations, organizations, dissolutions or liquidations; (e) the execution, delivery, and filing, if applicable, of the Exit Credit Facilities Documents, the New Stockholders' Agreement, and the Warrant Agreement; (f) the adoption of the Management Incentive Plan and the issuance and reservation of the MIP Equity on the terms and conditions set by the New Board on or promptly after the Effective Date consistent with the MIP Term Sheet; and (g) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

C. New Common Stock and Warrants

All existing Interests in Holdings shall be cancelled as of the Effective Date and, subject to the Restructuring Transactions, Reorganized Holdings shall issue and distribute the New Common Stock and the Warrants, to holders of Claims entitled to receive New Common Stock and Warrants, pursuant to the Plan. The issuance of the New Common Stock, including the MIP Equity and the Warrant Equity, and the Warrants shall be authorized without the need for any further corporate action and without any further action by the Debtors, Reorganized Debtors, or Reorganized Holdings, as applicable. Reorganized Holdings' New Organizational Documents shall authorize the issuance and distribution on the Effective Date of the New Common Stock and the Warrants, to the applicable Distribution Agent for the benefit of holders of Allowed Claims in Class 3 and Class 4 (as applicable) in accordance with the terms of Article III of the Plan. All New Common Stock and Warrants issued under the Plan, including the MIP Equity and the Warrant Equity, shall be duly authorized, validly issued, fully paid, and non-assessable, and the holders of New Common Stock and Warrants shall be deemed to have accepted the terms of the New Stockholders' Agreement (solely in their capacity as shareholders and warrant holders of Reorganized Holdings) and to be parties thereto without further action or signature. The New Stockholders' Agreement shall be effective as of the Effective Date and, as of such date, shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Common Stock, shall be bound thereby.

D. Exit Credit Facilities

On the Effective Date the Reorganized Debtors shall enter into the Exit Credit Facilities, the terms of which will be set forth in the Exit Credit Facilities Documents, as applicable. Confirmation of the Plan shall be deemed approval of the Exit Credit Facilities and the Exit Credit Facilities Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, including the Backstop Payment, and authorization of the Reorganized Debtors to enter into and execute the Exit Credit Facilities Documents and such other documents as may be required to effectuate the treatment afforded by the Exit Credit Facilities. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Credit Facilities Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Credit Facilities Documents, (c) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Credit Facilities Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

E. Exit Term Loan Subscription Option

Each First Lien Lender that (a) certifies that it is an accredited investor, (b) owns greater than $5 million of First Lien Claims, and (c) has voted to accept the Plan (each, an "Eligible Participant") shall have the opportunity (the "Subscription Option") to subscribe for a portion of the full amount of the Exit Term Loan Facility, pro rata based on the share of the First Lien Claims of all Eligible Participants represented by such Eligible Participant's First Lien Claims. The First Lien Agent will provide, or cause to be provided, to each Eligible Participant a subscription form whereby each Eligible Participant may exercise its Subscription Option, the form of which shall be included in the Plan Supplement (each, a "Subscription Form"). The Subscription Option may be exercised during the period commencing on or about the Petition Date and ending on the date that is no later than seven (7) days prior to the Confirmation Hearing (the "Subscription Period"), after which time each Eligible Participant shall be deemed to have relinquished and waived its right to participate in the Subscription Option to the extent it has not elected to subscribe for the Exit Term Loan Facility. On the Effective Date, each Eligible Participant that exercises the Subscription Option will receive its pro rata portion of the Exit Term Loans.

To the extent not fully funded following the Subscription Period, the Backstop Parties have agreed to backstop the Exit Term Loan Facility to the extent of the Exit Term Loan Backstop Commitment, consistent with the Exit Term Loan Facility Term Sheet and subject to the terms thereof, to ensure that the entire Exit Term Loan Facility is funded. In consideration of the Exit Term Loan Backstop Commitment, on the Effective Date, the Backstop Parties shall receive the Backstop Payment. The Backstop Payment shall be payable to each Backstop Party proportionally based on such Backstop Party's Exit Term Loan Backstop Commitment (determined without giving effect to the exercise of any Subscription Option). The commitments of Eligible Participants who exercise the Subscription Option will reduce the Exit Term Loan Backstop Commitment on a dollar for dollar basis.

F. Exemption from Registration Requirements

All shares of the New Common Stock and the Warrants issued to (a) holders of First Lien Claims and (b) holders of Second Lien Claims, as applicable, on account of their Claims and all shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants, will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code. Recipients of the New Common Stock and the Warrants are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state Blue Sky Law.

Should the Reorganized Debtors elect on or after the Effective Date to reflect any ownership of the New Common Stock, the Warrants or the New Common Stock (or other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants through the facilities of the DTC, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New Common Stock and the Warrants under applicable securities laws.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Common Stock, the Warrants and the shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants, are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. DTC shall be required to accept and conclusively rely upon the Plan or Confirmation Order in lieu of a legal opinion regarding whether the New Common Stock, the Warrants and/or shares of New Common Stock (including any other securities issuable upon exercise of Warrants) issued upon the exercise of the Warrants, are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

G. Subordination

The allowance, classification, and treatment of satisfying all Claims and Interests under the Plan takes into consideration any and all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510(b) or 510(c) of the Bankruptcy Code, or otherwise, including, for the avoidance of doubt, the Prepetition Intercreditor Agreement. On the Effective Date, any and all subordination rights or obligations that a holder of a Claim or Interest may have with respect to any distribution to be made under the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be enjoined permanently. Accordingly, distributions under the Plan to holders of Allowed Claims (including, for the avoidance of doubt, distributions to holders of Allowed Claims in Class 4) will not be subject to turnover or payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

H. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided herein, or in any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided herein, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and pursue, compromise

or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

I. Cancellation of Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise provided in the Plan: (a) the obligations of the Debtors under the DIP Facility, the First Lien Loan Documents, the Second Lien Loan Documents, and any Interest in Holdings, certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of, or ownership interest in, the Debtors giving rise to any Claim or Interest shall be cancelled, other than an Intercompany Interest, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation, or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; provided that notwithstanding Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the holder of an Allowed Claim shall continue in effect solely for purposes of enabling such holder to receive distributions under the Plan on account of such Allowed Claim as provided herein, provided, further, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; provided, further, that nothing in this section shall effect a cancellation of any New Common Stock, Warrants, Intercompany Interests, or Intercompany Claims (subject to, with respect to Intercompany Interests and Intercompany Claims, the Restructuring Transactions).

Notwithstanding Confirmation, the occurrence of the Effective Date or anything to the contrary herein, only such matters which by their express terms survive the termination of the First Lien Credit Agreement and the Second Lien Credit Agreement shall survive the occurrence of the Effective Date, including the rights of the First Lien Agent and the Second Lien Agent to expense reimbursement, indemnification and similar amounts.

J. Corporate Action

On the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the adoption and/or filing of the New Organizational Documents and the New Stockholders' Agreement; (b) the selection of the directors, managers, and officers for the Reorganized Debtors, including the appointment of the New Board and the New Board Observer; (c) the authorization, issuance, and distribution of New Common Stock and Warrants and the shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants; (d) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (e) the entry into the Exit Credit Facilities and the execution, delivery, and filing of the Exit Credit Facilities Documents, as applicable; (f) implementation of the Restructuring Transactions; (g) the adoption of the Management Incentive Plan and the issuance and reservation of the MIP Equity, subject to the establishment of the terms thereof by the New Board consistent with the MIP Term Sheet; and (h) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date), in each case subject to the RSA Definitive Document Requirements. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized Debtors, and any corporate action required by the Debtors or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors or Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors, Reorganized Holdings, or the other Reorganized Debtors shall be (or shall be deemed to have been) authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the Restructuring Transactions) in the name of and on behalf of Reorganized Holdings and the other Reorganized Debtors, including the Exit Credit Facilities Documents, the New Organizational Documents and any and all other agreements, documents, Securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court, in each case subject to the RSA Definitive Document Requirements. The authorizations and approvals contemplated by this Article IV.J shall be effective notwithstanding any requirements under non-bankruptcy law.

K. Corporate Existence

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation or bylaws (or other analogous formation documents) is amended by the Plan or otherwise, and to the extent any such document is amended, such document is deemed to be amended pursuant to the Plan and requires no further action or approval (other than any requisite filings required under applicable state or federal law).

L. Charter, Bylaws, and New Organizational Documents

On the Effective Date, or as soon thereafter as is reasonably practicable, the Reorganized Debtors' respective certificates of incorporation and bylaws (and other formation and constituent documents relating to limited liability companies) shall be amended as may be required to be consistent with the provisions of the Plan, the New Stockholders' Agreement, the other New Organizational Documents, the Warrant Agreement, the Governance Term Sheet, and the Exit Credit Facilities Documents, as applicable, and the Bankruptcy Code, in each case subject to the RSA Definitive Document Requirements. The New Organizational Documents shall, among other things: (a) authorize the issuance of the New Common Stock and the Warrants and the shares of New Common Stock (including any other securities issuable upon exercise of the Warrants) issued upon the exercise of the Warrants; and (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting equity Securities. After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other formation and constituent documents as permitted by the laws of its respective jurisdiction of formation and the terms of the New Stockholders Agreement, the other New Organizational Documents and the Warrant Agreement.

M. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors and managers thereof, shall be authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Exit Credit Facilities Documents, the New Stockholders Agreement and the Warrant Agreement, as applicable, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan and/or the Restructuring Support Agreement, including as required by the RSA Definitive Document Requirements.

N. Section 1146(a) Exemption

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan (including the Restructuring Transactions) or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; (d) the grant of collateral as security for any or all of the Exit Credit Facilities, as applicable; or (e) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including the Restructuring Transactions), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any

such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

O. Directors and Officers

The New Board shall consist of seven (7) members to be appointed for an initial three-year term. The initial members of the New Board shall consist of (a) the Chief Executive Officer of the Reorganized Debtors, (b) one representative of First Reserve Management, L.P. and its Affiliates, (c) two representatives of Carlyle Investment Management L.L.C., (d) two representatives of Eaton Vance Management, and (e) one representative of Stellex Capital Partners LP, or such members as may otherwise be determined in accordance with the Governance Term Sheet. There also shall be one non-voting observer (the "New Board Observer") to be designated by one member of the Ad Hoc Second Lien Group so long as such member (a) holds, as of the Effective Date, Second Lien Claims in an amount no less than such holdings as of the date of execution of the Restructuring Support Agreement, and (b) maintains, after the Effective Date, holdings of at least 75% of the New Common Stock (on a fully-diluted basis) issued to such member on the Effective Date on account of such Second Lien Claims. The right to designate the New Board Observer shall be personal to such appointing member and not transferable to another party.

The New Board Observer shall be given notice of, and opportunity to attend, all New Board meetings and receive in advance all materials distributed to members of the New Board in connection with such meetings; provided that, for this purpose, such meetings shall not include committee meetings other than special or transaction committees formed to discuss or evaluate a potential change of control transaction; provided further that the New Board Observer shall not have the right to attend such portions of meetings or receive such portions of materials, where the New Board determines in good faith, based on the advice of counsel, that the provision of such materials to the New Board Observer or the New Board Observer's participation in such meetings would result in a waiver or compromise of the attorney-client privilege. The New Board Observer shall receive from customary D&O indemnification and insurance from the Reorganized Debtors.

The members of the New Board will be identified as part of the Plan Supplement at or prior to the Confirmation Hearing consistent with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, except as otherwise provided in the Plan Supplement or announced on the record at the Confirmation Hearing, the existing officers of the Debtors shall serve in their current capacities for the Reorganized Debtors. From and after the Effective Date, each director, officer, or manager of the Reorganized Debtors shall serve pursuant to the terms of the respective Reorganized Debtor's charters and bylaws or other formation and constituent documents, and applicable laws of the respective Reorganized Debtor's jurisdiction of formation.

P. Employee Arrangements of the Reorganized Debtors

As of the Effective Date, the Reorganized Debtors shall: (a) be authorized to maintain, amend, or revise employment, indemnification, and other arrangements with their directors, officers, and employees, that were employed by, or serving on the board of directors of, any of the Debtors as of the Petition Date that have not been rejected before or as of the Effective Date, subject to the terms and conditions of any such agreement; (b) be authorized to enter into new employment, indemnification, and other arrangements with directors, officers, and employees, in the case of this clause (b), as determined by the board of directors of the applicable Reorganized Debtor; (c) assume the Severance Program; and (d) assume the Annual Incentive Plan and pay any unpaid amounts under the Annual Incentive Plan as of the Effective Date that were otherwise payable during the Chapter 11 Cases. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

Q. Management Incentive Plan

The New Board shall adopt and implement the Management Incentive Plan, consistent with the Restructuring Support Agreement, on or promptly after the Effective Date, subject to the establishment of the terms thereof by the New Board consistent with the MIP Term Sheet. Any MIP Equity issued in connection with the Management Incentive Plan shall dilute all of the New Common Stock equally, including the New Common Stock issuable upon the exercise of the Warrants. Confirmation shall be deemed approval of the Management Incentive Plan, without any further action or approval required by the Bankruptcy Court, subject to the establishment of the terms of the Management Incentive Plan, consistent with the MIP Term Sheet, and its subsequent adoption by, the New Board.

R. Preservation of Causes of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, including pursuant to Article VIII of the Plan, the DIP Orders, or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided herein.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, including pursuant to Article VIII of the Plan, the DIP Orders, or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this Article IV.R include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action preserved pursuant to the first paragraph of this Article IV.R that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption of Executory Contracts and Unexpired Leases

Each Executory Contract and Unexpired Lease shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code, unless such Executory Contract or Unexpired Lease (a) was previously assumed or rejected; (b) was previously expired or terminated pursuant to its own terms; (c) is the subject of a motion or notice to assume or assume and assign Filed on or before the Confirmation Date; or (d) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases. The assumption of Executory Contracts and Unexpired Leases hereunder may include the assignment of certain of such contracts to Affiliates. The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions and assignments.

To the maximum extent permitted by law, to the extent that any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict

or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

B. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

The Debtors or the Reorganized Debtors, as applicable, shall pay Cures, if any, on the Effective Date or as soon as reasonably practicable thereafter. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure that differ from the amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty must be filed with the Solicitation Agent on or before 30 days after the Effective Date. Any such request that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. Any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure; provided, however, that nothing herein shall prevent the Reorganized Debtors from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtors also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be filed with the Bankruptcy Court on or before the Confirmation Hearing. Any such objection will be scheduled to be heard by the Bankruptcy Court at the Confirmation Hearing or at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing for which such objection is timely filed. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

If there is any dispute regarding any Cure, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of any Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. The Debtors and Reorganized Debtors, as applicable, reserve the right at any time to move to reject any Executory Contract or Unexpired Lease based upon the existence of any such unresolved dispute.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable Cure pursuant to this Article V.B shall result in the full release and satisfaction of any Cures, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Confirmation Order, and for which any Cure has been fully paid pursuant to this Article V.B, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.**

C. Rejection Damages Claims

Each Executory Contract and Unexpired Lease, if any, set forth on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be deemed rejected, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including the Effective Date.

In the event that the rejection of an Executory Contract or Unexpired Lease by any of the Debtors results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors or their respective properties or interests in property as agents, successors, or assigns, unless a Proof of Claim is filed with the Bankruptcy Court and served upon counsel for the Debtors and the Reorganized Debtors no later than thirty (30) days after the later of (i) the Effective Date or (ii) the effective date of the rejection of such Executory Contract or Unexpired Lease. Any such Claims, to the extent Allowed, shall be classified in Class 5 (General Unsecured Claims).

Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each rejected Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

D. Indemnification

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the New Organizational Documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' directors, officers, employees, or agents that were employed by, or serving on the board of directors of, any of the Debtors as of the Petition Date, to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any Claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and, notwithstanding anything in the Plan to the contrary, none of the Reorganized Debtors will amend and/or restate the New Organizational Documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

E. Insurance Policies

Notwithstanding anything in the Plan to the contrary, all of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto, including all D&O Liability Insurance Policies (including tail coverage liability insurance). Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of all such insurance policies, including the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of insurance policies, including the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be filed, and shall survive the Effective Date.

After the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce, modify or restrict in any way, the coverage under any D&O Liability Insurance Policy (including such tail coverage liability insurance) in effect as of the Effective Date, and all members, managers, directors, and officers of the Debtors who served in such capacity at any time prior to the Effective Date of the Plan shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date of the Plan.

F. Contracts and Leases After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed under section 365 of the Bankruptcy Code, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Such contracts and leases that are not rejected under the Plan shall survive and remain unaffected by entry of the Confirmation Order.

G. Reservation of Rights

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or the Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

H. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline(s) have expired.

VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Account of Claims and Interests Allowed as of the Effective Date

Except as otherwise provided herein, a Final Order, or as otherwise agreed to by the Debtors or the Reorganized Debtors, as the case may be, and the holder of the applicable Claim, on the first Distribution Date, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date; provided, however, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (2) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in accordance with Articles III.B(b) and III.B(a), respectively. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business. A Distribution Date shall occur no more frequently than once in every 90 day period after the Effective Date, as necessary, in the Reorganized Debtors' sole discretion.

B. Rights and Powers of the Distribution Agent

(a) Powers of 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 fees and expenses incurred by the Distribution Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Distribution Agent shall be paid in Cash by the Reorganized Debtors.

C. Special Rules for Distributions to Holders of Disputed Claims

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.

D. Delivery of Distributions

(a) **Record Date for Distributions**

On the Effective Date, the various transfer registers for each class of Claims or Interests as maintained by the Debtors or their respective agents shall be deemed closed, and there shall be no further changes in the record holders of any Claims or Interests. The Distribution Agent shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Effective Date. In addition, with respect to payment of any Cure amounts or disputes over any Cure amounts, neither the Debtors nor the Distribution Agent shall have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable executory contract or unexpired lease as of the Effective Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim for a Cure amount.

(b) **Distribution Process**

The Distribution Agent shall make all distributions required under the Plan, except that with respect to distributions to holders of Allowed Claims governed by a separate agreement, which shall include the DIP Facility, the First Lien Credit Agreement, and the Second Lien Credit Agreement, and administered by a Servicer, including the DIP Administrative Agent, the First Lien Agent, and the Second Lien Agent, the Distribution Agent, the Debtor, the applicable Servicer, and the Ad Hoc First Lien Group and Ad Hoc Second Lien Group, as applicable, shall exercise commercially reasonable efforts to implement appropriate mechanics governing such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided herein, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims, including Claims that become Allowed after the Effective Date, shall be made to holders of record or their respective designees as of the Effective Date: (1) to the address of such holder or designee as set forth in the applicable register (or if the appropriate notice has been provided pursuant to the governing agreement in writing, on or before the date that is 10 days before the Effective Date, of a change of address or an identification of designee, to the changed address or to such designee, as applicable); or (2) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, if no address exists in the applicable register, no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address on or before the date that is 10 days before the Effective Date. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan. Except as otherwise 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.

(c) **Compliance Matters**

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent 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. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, or withholding distributions pending receipt of information necessary to facilitate such distributions. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

(d) **Foreign Currency Exchange Rate**

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal, National Edition*, on the Effective Date.

(e) **Fractional, Undeliverable, and Unclaimed Distributions**

(1) *Fractional Distributions*. Whenever any distribution of fractional shares of New Common Stock or fractional Warrants would otherwise be required pursuant to the Plan, the actual distribution shall reflect a rounding of such fraction to the nearest share (up or down), with half shares or half Warrants or less being rounded down.

(2) *Undeliverable Distributions*. If any distribution to a holder of an Allowed Claim is returned to the Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until the Distribution Agent is notified in writing of such holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such holder on the next Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtors or is cancelled pursuant to Article VI.D(e)(3) below, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

(3) *Reversion*. Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revest in the applicable Reorganized Debtor and, to the extent such Unclaimed Distribution is New Common Stock or Warrants, shall be deemed cancelled. Upon such revesting, the Claim of the holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws, or any provisions in any document governing the distribution that is an Unclaimed Distribution, to the contrary.

(f) **Surrender of Cancelled Instruments or Securities**

On the Effective Date, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim is governed by an agreement and administered by a Servicer). Such Certificate shall be cancelled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. Notwithstanding the foregoing paragraph, this Article VI.D(f) shall not apply to any Claims and Interests Reinstated pursuant to the terms of the Plan.

E. Claims Paid or Payable by Third Parties

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

A Claim shall be correspondingly reduced, and the applicable portion of 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 a payment on account of such Claim from a party that is not a Debtor or Reorganized Debtor; provided that the Debtors shall provide 21 days' notice to the holder prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Bankruptcy Court. Subject to the last sentence of this paragraph, 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, within fourteen days of receipt thereof, repay or return the distribution to the Reorganized Debtors 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. The failure of such holder to timely repay or return such distribution shall result in the holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen-day grace period specified above until the amount is repaid.

(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, the applicable portion of such Claim may be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court; provided that the Debtors shall provide 21 days' notice to the holder of such Claim prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by 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. Notwithstanding anything to the contrary contained herein (including Article VIII), nothing contained in the Plan shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers, under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

F. Setoffs

Except as otherwise expressly provided for herein, each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, no such set off shall be permitted against any Allowed First Lien Claim or Allowed Second Lien Claim or any distributions to be made pursuant to the Plan on account of such Allowed Claims; provided, further, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such holder. In no event shall any holder of Claims be entitled to set off any such Claim against any Claim, right, or Cause of Action of the Debtor or Reorganized Debtor

(as applicable), unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

G. Allocation Between Principal and Accrued Interest

Except as otherwise provided herein, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to interest, if any, on such Allowed Claim accrued through the Effective Date.

VII. PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

A. Proofs of Claim / Disputed Claims Process

Notwithstanding section 502(a) of the Bankruptcy Code, and in light of the Unimpaired status of all General Unsecured Claims under the Plan, except as required by Article V.C of the Plan, holders of Claims need not file Proofs of Claim, and the Reorganized Debtors and the holders of Claims shall determine, adjudicate, and resolve any disputes over the validity and amounts of such Claims in the ordinary course of business as if the Chapter 11 Cases had not been commenced except that (unless expressly waived pursuant to the Plan) the Allowed amount of such Claims shall be subject to the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 and 503 of the Bankruptcy Code, to the extent applicable. All Proofs of Claim filed in these Chapter 11 Cases, except those permitted by Article V.C, shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all Proofs of Claim filed against the Debtors, regardless of the time of filing, and including Claims filed after the Effective Date, shall be deemed withdrawn, other than as provided below. Notwithstanding anything in this Article VII.A, (a) all Claims against the Debtors that result from the Debtors' rejection of an executory contract or unexpired lease, (b) disputes regarding the amount of any Cure pursuant to section 365 of the Bankruptcy Code, and (c) Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court. From and after the Effective Date, the Reorganized Debtors may satisfy, dispute, settle, or otherwise compromise any Claim without approval of the Bankruptcy Court.

B. Objections to Claims

Except insofar as a Claim is Allowed under the Plan, the Debtors, the Reorganized Debtors, or any other party in interest shall be entitled to object to Claims. Any objections to Claims shall be served and filed (a) on or before the ninetieth (90th) day following the later of (i) the Effective Date and (ii) the date that a Proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (b) such later date as ordered by the Bankruptcy Court upon motion filed by the Debtors or Reorganized Debtors. 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.R of the Plan.

C. No Distribution Pending Allowance

If an objection to a Claim is deemed, as set forth in Article VII.A, or filed, as set forth in Article VII.B, no payment or distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

D. Distribution 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 practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final

Order, the Distribution Agent 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, without any interest to be paid on account of the such Claim unless required under applicable bankruptcy law.

E. No Interest

Unless otherwise specifically provided for herein, the DIP Orders or by any other order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

F. Disallowance of Claims

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

VIII. EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge of Claims and Termination of Interests

Except as otherwise provided for herein, effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

B. Releases by the Debtors

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Action brought as counterclaims or defenses to Claims asserted against the Debtors), the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by

any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtor Release; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

C. Releases by Holders of Claims and Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, each Releasing Party, to the fullest extent allowed by applicable law, is deemed to have released and discharged each Debtor, Reorganized Debtor, and other Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct, or (c) obligations under the First Lien Credit Agreement and the Second Lien Credit Agreement which by their express terms survive the termination of the First Lien Credit Agreement and the Second Lien Credit Agreement, including the rights of the First Lien Agent and the Second Lien Agent to expense reimbursement, indemnification and similar amounts.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that the Third Party Release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the Claims released by the Third-Party Release; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to the Third-Party Release.

D. Exculpation

Notwithstanding anything contained herein to the contrary, 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, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Loan Documents, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Chapter 11 Cases, the prepetition negotiation and settlement of Claims, the filing of the Chapter 11 Cases, the formulation and solicitation of the Plan, the pursuit of Confirmation, the pursuit of Consummation, 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 upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, gross negligence or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. 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, 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.

E. Injunction

Except as otherwise provided herein or for obligations created or issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.B or Article VIII.C of the Plan, discharged pursuant to Article VIII.A of the Plan, or are subject to exculpation pursuant to Article VIII.D of the Plan shall be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the 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 encumbrance of any kind against such Entities or the property or 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 timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff 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 discharged, released, exculpated, or settled pursuant to the Plan.

F. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

G. Release of Liens

Except as otherwise specifically provided in the Plan, the Exit Credit Facilities Documents (including in connection with any express written amendment of any mortgage, deed of trust, Lien, pledge, or other security interest under the Exit Credit Facilities Documents), or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, 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 Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors, the DIP Administrative Agent, the First Lien Agent, the Second Lien Agent or any other holder of a Secured Claim. In addition, at the sole expense of the Debtors or the Reorganized Debtors, the DIP Administrative Agent, the First Lien Agent, and the Second Lien Agent shall execute and deliver all documents reasonably requested by the Debtors, Reorganized Debtors or administrative agent(s) for the Exit Credit Facilities to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorize the Reorganized Debtors and their designees to file UCC-3 termination statements and other release documentation (to the extent applicable) with respect thereto.

H. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (a) such Claim has been adjudicated as noncontingent, or (b) the relevant holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

I. Recoupment

In no event shall any holder of a Claim be entitled to recoup such Claim against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

J. Subordination Rights

Any distributions under the Plan to holders of Claims or Interests shall be received and retained free from any obligations to hold or transfer the same to any other holder and shall not be subject to levy, garnishment, attachment, or other legal process by any holder by reason of claimed contractual subordination rights. On the

Effective Date, any such subordination rights shall be deemed waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan; provided, that any such subordination rights shall be preserved in the event the Confirmation Order is vacated, the Effective Date does not occur in accordance with the terms hereunder or the Plan is revoked or withdrawn.

IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Plan:

(a) the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Amount;

(b) the DIP Orders shall have been entered by the Bankruptcy Court, and shall not have been stayed or modified or vacated;

(c) (i) the Confirmation Order shall have been entered by the Bankruptcy Court and (ii) such order shall have become a Final Order that has not been stayed or modified or vacated;

(d) the Debtors shall not be in default under the DIP Facility or the DIP Orders (or, to the extent that the Debtors are in default on the proposed Effective Date, such default shall have been waived by the DIP Lenders or cured by the Debtors in a manner consistent with the DIP Facility and the DIP Orders);

(e) the Debtors shall have obtained a binding commitment for a senior secured asset-backed revolving credit facility in the aggregate principal amount of up to $50 million, which may be in the form of the Exit ABL Facility;

(f) the Exit Credit Facilities Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Credit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Credit Facilities shall be deemed to occur concurrently with the occurrence of the Effective Date;

(g) (i) the Definitive Documents shall have satisfied the RSA Definitive Document Requirements; and (ii) in addition to the RSA Definitive Document Requirements applicable to the Exit Credit Facilities Documents, the Exit Credit Facilities Documents also shall be in form and substance reasonably satisfactory to the Exit ABL Facility Administrative Agent and Exit Term Loan Facility Administrative Agent, as applicable (in each case solely with respect to the provisions thereof that affect the rights and duties of the Exit ABL Facility Administrative Agent and Exit Term Loan Facility Administrative Agent, as applicable);

(h) all conditions precedent to the issuance of the New Common Stock and the Warrants (and the automatic issuance of the New Common Stock and the Warrants on the Effective Date), other than any conditions related to the occurrence of the Effective Date, shall have occurred;

(i) all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the New Stockholders' Agreement and the Warrant Agreement shall have been waived or satisfied in accordance with the terms thereof, and the closing of the New Stockholders' Agreement and the Warrant Agreement shall be deemed to occur concurrently with the occurrence of the Effective Date;

(j) to the extent required under applicable non-bankruptcy law, the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

(k) all governmental and material third party approvals and consents, including Bankruptcy Court approval, that are necessary to implement the Restructuring Transactions shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(l) the Restructuring Support Agreement shall not have terminated as to all parties thereto and shall be in full force and effect and the Debtors and the applicable Restructuring Support Parties then party thereto shall be in compliance therewith;

(m) all fees and expenses payable by the Debtors pursuant to Article XII.C hereof, section 16 of the Restructuring Support Agreement, and the DIP Orders have been paid in full in Cash; and

(n) with respect to all documents and agreements necessary to implement the Plan: (1) all conditions precedent to such documents and agreements (other than any conditions precedent related to the occurrence of the Effective Date) shall have been satisfied or waived pursuant to the terms of such documents or agreements; (2) such documents and agreements shall have been tendered for delivery to the required parties and been approved by any required parties and, to the extent required, filed with and approved by any applicable Governmental Units in accordance with applicable laws; and (3) such documents and agreements shall have been effected or executed.

B. Waiver of Conditions Precedent

The Debtors, with the prior written consent of the Required First Lien Lenders and the Required Second Lien Lenders, and, solely with respect to the conditions in (x) Section IX.A(g), with respect to the Restructuring Expenses of the Sponsor Entities and (y) Section IX.A(g), subject to the RSA Definitive Document Requirements, the Sponsor Entities, as applicable, may waive any of the conditions to the Effective Date set forth in Section IX.A of the Plan (except for IX.A(c)(i)) at any time without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm or consummate the Plan; provided, however, the condition in Section IX.A(g) of the Plan may be waived with respect to a particular Definitive Document only to the extent that every party that maintains a consent right over the subject Definitive Document as set forth in the Restructuring Support Agreement agrees to waive such condition with respect to the subject Definitive Document.

C. Effect of Non-Occurrence of Conditions to Consummation

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order, then, except as provided in such Final Order, the Plan will be null and void in all respects, and nothing contained in the Plan, the Disclosure Statement, or the Restructuring Support Agreement shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by an Entity; (b) prejudice in any manner the rights of any Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity.

D. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

X. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification of Plan

Effective as of the date hereof: (a) the Debtors reserve the right (subject to the Restructuring Support Agreement and the RSA Definitive Document Requirements) in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan before the entry of the Confirmation Order consistent with the terms set forth herein; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as

applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth herein. Notwithstanding anything to the contrary herein, the Debtors or the Reorganized Debtors, as applicable, shall not amend or modify the Plan in a manner inconsistent with the Restructuring Support Agreement and the RSA Definitive Document Requirements.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation of votes thereon pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors reserve the right (subject to the Restructuring Support Agreement) to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (c) nothing contained in the Plan shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity, (2) prejudice in any manner the rights of any Debtor or any other Entity, or (3) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

XI. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim against a Debtor, including the resolution of any request for payment of any Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;

7. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

9. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

10. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid pursuant to Article VI.E(a) of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan, the Confirmation Order, and contracts, instruments, releases, and other agreements or documents created in connection with the Plan; or (d) related to section 1141 of the Bankruptcy Code;

11. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

12. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

13. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

14. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

15. enforce all orders previously entered by the Bankruptcy Court; and

16. hear any other matter not inconsistent with the Bankruptcy Code;

provided, that, on and after the Effective Date and after the consummation of the following agreements or documents, the Bankruptcy Court shall not retain jurisdiction over matters arising out of or related to each of the Exit Credit Facilities Documents, the New Stockholders' Agreement, the New Organizational Documents, and the Warrant Agreement, and the Exit Credit Facilities Documents, the New Stockholders' Agreement, the New Organizational Documents, and the Warrant Agreement shall be governed by the respective jurisdictional provisions therein.

XII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A hereof, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and

injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, subject to the RSA Definitive Document Requirements and the Restructuring Support Agreement, as applicable. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Restructuring Expenses

To the extent not previously paid pursuant to the DIP Orders, on the Effective Date, all Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date shall be paid in full in Cash.

D. Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or a Final Decree is issued, whichever occurs first.

E. Reservation of Rights

The Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

Reorganized Debtors

Ameriforge Group Inc.
945 Bunker Hill Road, Suite 500
Houston, Texas 77024
Attn: Thomas E. Giles

Proposed Counsel to Debtors	**Kirkland & Ellis LLP** **Kirkland & Ellis International LLP** 601 Lexington Avenue New York, New York 10022 Attn: Edward O. Sassower, P.C. **Kirkland & Ellis LLP** **Kirkland & Ellis International LLP** 300 North LaSalle Street Chicago, Illinois 60654 Attn: James H.M. Sprayregen, P.C. William A. Guerrieri Christopher M. Hayes **Jackson Walker L.L.P.** 1401 McKinney Street, Suite 1900 Houston, Texas 77010 Attn.: Patricia Tomasco Matthew Cavenaugh Jennifer Wertzel
United States Trustee	**Office of the United States Trustee** **for the Southern District of Texas** 515 Rusk Street, Suite 3516 Houston, Texas 77002 Attn.: ____
Counsel to the Consenting First Lien Lenders	**Jones Day** 250 Vesey Street New York, New York 10281 Attn: Scott J. Greenberg Michael J. Cohen
Counsel to the Consenting Second Lien Lenders	**Akin, Gump, Strauss, Hauer & Feld LLP** One Bryant Park New York, New York 10036 Attn: Ira S. Dizengoff Philip C. Dublin Jason P. Rubin
Counsel to the Sponsor Entities	**Simpson Thacher & Bartlett LLP** 425 Lexington Avenue New York, New York 10017 Attn: Elisha D. Graff

H. Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

I. Entire Agreement

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

J. Plan Supplement

After any of such documents included in the Plan Supplement are filed, copies of such documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Solicitation Agent's website at http://dm.epiq11.com/ameriforge or the Bankruptcy Court's website at https://www.pacer.gov/.

K. Non-Severability

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the consent of the Debtors, the Required First Lien Lenders, the Required Second Lien Lenders and, subject to the Sponsor Entities Consent Right, the Sponsor Entities, consistent with the terms set forth herein; and (c) nonseverable and mutually dependent.

L. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of the Restructuring Support Parties and each of their respective Affiliates, agents, representatives, members, principals, equity holders (regardless of whether such interests are held directly or indirectly), officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

M. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

N. Waiver or Estoppel

Each holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, the Restructuring Support Agreement, or papers filed with the Bankruptcy Court prior to the Confirmation Date.

Dated: April 21, 2017

AMERIFORGE GROUP INC.
on behalf of itself and each of its Debtor affiliates

/s/ Thomas E. Giles

Name: Thomas E. Giles
Title: EVP & General Counsel

EXHIBIT B TO THE DISCLOSURE STATEMENT

RESTRUCTURING SUPPORT AGREEMENT

EXECUTION VERSION

FR AFG HOLDINGS INC. AND ITS DOMESTIC SUBSIDIARIES

RESTRUCTURING SUPPORT AGREEMENT

April 5, 2017

This RESTRUCTURING SUPPORT AGREEMENT (together with the exhibits and schedules attached hereto, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"), dated as of April 5, 2017, is entered into by and among: (i) FR AFG Holdings Inc. ("Holdings"), and its wholly-owned domestic subsidiaries (together with Holdings, each an "AFG Entity," and collectively, the "AFG Entities"); (ii) the lenders party to that certain Credit Agreement, dated as of December 19, 2012 (as amended, restated, modified, or supplemented from time to time in accordance with its terms, the "First Lien Credit Agreement," and collectively with any letter of credit documentation, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, the "First Lien Loan Documents"), by and among FR AFG Holdings, Inc., as parent, AmeriForge Group Inc. (as successor by merger with Heavy Metal Merger Sub, Inc.), as borrower, the guarantors from time to time party thereto, Deutsche Bank Trust Company Americas, as administrative agent, collateral agent, swing line lender and L/C issuer (solely in such capacity, the "First Lien Agent"), and the lenders party thereto (the "First Lien Lenders" and, together with the First Lien Agent, the "First Lien Secured Parties") that are (and any First Lien Lender that may become in accordance with Section 14 hereof) signatories hereto (to the extent identified as "Consenting First Lien Lenders" on the signature pages hereto, the "Consenting First Lien Lenders"); (iii) the lenders party to that certain Second Lien Credit Agreement, dated as of October 3, 2014 (as amended, restated, modified, or supplemented from time to time in accordance with its terms, the "Second Lien Credit Agreement," and collectively with any letter of credit documentation, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, the "Second Lien Loan Documents"), by and among FR AFG Holdings, Inc., as parent, AmeriForge Group Inc. (as successor by merger with Heavy Metal Merger Sub, Inc.), as borrower, the guarantors from time to time party thereto, Delaware Trust Company, as successor administrative agent and collateral agent (solely in such capacity, the "Second Lien Agent"), and the lenders party thereto (the "Second Lien Lenders" and, together with the Second Lien Agent, the "Second Lien Secured Parties") that are (and any Second Lien Lender that may become in accordance with Section 14 hereof) signatories hereto (to the extent identified as "Consenting Second Lien Lenders" on the signature pages hereto, the "Consenting Second Lien Lenders"); (iv) the Debt Fund Affiliates and Non-Debt Fund Affiliates (each as defined in the Second Lien Credit Agreement; each, to the extent identified as "Consenting Sponsor Lenders" on the signature pages hereto, a "Consenting Sponsor Lender" and, collectively, the "Consenting Sponsor Lenders"); and (v) FR Heavy Metal LP (solely in its capacity as a holder of 100% of the direct and/or indirect existing equity interests (the "Interests") in the AFG Entities, the "Consenting Sponsor," and, collectively with any Consenting Sponsor Lenders, the "Sponsor Entities"; together with the Consenting First Lien Lenders and Consenting Second Lien Lenders,

the "Restructuring Support Parties"). This Agreement collectively refers to the AFG Entities and the other Restructuring Support Parties as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain restructuring transactions (the "Restructuring Transactions") pursuant to the terms and conditions set forth in this Agreement that is consistent with the terms and conditions of the term sheet attached hereto as **Exhibit A** (the "Restructuring Term Sheet")[1];

WHEREAS, it is anticipated that the Restructuring Transactions will be implemented through either an out-of-court transaction (the "Out-of-Court Transaction") or a prepackaged or prearranged plan of reorganization (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms and this Agreement, the "Plan") to be consummated in jointly administered voluntary cases commenced by the AFG Entities (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the, "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), pursuant to the Plan, which will be filed by the AFG Entities in the Chapter 11 Cases;

WHEREAS, (i) certain Consenting First Lien Lenders or affiliates thereof (in their capacities as such, the "DIP Lenders") have committed to provide a debtor-in-possession financing facility (the "DIP Financing") and otherwise extend credit to the AFG Entities during the pendency of the Chapter 11 Cases, with the First Lien Agent acting as the agent under the DIP Financing (in its capacity as such, the "DIP Agent") and (ii) the First Lien Secured Parties and the Second Lien Secured Parties have agreed to the AFG Entities' use of cash collateral, which DIP Financing and use of cash collateral shall be on terms consistent with the term sheet attached as Exhibit A to the Restructuring Term Sheet (the "DIP Term Sheet") and otherwise pursuant to the DIP Orders and the applicable Definitive Documentation (as defined herein);

WHEREAS, certain Consenting First Lien Lenders or affiliates thereof (in their capacities as such, the "Exit Term Loan Facility Lenders") have agreed, as set forth in the Restructuring Term Sheet, to provide the reorganized AFG Entities with a new first lien term loan facility (the "Exit Term Loan Facility") on terms consistent with the terms set forth on Annex I of the DIP Term Sheet (the "Exit Term Loan Facility Term Sheet") and otherwise pursuant to the applicable Definitive Documentation; and

WHEREAS, the AFG Entities, as set forth in the Restructuring Term Sheet, have agreed to obtain a new ABL Facility (the "Exit ABL Facility" and, together with the Exit Term Loan Facility, the "Exit Facilities") that shall comply with Sections 3 and 4(a) hereof and be on terms consistent with any term sheets with respect thereto (the "Exit ABL Facility Term Sheet" and, together with the Exit Term Loan Facility Term Sheet, the "Exit Facilities Term Sheets") and otherwise pursuant to the applicable Definitive Documentation.

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[1] Unless otherwise noted, capitalized terms used but not immediately defined have the meanings given to such terms elsewhere in this Agreement or in the Restructuring Term Sheet (including any exhibits thereto), as applicable.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. RSA Effective Date. This Agreement shall become effective, and the obligations contained herein shall become binding upon the Parties, upon the first date (such date, the "RSA Effective Date") that:

(a) this Agreement has been executed by all of the following:

(i) each AFG Entity;

(ii) Consenting First Lien Lenders and Consenting Sponsor Lenders holding, in aggregate, at least 51% in principal amount of all "claims" (as defined in section 101(5) of the Bankruptcy Code) for principal, interest, fees and expenses outstanding under the First Lien Loan Documents (the "First Lien Claims");

(iii) Consenting Second Lien Lenders and Consenting Sponsor Lenders holding, in aggregate, at least 66.67% in principal amount of all "claims" (as defined in section 101(5) of the Bankruptcy Code) for principal, interest, fees and expenses outstanding under the Second Lien Loan Documents (the "Second Lien Claims" and, together with the First Lien Claims, the "Claims"); and

(iv) the Consenting Sponsor.

(b) the reasonable and documented fees and expenses of the First Lien Advisors, the Second Lien Advisors, and the Sponsor Advisor (each as defined in Section 16 hereof) invoiced and outstanding as of the date hereof have been paid in full in cash.

2. Exhibits and Schedules Incorporated by Reference. Each of the exhibits attached hereto and any schedules to such exhibits (collectively, the "Exhibits and Schedules") are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the Exhibits and Schedules. In the event of any inconsistency between this Agreement (excluding the Exhibits and Schedules) and the Exhibits and Schedules, the Exhibits and Schedules shall govern. In the event of any inconsistency between the terms of this Agreement (including the Exhibits and Schedules) and the Plan, the terms of the Plan shall govern.

3. Definitive Documentation.

(a) The definitive documents and agreements governing the Restructuring Transactions (collectively, the "Definitive Documentation") shall include, without limitation:

(i) the Exit ABL Facility Term Sheet, if any;

(ii) to the extent the Restructuring is implemented by an Out-of-Court Transaction, the documents implementing such Out-of-Court Transaction;

(iii) the Plan (and all exhibits thereto) and any supplement to the Plan (the "Plan Supplement"), which shall include, for the avoidance of doubt and without limitation, (A) a stockholders' agreement, or other similar agreement, setting forth the rights and obligations of the holders of the New Common Stock and to which all holders of New Common Stock shall be bound or deemed bound, (B) a warrant agreement or similar agreement, setting forth the rights and obligations of the holders of the New Warrants (as defined in the Restructuring Term Sheet), and (C) documents setting forth summary terms of the MIP; provided that, notwithstanding the foregoing, with respect to any Definitive Documentation expressly identified in this Agreement (whether identified by individual document or categorically) that subsequently is an exhibit to the Plan or contained in the Plan Supplement (such Definitive Documentation, a "Specific Document"), the consent right or lack of consent right (as applicable) of any Party with respect to such Specific Document set forth herein shall control;

(iv) the confirmation order with respect to the Plan (the "Confirmation Order") and any motion or other pleadings related to the Plan (and all exhibits thereto) or confirmation of the Plan;

(v) the related disclosure statement (and all exhibits thereto) with respect to the Plan (the "Disclosure Statement");

(vi) the solicitation materials with respect to the Plan (collectively, the "Solicitation Materials");

(vii) the motion seeking approval of, and the order of the Bankruptcy Court approving, the Disclosure Statement and the Solicitation Materials (such order, including to the extent combined with the Confirmation Order, the "Solicitation Order");

(viii) (A) the interim order authorizing use of cash collateral and approving the DIP Financing on terms consistent with the DIP Term Sheet (the "Interim DIP Order"), and (B) the final order

authorizing use of cash collateral and approving the DIP Financing on terms consistent with the DIP Term Sheet (the "Final DIP Order" and together with the Interim DIP Order, the "DIP Orders");

(ix) the postpetition debtor-in-possession credit agreement for the DIP Financing (the "DIP Credit Agreement") to be entered into in accordance with the DIP Term Sheet and the DIP Orders, including any amendments, modifications, supplements thereto, and together with any related notes, certificates, agreements, security agreements, documents and instruments (including any amendments, restatements, supplements or modifications of any of the foregoing) related to or executed in connection therewith (collectively, the "DIP Credit Documents"); and

(x) the credit agreements for the Exit Facilities (the "Exit Credit Agreements"), including any amendments, modifications, supplements thereto, and together with any related notes, certificates, agreements, security agreements, documents and instruments (including any amendments, restatements, supplements or modifications of any of the foregoing) related to or executed in connection therewith (collectively, the "Exit Credit Documents").

(b) Except as set forth herein, the Definitive Documentation (and any modifications, restatements, supplements or amendments to any of them) will, after the RSA Effective Date, remain subject to negotiation and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent in all material respects with the terms of this Agreement (including the Exhibits and Schedules) and be in form and substance reasonably satisfactory in all respects to each of: (i) the AFG Entities; (ii) Consenting First Lien Lenders who hold, in the aggregate, at least 50% in principal amount outstanding of all First Lien Claims held by Consenting First Lien Lenders (the "Required Consenting First Lien Lenders"); (iii) Consenting Second Lien Lenders who hold, in the aggregate, at least 75% in principal amount outstanding of all Second Lien Claims held by Consenting Second Lien Lenders other than Second Lien Claims held by the Sponsor Entities (the "Required Consenting Second Lien Lenders"); and (iv) the Sponsor Entities, solely to the extent required under the Sponsor Entities Consent Right (as defined below); provided that, notwithstanding the foregoing, the Exit ABL Facility Term Sheet (if delivered), the DIP Orders, the DIP Credit Documents, and the Exit Credit Documents shall (x) be in form and substance satisfactory to the Required Consenting First Lien Lenders and (y) only to the extent required under, and subject to the limitations set forth in, the Second Lien Lender Consent Right (as defined herein), the Required Consenting Second Lien Lenders.

For the purposes hereof, (1) the "Second Lien Lender Consent Right" means the Required Consenting Second Lien Lenders' right to consent or approve the Definitive Documentation described in the proviso in the immediately preceding paragraph (or any amendments, modifications or supplements thereto), which right shall be as follows: (x) the definition of "EBITDA" in the Exit Term Loan Facility (as such term is used thereunder with respect to determining the applicable interest rate) and each of the commitment amount, interest rate, commitment, backstop, exit or similar fees, maturity date and amortization schedule, as applicable, for the Exit ABL Facility Term Sheet (or, only to the extent an Exit ABL Facility Term Sheet is not delivered or, with respect to any of the terms in the immediately preceding clause that are not set forth in the Exit ABL Facility Term Sheet (and only with respect to such term(s)), the Exit ABL Facility, as applicable, shall be reasonably satisfactory to the Required Consenting Second Lien Lenders, (y) the adequate protection, waivers or releases proposed to be granted to the Consenting Second Lien Lenders in the DIP Term Sheet or under any of the DIP Orders shall be reasonably satisfactory to the Required Consenting Second Lien Lenders, and (z) such consent right shall otherwise apply solely to the extent such Definitive Documentation (or such amendments, modifications or supplements) (A) is not consistent in all material respects with this Agreement, the Exhibits and Schedules, and the Exit ABL Facility Term Sheet (subject to compliance with Section 3 hereof), (B) adversely affects, directly or indirectly, in any respect the economic rights, waivers, or releases proposed to be granted to, or received by, the Consenting Second Lien Lenders pursuant to this Agreement and the Plan (including, but not limited to, through the treatment (or change to the treatment) under the Plan of any claim or interest), other than such different treatment that may be consented to by any Second Lien Lender, or (C) adversely affects, directly or indirectly, the obligations of the Consenting Second Lien Lenders may have pursuant to this Agreement or the Plan, and (2) the "Sponsor Entities Consent Right" means any of the Sponsor Entities' right to consent or approve any of the Definitive Documentation or other documents referenced herein (or any amendments, modifications or supplements to any of the foregoing), as applicable, which right shall apply solely to the extent such Definitive Documentation or such other documents referenced herein (or such amendments, modifications or supplements), as applicable, (A) adversely affects, directly or indirectly, in any respect the economic rights, waivers, or releases proposed to be granted to, or received by, the Sponsor Entities pursuant to the Plan (including, but not limited to, through the treatment (or change to the treatment) under the Plan of any claim or interest), other than such different treatment that may be consented to by any Sponsor Entity, (B) adversely affects, directly or indirectly, in any respect any obligation any of the Sponsor Entities may have pursuant to the Plan, or (C) with respect to the DIP Orders, adversely affects, directly or indirectly, in any respect

the adequate protection, waivers, or releases proposed to be granted to the Sponsor Entities under any of the DIP Orders; provided, however, with respect to the Sponsor Entities' capacity as a Consenting Sponsor Lender, the Sponsor Entities Consent Right shall only apply to the extent the rights, benefits or obligations of the Consenting Sponsor Lenders are adversely and disproportionately affected as compared to the rights, benefits and obligations of the other Consenting First Lien Lenders or Consenting Second Lien Lenders, as applicable.

4. Milestones. As provided in and subject to Sections 6 and 9 of this Agreement, the AFG Entities shall implement the Restructuring Transactions in accordance with the following milestones (the "Milestones"); provided that the AFG Entities may extend a Milestone only with the express prior written consent of the Required Consenting First Lien Lenders, the Required Consenting Second Lien Lenders (except for extensions of the Milestones set forth in Section 4(f) and 4(g), which shall be subject to the Second Lien Lender Consent Right), and, only to the extent required under the Sponsor Entities' Consent Right, the Sponsor Entities:

(a) The AFG Entities shall use commercially reasonable best efforts to deliver the Exit ABL Facility Term Sheet, subject to compliance with Section 3 hereof, no later than April 19, 2017.

(b) The Plan and Disclosure Statement shall be substantially completed, subject to compliance with Section 3 hereof, in each case, no later than April 19, 2017.

(c) The AFG Entities shall commence the solicitation of votes to accept or reject the Plan on or before April 21, 2017 and, in connection with such solicitation, establish a date no later than May 5, 2017 as the deadline to submit votes to accept or reject the Plan.

(d) The AFG Entities shall commence the Chapter 11 Cases by filing voluntary petitions under chapter 11 of the Bankruptcy Code with the Bankruptcy Court no later than May 5, 2017 (the "Petition Date").

(e) On the Petition Date, the AFG Entities shall file the Plan, the Disclosure Statement, and motions seeking approval of the DIP Financing and requesting a combined hearing for approval of the Disclosure Statement and confirmation of the Plan, which documents shall be subject to compliance with Section 3 hereof.

(f) The Bankruptcy Court shall enter the Interim DIP Order, subject to compliance with Section 3 hereof, approving the DIP Financing on an interim basis no later than five (5) days following the Petition Date.

(g) The Bankruptcy Court shall enter the Final DIP Order, subject to compliance with Section 3 hereof, approving the DIP Financing on a final basis no later than 35 days following the Petition Date.

(h) The Bankruptcy Court shall enter the Solicitation Order and Confirmation Order, which order shall be subject to compliance with Section 3 hereof, no later than 35 days following the Petition Date.

(i) The Plan Effective Date shall occur no later than 60 days following the Petition Date.

5. Commitment of Consenting First Lien Lenders, Consenting Second Lien Lenders and Consenting Sponsor Lenders. Each Consenting First Lien Lender shall (severally and not jointly and severally) from the RSA Effective Date until the occurrence of a Termination Date (as defined in Section 12), each Consenting Second Lien Lender shall (severally and not jointly and severally), from the RSA Effective Date until the occurrence of a Termination Date or Required Consenting Second Lien Lender Termination Date (as defined in Section 12) and each Consenting Sponsor Lender, from the RSA Effective Date until the occurrence of a Termination Date or a Sponsor Termination Date (as defined in Section 12):

(a) support and cooperate with the AFG Entities to make commercially reasonable efforts to consummate the Restructuring Transactions in accordance with the Plan and the terms and conditions of this Agreement and the Restructuring Term Sheet (but without limiting the applicable consent and approval rights provided in this Agreement and the Definitive Documentation), by: (i) validly and timely participating in the Out-of-Court Transaction with respect to all Claims; (ii) voting all of its Claims and Interests, as applicable, now or hereafter owned by such Consenting First Lien Lender (or for which such Consenting First Lien Lender now or hereafter serves as the nominee, investment manager, or advisor for holders thereof), such Consenting Second Lien Lender (or for which such Consenting Second Lien Lender now or hereafter serves as the nominee, investment manager, or advisor for holders thereof) or such Consenting Sponsor Lender, in each case, to accept the Plan in accordance with the Solicitation Order; (iii) timely returning a duly-executed ballot in connection therewith; and (iv) not "opting out" of any releases under the Plan (except such Consenting First Lien Lender, Consenting Second Lien Lender, or Consenting Sponsor Lender shall no longer be prohibited from not "opting out" of granting such a release to any Restructuring Support Party that has materially breached or terminated this Agreement);

(b) not, directly or indirectly, seek, support, negotiate, engage in any discussions relating to, or solicit an Alternative Transaction (as defined below);

(c) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Out-of-Court Transaction or the Plan; provided however, that (i) upon the occurrence of a Termination Date all tenders, consents, and votes tendered by the Consenting First Lien Lenders; (ii) upon the occurrence of a Required Consenting Second Lien Lender Termination Date, all tenders, consents,

and votes tendered by the Consenting Second Lien Lenders; or (iii) upon the occurrence of a Sponsor Termination Date, all tenders, consents, and votes tendered by the Consenting Sponsor Lenders, in each case, shall be immediately revoked and deemed void *ab initio* without any further notice to or action, order, or approval of the Bankruptcy Court;

(d) support, and not object to, or materially delay or impede, or take any other action to materially interfere, directly or indirectly, with the Restructuring Transactions;

(e) support, and not object to, or materially delay or impede, or take any other action to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders, and shall not propose, file, support or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders;

(f) to the extent any legal or structural impediment that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; provided that the economic outcome for the Consenting First Lien Lenders and the Consenting Second Lien Lenders, the anticipated timing of the closing and other material terms of this Agreement must be substantially preserved in any such alternate provisions; and

(g) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of an order by the Bankruptcy Court, consistent with the engagement letter between the AFG Entities and the respective AFG Advisor (defined below) previously shared with the Consenting First Lien Lenders, the Consenting Second Lien Lenders, and the Sponsor Entities (each such order, a "Retention Order"), authorizing the AFG Entities to retain and employ Kirkland & Ellis LLP ("K&E"), Lazard Freres & Co. LLC and Lazard Middle Market LLC (together "Lazard"), and Alvarez & Marsal North America, LLC ("Alvarez" and, together with K&E and Lazard, the "AFG Advisors"); or (ii) as it relates to Lazard and Alvarez, allowance of any completion, transaction, or success fee (or similar fee) set forth in the respective AFG Advisor's engagement letter with the AFG Entities so long as such completion, transaction, or success fee (or similar fee) is consistent with the terms of the applicable AFG Advisor's Retention Order.

Notwithstanding the foregoing, (i) nothing in this Agreement and neither a vote to accept the Plan by any Consenting First Lien Lender nor the acceptance of the Plan by any Consenting First Lien Lender shall (x) be construed to prohibit any Consenting First Lien Lender from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this

Agreement or the Definitive Documentation, or exercising its rights or remedies specifically reserved herein or in the First Lien Loan Documents or the Definitive Documentation; (y) be construed to prohibit or limit any Consenting First Lien Lender from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the RSA Effective Date until the occurrence of a Termination Date, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; or (z) limit the ability of a Consenting First Lien Lender or a Sponsor Entity to sell or enter into any transactions in connection with any Claims, Interests or any other claims against or interests in the AFG Entities, subject to Sections 7 and 14, as applicable, of this Agreement; and (ii) nothing in this Agreement and neither a vote to accept the Plan by any Consenting Second Lien Lender nor the acceptance of the Plan by any Consenting Second Lien Lender shall (x) be construed to prohibit any Consenting Second Lien Lender from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising its rights or remedies specifically reserved herein or in the Second Lien Loan Documents (subject to the Junior Lien Intercreditor Agreement to the extent not otherwise permitted hereunder) or the Definitive Documentation; (y) be construed to prohibit or limit any Consenting Second Lien Lender from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the RSA Effective Date until the occurrence of a Termination Date or a Required Consenting Second Lien Lender Termination Date (as applicable), such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement, are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions and are not prohibited by the Junior Lien Intercreditor Agreement; or (z) limit the ability of a Consenting Second Lien Lender to sell or enter into any transactions in connection with any Claims, Interests, or any other claims against or interests in the AFG Entities, subject to Sections 7 and 14, as applicable, of this Agreement.

6. Commitment of the AFG Entities.

(a) Subject to clause (c) of this Section 6, the AFG Entities shall, from the RSA Effective Date until the occurrence of (x) a Termination Date, (y) with respect to the Consenting Second Lien Lenders and/or the Second Lien Advisors (as applicable), a Required Consenting Second Lien Lender Termination Date, or (z) with respect to the Sponsor Entities or Sponsor Advisor, a Sponsor Termination Date.

(i) if less than 100% of the First Lien Lenders and less than 100% of the Second Lien Lenders participate in the Out-of-Court Transaction, commence the Chapter 11 Cases in accordance with the applicable Milestone;

(ii) timely (A) file the motion seeking entry, and seek entry by the Bankruptcy Court of each, of the DIP Orders, (B) file the Disclosure Statement and the motion seeking entry of the Solicitation Order and seek entry by the Bankruptcy Court of the

Solicitation Order, and (C) file the Plan and seek entry by the Bankruptcy Court of the Confirmation Order;

(iii) (A) support and make commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and this Agreement, (B) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the RSA Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement, and (C) make commercially reasonable efforts to complete the Restructuring Transactions set forth in the Plan and this Agreement in accordance with each applicable Milestone;

(iv) timely file a formal objection, in form and substance reasonably acceptable to the Required Consenting First Lien Lenders and Required Consenting Second Lien Lenders, to any motion filed with the Bankruptcy Court by a party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) dismissing any of the Chapter 11 Cases;

(v) timely file a formal objection, in form and substance reasonably acceptable to the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders, to any motion filed with the Bankruptcy Court by a party seeking the entry of an order modifying or terminating the AFG Entities' exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(vi) timely file (i) a formal objection, in form and substance reasonably acceptable to the Required Consenting First Lien Lenders, to any motion, application, or adversary proceeding (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the First Lien Claims, or (B) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims; and (ii) a formal objection, in form and substance reasonably acceptable to the Required Consenting Second Lien Lenders, to any motion, application or adversary proceeding (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Second Lien Claims, or (B) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims;

(vii) timely comply with all Milestones;

(viii) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, in consultation with the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders; provided, however, that the economic outcome for the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders, the anticipated timing of confirmation and the effective date of the Plan, and other material terms as contemplated herein and in the Plan must be substantially preserved, as determined by the Required Consenting First Lien Lenders, and the Required Consenting Second Lien Lenders, in their sole discretion;

(ix) not sell, or file any motion or application seeking to sell, any assets other than in the ordinary course of business;

(x) maintain their good standing under the laws of the state or other jurisdiction in which they are incorporated or organized;

(xi) promptly notify the Consenting First Lien Lenders and the Consenting Second Lien Lenders in writing of any governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened);

(xii) if the AFG Entities know of a breach by any AFG Entity or any Restructuring Support Party in any respect of the obligations, representations, warranties, or covenants of the AFG Entities or such Restructuring Support Party set forth in this Agreement, furnish prompt written notice (and in any event within three business days of such actual knowledge) to the Restructuring Support Parties and promptly take all remedial action necessary to cure such breach by any such AFG Entity or Restructuring Support Party;

(xiii) pay in cash (A) prior to the Petition Date, all reasonable and documented fees and expenses accrued prior to the Petition Date for which invoices or receipts are furnished by the First Lien Advisors, the Second Lien Advisors or the Sponsor Advisor, (B) after the Petition Date, subject to any applicable orders of the Bankruptcy Court but without the need to file fee or retention applications, all reasonable and documented fees and expenses incurred prior to (to the extent not previously paid) on and after the

Petition Date from time to time by the First Lien Advisors, the Second Lien Advisors and the Sponsor Advisor but in any event within five days of delivery to the AFG Entities of any applicable invoice or receipt, and (C) on the Plan Effective Date, reimbursement to the First Lien Advisors, the Second Lien Advisors, the Sponsor Advisor, the First Lien Agent and the Second Lien Agent for all reasonable and documented fees and expenses incurred and outstanding in connection with the Restructuring Transactions (including any estimated fees and expenses estimated to be incurred through the Effective Date); and

(xiv) not terminate the applicable engagement agreements of, and not breach the reimbursement obligations owed to, the First Lien Advisors, Second Lien Advisors, the Sponsor Advisor and the First Lien Agent and the Second Lien Agent.

(b) The AFG Entities' shall not, directly or indirectly, seek, solicit, negotiate, engage in any discussions relating to or support any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course sales or sales of *de minimis* assets), financing (debt or equity) or restructuring of the AFG Entities, other than the Restructuring Transactions (each, an "Alternative Transaction"); provided, however, that, if any of the AFG Entities receives a proposal or expression of interest regarding any Alternative Transaction from the RSA Effective Date until the occurrence of a Termination Date, the AFG Entities shall promptly (A)(i) notify counsel to the other Parties of any such proposal or expression of interest, with such notice to include the material terms thereof, including the identity of the person or group of persons involved, and (ii) furnish counsel to the other Parties with copies of any written offer, oral offer, or any other information that they receive relating to the foregoing and shall promptly inform counsel to the other Parties of any material changes to such proposals and (B) shall not enter into any confidentiality agreement with a party interested in an Alternative Transaction unless (x) such party consents to identifying and providing to counsel to the Parties (under a reasonably acceptable confidentiality agreement) the information contemplated under this Section 6(b) and (y) the Required Consenting First Lien Lenders and Required Consenting Second Lien Lenders have consented (such consent not to be unreasonably withheld, conditioned or delayed) in writing (which may be by e-mail) to the AFG Entities' entry into such confidentiality agreement.

(c) Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the AFG Entities or any directors, officers, or members of the AFG Entities, each in its capacity as a director, officer, or member of the AFG Entities, to take any action or to refrain from taking any action, to the extent inconsistent with the exercise of its fiduciary

duties they have under applicable law (as reasonably determined by them in good faith after receiving advice from counsel).

7. Commitment of the Sponsor Entities. In addition to the commitments undertaken by the Sponsor Entities in their respective capacities as Consenting Second Lien Lenders set forth in Section 5 hereof, each Sponsor Entity shall (severally and not jointly and severally), from the RSA Effective Date until the occurrence of a Termination Date or a Sponsor Termination Date (as defined in Section 12), as applicable:

(a) support and cooperate with the AFG Entities to make commercially reasonable efforts to consummate the Restructuring Transactions in accordance with the Plan and the terms and conditions of this Agreement and the Restructuring Term Sheet (but without limiting the applicable consent and approval rights provided in this Agreement and the Definitive Documentation), by: (i) validly and timely participating in the Out-of-Court Transaction; (ii) voting all of its claims (including all of its Claims) against, and Interests, now or hereafter owned by such Sponsor Entity (or for which such Sponsor Entity now or hereafter serves as the nominee, investment manager, or advisor for holders thereof), to accept the Plan in accordance with the Solicitation Order; (iii) timely returning a duly-executed ballot in connection therewith; and (iv) not "opting out" of any releases under the Plan (except such Sponsor Entity shall no longer be prohibited from not "opting out" of granting such a release to any Consenting First Lien Lender or any Consenting Second Lien Lender in the event any such Consenting First Lien Lender or Consenting Second Lien Lender, as applicable, has materially breached or terminated this Agreement);

(b) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Out-of-Court Transaction or the Plan; provided that, upon the occurrence of a Termination Date or Sponsor Termination Date, all tenders, consents, and votes tendered by the Sponsor Entities (as applicable) shall be immediately revoked and deemed void *ab initio*, in each case, without any further notice to or action, order, or approval of the Bankruptcy Court;

(c) to the extent any legal or structural impediment that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; provided that (i) the economic outcome for the Consenting First Lien Lenders and, prior to the occurrence of the Required Consenting Second Lien Lender Termination Date, the Consenting Second Lien Lenders, the anticipated timing of the closing and other material terms of this Agreement must be substantially preserved in any such alternate provisions, and (ii) prior to the occurrence of the Required Consenting Second Lien Lender Termination Date, the economic outcome for the Required Consenting Second Lien Lenders

must be substantially preserved, as determined by the Required Consenting Second Lien Lenders;

(d) not, directly or indirectly, seek, support, negotiate, engage in any discussions relating to or solicit any Alternative Transaction;

(e) not pledge, encumber, assign, sell, or otherwise transfer, including by the declaration of a worthless stock deduction for any tax year ending on or prior to the Effective Date, offer, or contract to pledge, encumber, assign, sell, or otherwise transfer, in whole or in part, any portion of its right, title, or interests in any of its shares, stock, or other interests in the AFG Entities to the extent such pledge, encumbrance, assignment, sale or other transfer will impair any of the AFG Entities' tax attributes;

(f) not directly or indirectly (i) object to, delay, impede or take any other action to interfere with the pursuit, implementation, or consummation of the Restructuring Transactions; (ii) propose, file, support, vote, or consent to any discussions regarding the negotiation or formulation of, or otherwise pursue, any proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets, or restructuring for any of the AFG Entities other than as contemplated and agreed to as a Restructuring Transaction; or (iii) take any other action that is inconsistent with, or that would delay or obstruct the proposal or consummation of the Restructuring Transactions;

(g) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of a Retention Order by the Bankruptcy Court; or (ii) allowance of any completion, transaction, or success fee (or similar fee) set forth in the respective AFG Advisor's engagement letter with the AFG Entities so long as such completion, transaction, or success fee (or similar fee) is consistent with the terms of the applicable AFG Advisor's Retention Order; and

(h) upon execution of this Agreement and biweekly thereafter, deliver to the AFG Entities and counsel to the other Restructuring Support Parties the data described in Section 6(h) of that certain First Lien Forbearance Agreement of even date among the AFG Entities and the First Lien Lenders party thereto.

Notwithstanding the foregoing, but subject to the Junior Lien Intercreditor Agreement (if applicable) and only to the extent that the Sponsor Entities Consent Right is applicable, nothing in this Agreement and neither a vote to accept the Plan by any Sponsor Entity nor the acceptance of the Plan by any Sponsor Entity shall (x) be construed to prohibit any Sponsor Entity from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising its rights or remedies specifically reserved herein or in the First Lien Loan Documents or the Second Lien Credit Documents or the

Definitive Documentation; (y) be construed to prohibit or limit any Sponsor Entity from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the RSA Effective Date until the occurrence of a Termination Date or Sponsor Termination Date, such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement, are not prohibited by this Agreement, are not in violation of the Junior Lien Intercreditor Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; or (z) limit the ability of a Sponsor Entity to sell or enter into any transactions in connection with any Claims, Interests or any other claims against or interests in the AFG Entities, subject to Sections 7 and 14, as applicable, of this Agreement.

8. Lender Termination Events. The Required Consenting First Lien Lenders shall have the right, but not the obligation, upon notice to the other Parties, to terminate the obligations of the Consenting First Lien Lenders under this Agreement upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting First Lien Lenders on a prospective or retroactive basis (each, a "Required Consenting First Lien Lender Termination Event"), and the Required Consenting Second Lien Lenders shall have the right, but not the obligation, upon notice to the other Parties, to terminate the obligations of the Consenting Second Lien Lenders under this Agreement upon the occurrence of certain events specified below, unless waived, in writing, by the Required Consenting Second Lien Lenders on a prospective or retroactive basis (each as specified below, a "Required Consenting Second Lien Lender Termination Event"):

(a) the failure to meet any of the Milestones unless (i) such failure is the result of any act, omission, or delay on the part of such Required Consenting First Lien Lenders or such Required Consenting Second Lien Lenders, as the case may be, in violation of their obligations under this Agreement or (ii) such Milestone is extended in accordance with Section 4 of this Agreement;

(b) the occurrence of a material breach of this Agreement by any AFG Entity or other Restructuring Support Party that has not been cured (if susceptible to cure) before the earlier of (i) five (5) business days after written notice to the AFG Entities and the other Restructuring Support Parties of such material breach from the Required Consenting First Lien Lenders or the Required Consenting Second Lien Lenders, as the case may be, asserting such termination and (ii) one (1) calendar day prior to any proposed Effective Date;

(c) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(d) the dismissal of one or more of the Chapter 11 Cases;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) (i) any Definitive Documentation does not comply with Section 3 of this Agreement or (ii) any other document or agreement necessary to consummate the Restructuring Transactions is not satisfactory or reasonably satisfactory (as applicable) to the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders, as the case may be;

(g) any AFG Entity or Sponsor Entity (i) amends, or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement; (ii) suspends or revokes the Restructuring Transactions; or (iii) publicly announces its intention to take any such action listed in the foregoing clauses (i) and (ii) of this subsection;

(h) any AFG Entity (i) files or announces that it will file any plan of reorganization other than the Plan or (ii) withdraws or announces its intention not to support the Out-of-Court Transaction or the Plan;

(i) any AFG Entity files any motion or application seeking authority to sell any material assets without the prior written consent of the Required Consenting First Lien Lenders, or such motion or application is inconsistent with the commitments set forth in Sections 5, 6, and/or 7 hereof;

(j) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; provided, however, that the AFG Entities shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transaction in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement, or (ii) is reasonably acceptable to each of the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders;

(k) the Bankruptcy Court enters any order authorizing the use of cash collateral or post-petition financing that is not in the form of the applicable DIP Order or otherwise consented to by the Required Consenting First Lien Lenders and, to the extent required under the Second Lien Lender Consent Right, the Required Consenting Second Lien Lenders;

(l) the occurrence of any Event of Default under the applicable DIP Order or the DIP Credit Agreement (as defined therein), as applicable, that has not been cured (if susceptible to cure) or waived by the applicable percentage of DIP Lenders in accordance with the terms of the DIP Credit Agreement;

(m) a breach by any AFG Entity or any Sponsor Entity of any representation, warranty, or covenant of such AFG Entity or Sponsor Entity set forth in Section 18 of this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) has not been cured before the earlier of (i) five business days after the receipt by the AFG Entities of written notice and description of such breach from any other Party and (ii) one calendar day prior to any proposed Effective Date;

(n) either (i) any AFG Entity or any other Restructuring Support Party files a motion, application, or adversary proceeding (or any AFG Entity or other Restructuring Support Party supports any such motion, application, or adversary proceeding filed or commenced by any third party) (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the First Lien Claims or asserting any other cause of action against the Consenting First Lien Lenders and/or with respect or relating to such First Lien Claims or the prepetition liens securing such claims, or (B) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Second Lien Claims or asserting any other cause of action against the Consenting Second Lien Lenders and/or with respect or relating to such Second Lien Claims or the prepetition liens securing such claims; provided that the Lender Termination Event set forth in the immediately preceding clause (n)(i)(A) shall only be assertable by the Required Consenting First Lien Lenders and the Lender Termination Event set forth in the immediately preceding clause (n)(i)(B) shall only be assertable by the Required Consenting Second Lien Lenders; or (ii) the Bankruptcy Court (or any court with jurisdiction over the Chapter 11 Cases) enters an order that is inconsistent with this Agreement or the Restructuring Term Sheet in any material respect;

(o) any AFG Entity terminates its obligations under and in accordance with Section 9 of this Agreement;

(p) the Required Consenting Second Lien Lenders or the Required Consenting First Lien Lenders, as the case may be, terminate their obligations under and in accordance with this Section 8;

(q) the Bankruptcy Court enters an order in the Chapter 11 Cases terminating any of the AFG Entities' exclusive right to file a plan or plans of reorganization or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(r) the Bankruptcy Court enters an order granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code authorizing any party to proceed against any material asset of any of the AFG Entities or that

would materially and adversely affect any of the AFG Entities' ability to operate their businesses in the ordinary course;

(s) the commencement of an involuntary case against any AFG Entity or any AFG Entity's foreign subsidiaries and affiliates or the filing of an involuntary petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief in respect of such AFG Entity or such AFG Entity's foreign subsidiaries and affiliates, or their debts, or of a substantial part of their assets, under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, provided, that such involuntary proceeding is not dismissed within a period of thirty (30) days after the filing thereof, or if any court grants the relief sought in such involuntary proceeding;

(t) any AFG Entity or any AFG Entity's foreign subsidiaries or affiliates (i) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief under any federal, state, or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect except as provided in this Agreement, (ii) consents to the institution of, or failing to contest in a timely and appropriate manner, any involuntary proceeding or petition described above, (iii) filing an answer admitting the material allegations of a petition filed against it in any such proceeding, (iv) applying for or consenting to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequestrator, conservator or similar official, (v) making a general assignment or arrangement for the benefit of creditors or (vi) taking any corporate action for the purpose of authorizing any of the foregoing;

(u) if (i) any of the DIP Orders are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Required Consenting First Lien Lenders and, only to the extent required under the Second Lien Lender Consent Right, the Required Consenting Second Lien Lenders, or (ii) a motion for reconsideration, reargument, or rehearing with respect to any such order has been filed and the AFG Entities have failed to timely object to such motion; provided that the Lender Termination Event described in the immediately preceding clause (ii) shall be a Second Lien Lender Termination Event solely to the extent the relief sought in such motion (or relief granted) adversely affects, directly or indirectly, the adequate protection, waivers, or releases proposed to be granted to the Consenting Second Lien Lenders under any of the DIP Orders;

(v) if (i) the Solicitation Order or the Confirmation Order are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Required Consenting First Lien Lenders and the Required

Consenting Second Lien Lenders, or (ii) a motion for reconsideration, reargument, or rehearing with respect to any such order has been filed and the AFG Entities have failed to timely object to such motion; or

(w) the occurrence of the Maturity Date (as defined in the DIP Credit Agreement) without the Plan having been substantially consummated, which shall only be a Required Consenting Second Lien Lender Termination Event to the extent not consented to or waived in writing by the Consenting First Lien Lenders.

9. The AFG Entities' Termination Events. Each AFG Entity may, upon notice to the Restructuring Support Parties, terminate its obligations under this Agreement upon the occurrence of any of the following events (each, a "Company Termination Event"), subject to the rights of the AFG Entities to fully or conditionally waive, in writing, on a prospective or retroactive basis, the occurrence of a Company Termination Event:

(a) a breach by a Restructuring Support Party of any representation, warranty, or covenant of such Restructuring Support Party set forth in this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) has not been cured before the earlier of (i) five (5) business days after notice to all Parties of such breach and a description thereof and (ii) one (1) calendar day prior to any proposed Effective Date; provided, however, notwithstanding the foregoing, it shall not be a Company Termination Event if the non-breaching Restructuring Support Parties hold more than 50% in number and 66 2/3% in amount of the First Lien Claims and Second Lien Claims;

(b) the occurrence of a breach of this Agreement by any Restructuring Support Party that has the effect of materially impairing any of the AFG Entities' ability to effectuate the Restructuring Transactions and has not been cured (if susceptible to cure) within five (5) business days after notice to all Restructuring Support Parties of such breach and a description thereof;

(c) if the board of directors of any AFG Entity determines, after receiving advice from counsel, that (i) proceeding with the Restructuring Transactions (including, without limitation, the Plan or solicitation of the Plan) would be inconsistent with the exercise of its fiduciary duties, or (ii) an Alternative Transaction is more favorable than the Plan and continued support of the Plan would be inconsistent with the exercise of its fiduciary duties; or

(d) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions; provided, however, that the AFG

Entities have made commercially reasonable, good faith efforts to cure, vacate, or have overruled such ruling or order prior to terminating this Agreement.

10. The Sponsor Entities' Termination Events. Each Sponsor Entity shall have the right, but not the obligation, upon notice to the other Parties, to terminate its obligations under this Agreement upon the occurrence of any of the following events (each, a "Sponsor Termination Event," and together with the Required Consenting First Lien Lender Termination Events, the Required Consenting Second Lien Lender Termination Events and the Company Termination Events, the "Termination Events"), unless waived, in writing, by the Sponsor Entities on a prospective or retroactive basis:

(a) the failure to meet any of the Milestones unless (i) such failure is the result of any act, omission, or delay on the part of such Sponsor Entities in violation of their obligations under this Agreement or (ii) such Milestone is extended in accordance with Section 4 of this Agreement;

(b) a breach by any AFG Entity or Restructuring Support Party (other than a Sponsor Entity), which breach is not directly or indirectly caused by an act or failure to act of any Sponsor Entity, of any representation, warranty, or covenant of such AFG Entity or Restructuring Support Party set forth in this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (if susceptible to cure) remains uncured for a period of five (5) business days after notice to all Parties of such breach and a description thereof;

(c) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(d) the dismissal of one or more of the Chapter 11 Cases;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) to the extent any Definitive Documentation or any other document referenced herein necessary to consummate the Restructuring Transactions is subject to the Sponsor Entities Consent Right, such Definitive Documentation or other document referenced herein is not reasonably satisfactory to the Sponsor Entities in accordance with Section 3 of this Agreement;

(g) if the AFG Entities withdraw the treatment to the Sponsor Entities under the Plan or file any motion or pleading with the Bankruptcy Court that is inconsistent with this Agreement or the Plan, in each case, that materially adversely impacts or would reasonably be expected to impact the Sponsor Entities Consent Rights;

(h) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; provided, however, that the AFG Entities shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transaction in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement, or (ii) is reasonably acceptable to the Sponsor Entities;

(i) the Required Consenting First Lien Lenders terminate their or any AFG Entity terminates its obligations under and in accordance with Section 8 or Section 9, as applicable, of this Agreement;

(j) if the Bankruptcy Court enters an order in the Chapter 11 Cases terminating any of the AFG Entities' exclusive right to file a plan or plans of reorganization or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(k) if the Bankruptcy Court or any other court of competent jurisdiction enters an order denying confirmation of the Plan (unless caused by a default by the Sponsor Entities of their obligations hereunder) or refusing to approve the Disclosure Statement and, in each case, the deadline for entry of the Confirmation Order or the Solicitation Order, respectively, set forth in the Milestones has expired and has not otherwise been extended by the consent of the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders; provided, however, if either such deadline is extended by the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders, the Sponsor Entities shall be deemed to have consented to such extended deadline; or

(l) if (i) either of the Solicitation Order or the Confirmation Order are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Sponsor Entities to the extent required under the Sponsor Entities Consent Right or (ii) a motion for reconsideration, reargument, or rehearing with respect to such orders has been filed and the AFG Entities have failed to timely object to such motion.

11. Mutual Termination; Automatic Termination. This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among Holdings, on behalf of itself and each other AFG Entity, the Required Consenting First Lien Lenders, the Required Consenting Second Lien Lenders and the Sponsor Entities. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the Effective Date.

12. Effect of Termination.

(a) The earliest date on which termination of this Agreement (i) as to a Party other than a Sponsor Entity or a Consenting Second Lien Lender is effective in accordance with Section 8 (as to a Consenting First Lien Lender), 9 (as to an AFG Entity) or 11 of this Agreement shall be referred to, with respect to such Party, as a "Termination Date"; (ii) as to a Sponsor Entity is effective in accordance with Section 10 or 11 of this Agreement shall be referred to, with respect to such Sponsor Entity, as a "Sponsor Termination Date"; and (iii) as to a Consenting Second Lien Lender is effective in accordance with Section 8 or 11 of this Agreement shall be referred to as a "Required Consenting Second Lien Lender Termination Date".

(b) Upon the occurrence of a Termination Date, Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable), and subject to Section 11 and clause (d) of this Section 12, (x) the terminating Party's obligations and (y) in the case of the occurrence of the Termination Date, Sponsor Termination Date and Required Consenting Second Lien Lender Termination Date in accordance with Section 11 of this Agreement, all Parties' obligations, in each case, under this Agreement shall be terminated effective immediately, and such Party or Parties shall be released from its commitments, undertakings, and agreements; provided, however, that each of the following shall survive any such termination: (a) any claim for breach of this Agreement that occurs prior to such Termination Date, Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable), and all rights and remedies with respect to such claims shall not be prejudiced in any way; and (b) Sections 2, 12, 14(c), 16 (for purposes of enforcement of obligations accrued through the Termination Date, Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable)), 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, with respect to the second proviso of the third sentence and the fourth sentence of 33, 34, 35, and 36. During the period commencing on the Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable) and ending on the Termination Date, the proviso in the immediately preceding sentence shall not be modified or amended. The automatic stay imposed by section 362 of the Bankruptcy Code shall not prohibit a Party from taking any action necessary to effectuate the termination of and otherwise enforce this Agreement pursuant to and in accordance with the terms hereof.

(c) Notwithstanding the foregoing, in the event any Sponsor Entity terminates this Agreement following the occurrence of a Sponsor Termination Event, this Agreement shall not terminate or be terminable by any other Party solely on the basis of such termination, and this Agreement shall remain in full force and effect, except that (i) such terminating Sponsor Entity shall no longer be a Party to the Agreement and shall be relieved of all obligations hereunder; provided that such terminating Sponsor Entity shall

be a beneficiary of the survival provisions set forth in the proviso of the first sentence of Section 12(b); (ii) such other Parties shall be permitted to take further actions otherwise permitted hereunder with respect to any Definitive Documentation or other document or matter or any Restructuring Transaction without any liability hereunder, except the rights and obligations of such other Parties under this Agreement shall remain in full force and effect; (iii) the Consenting First Lien Lenders and the Consenting Second Lien Lenders (other than any Consenting First Lien Lender or Consenting Second Lien Lender that has breached this Agreement and such breach caused the occurrence of a Sponsor Termination Event pursuant to which such Sponsor Entity has terminated this Agreement) shall no longer be obligated to not "opt out" of any releases proposed to be granted to any Sponsor Entity under the Plan; (iv) such other Parties shall not be obligated to grant or support the grant of any releases to such Sponsor Entity under the Plan; and (v) all of the applicable rights and remedies of the remaining Parties under this Agreement, the First Lien Loan Documents, the Second Lien Loan Documents and applicable law shall be reserved in all respects.

(d) Notwithstanding anything to the contrary in this Agreement, following the commencement of the Chapter 11 Cases, the occurrence of any Required Consenting First Lien Lender Termination Event shall result in an automatic termination of this Agreement following five business days' written notice unless waived in writing by the Required Consenting First Lien Lenders. Notwithstanding anything in this Agreement, in the event any Required Consenting Second Lien Lenders terminate this Agreement as a result of the occurrence of any Required Consenting Second Lien Lender Termination Event, (i) this Agreement shall not terminate or be terminable by any other Party solely on the basis of such Required Consenting Second Lien Lender Termination Event having occurred; except that the Required Consenting First Lien Lenders shall have the option (which shall be delivered in writing to the AFG Entities, including via e-mail) to (A) determine that the Consenting First Lien Lenders will continue remaining Parties to this Agreement in pursuit and in support of the Plan, (B) other than a Required Consenting Second Lien Lender Termination Event based upon a material breach of this Agreement by the Consenting First Lien Lenders, determine that the Consenting First Lien Lenders will continue remaining Parties to this Agreement in pursuit and in support of a chapter 11 plan for the AFG Entities and related implementing transactions on terms satisfactory to the Consenting First Lien Lenders in their sole discretion or (C) terminate this Agreement in accordance with Section 8 hereof; (ii) this Agreement shall be deemed terminated with respect to the Consenting Second Lien Lenders and the Consenting Second Lien Lenders shall no longer be a Party to this Agreement and shall be relieved of any obligations thereunder; provided that such terminating Consenting Second Lien Lender shall be a beneficiary of the survival provisions set forth in the proviso of the first

sentence of Section 12(b) hereof; (iii) such other Parties shall be permitted to take further actions otherwise permitted hereunder with respect to any Definitive Documentation or other document or matter or any Restructuring Transaction without any liability hereunder, except the rights and obligations of such other Parties under this Agreement shall remain in full force and effect; (iv) the remaining Restructuring Support Parties (other than any Restructuring Support Party that has breached this Agreement and such breach caused the occurrence of a Required Consenting Second Lien Lender Termination Event pursuant to which such Consenting Second Lien Lender has terminated this Agreement) shall no longer be obligated to not "opt out" of any releases proposed to be granted to such terminating Consenting Second Lien Lender under the Plan; (v) such other Parties shall not be obligated to grant or support the grant of any releases to such terminating Consenting Second Lien Lender under the Plan; and (vi) all of the applicable rights and remedies of the remaining Parties under this Agreement, the First Lien Loan Documents, the Second Lien Loan Documents and applicable law shall be reserved in all respects.

13. Cooperation and Support. The AFG Entities shall provide draft copies of all "first day" motions, applications, and other documents related to the Definitive Documents that any AFG Entity intends to file with the Bankruptcy Court in any of the Chapter 11 Cases to counsel for each Restructuring Support Party at least two business days (or as soon as is reasonably practicable under the circumstances) prior to the date when such AFG Entity intends to file such document, and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing; provided that all such "first day" and other motions, applications, and other documents that any AFG Entity intends to file with the Bankruptcy Court in any of the Chapter 11 Cases (other than the Definitive Documentation) shall be in the form and substance reasonably satisfactory to the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders and shall be in form and substance reasonably satisfactory to the Sponsor Entities solely to the extent required pursuant to the Sponsor Entities Consent Rights. The AFG Entities will use reasonable efforts to provide draft copies of all other material pleadings any AFG Entity intends to file with the Bankruptcy Court to counsel to each Restructuring Support Party at least two calendar days prior to filing such pleading (or as soon as is reasonably practicable under the circumstances), and shall consult in good faith with such counsel regarding the form and substance of any such proposed pleading. For the avoidance of doubt, the Parties agree, consistent with clause (b) of Section 3 hereof, (a) to negotiate in good faith the Definitive Documentation that is subject to negotiation and completion on the RSA Effective Date and (b) that, notwithstanding anything herein to the contrary, the Definitive Documentation, including any motions or orders related thereto, shall be consistent with this Agreement and otherwise subject to the applicable consent rights of the Restructuring Support Parties set forth in clause (b) of Section 3. The AFG Entities shall (i) provide to the Restructuring Support Parties' advisors, and shall direct its employees, officers, advisors, and other representatives to provide the Restructuring Support Parties' advisors, (A) reasonable access (without any material disruption to the conduct of the AFG Entities' businesses) during normal business hours to the AFG Entities' books and records; (B) reasonable access during normal business hours to the management and advisors of the AFG Entities; and (C) timely and

reasonable responses to all reasonable diligence requests, in each case, for the purposes of evaluating the AFG Entities' assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs or entry into any of the Restructuring Transactions; and (ii) promptly notify the Restructuring Support Parties of any newly commenced material governmental or third party litigations, investigations, or hearings against any of the AFG Entities.

14. Transfers of Claims and Interests.

(a) Each Restructuring Support Party shall not (i) sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, its right, title, or interest in respect of any Claims or Interests, in whole or in part, or (ii) deposit any Claims or Interests into a voting trust, or grant any proxies, or enter into a voting agreement with respect to any such Claims or Interests (the actions described in clauses (i) and (ii) are collectively referred to herein as a "Transfer" and the Restructuring Support Party making such Transfer is referred to herein as the "Transferor"), unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to Holdings, the Consenting Sponsor, the Sponsor Advisors, the First Lien Advisors (as defined herein), and the Second Lien Advisors (as defined herein), a Transferee Joinder substantially in the form attached hereto as **Exhibit B** (the "Transferee Joinder"). Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations.

(b) Notwithstanding clause (a) of this Section 14, a Restructuring Support Party may effect a Transfer of its First Lien Claims and/or Second Lien Claims, as applicable, to an entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker become a Restructuring Support Party; provided that any subsequent Transfer by such Qualified Marketmaker of the right, title or interest in such claims is to a transferee that is or becomes a Restructuring Support Party at the time of such Transfer by executing and delivering a Transferee Joinder and to the extent any Restructuring Support Party is acting in its capacity as a Qualified Marketmaker, it may effect a Transfer of any claims that it acquires from a holder of such claims that is not a Restructuring Support Party without the requirement that the transferee be or become a Restructuring Support Party. Notwithstanding the foregoing, if, at the time of the proposed Transfer of such claims to the Qualified Marketmaker, such claims (A) may be voted on the Plan, the proposed Transferor must first vote such claims in accordance with the requirements of this Agreement or (B) have not yet been and may not yet be voted on the Plan and such Qualified Marketmaker does not effect a Transfer of such claims to a subsequent

transferee prior to the third (3rd) business day prior to the expiration of the voting deadline (such date, the "Qualified Marketmaker Joinder Date"), such Qualified Marketmaker shall be required to (and the Transfer documentation to the Qualified Marketmaker shall have provided that it shall), on the first (1st) business day immediately following the Qualified Marketmaker Joinder Date, become a Restructuring Support Party with respect to such claims in accordance with the terms hereof for the purposes of voting on the Plan as contemplated hereunder (provided that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Restructuring Support Party with respect to such claims at such time that the transferee of such claims becomes a Restructuring Support Party with respect to such claims). For these purposes, "Qualified Marketmaker" means an entity that (x) holds itself out to the market as standing ready in the ordinary course of its business to purchase from customers and sell to customers claims against the AFG Entities (including debt securities or other debt) or enter with customers into long and short positions in claims against the AFG Entities (including debt securities or other debt), in its capacity as a dealer or market maker in such claims against the AFG Entities and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

(c) So long as the Sponsor Entities remain party to this Agreement, the Sponsor Entities' ability to acquire Claims after the RSA Effective Date shall not be limited in any way by Section 10.07(l) of the First Lien Credit Agreement or Section 10.07(l) of the Second Lien Credit Agreement (any Claims exceeding such limitations, "Excess Sponsor Claims"); provided that after the occurrence of any Termination Date, Sponsor Termination Date, or Required Consenting Second Lien Lender Termination Date (each as defined herein), the Sponsor Entities shall not (i) acquire any additional Claims to the extent such acquisition would exceed the limitations set forth in Section 10.07(l) of the First Lien Credit Agreement or Section 10.07(l) of the Second Lien Credit Agreement, as applicable, or (ii) vote or otherwise exercise consent rights with respect to any portion of their First Lien Claims or Second Lien Claims attributable to Excess Sponsor Claims acquired in accordance with this clause (c) except as directed by the Required Consenting First Lien Lenders, or Required Consenting Second Lien Lenders, respectively.

(d) Any Transfer made in violation of this Section 14 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the AFG Entities and/or any Restructuring Support Party, and shall not create any obligation or liability of any AFG Entity or any other Restructuring Support Party to the purported transferee.

15. Further Acquisition of Claims or Interests. Except as set forth in Section 14, nothing in this Agreement shall be construed as precluding any Restructuring Support Party or

any of its affiliates from acquiring any Claims, additional claims arising from the DIP Financing (the "DIP Claims"), or interests in the instruments underlying any of the Claims or the DIP Claims; provided, however, that any such additional Claims or DIP Claims acquired by any Restructuring Support Party or by any of its affiliates shall automatically be subject to the terms and conditions of this Agreement. Upon any such further acquisition by a Restructuring Support Party or any of its affiliates, such Restructuring Support Party shall promptly notify counsel to the AFG Entities, who will then promptly notify the counsel to the other Restructuring Support Parties (and, in the case of any such acquisition by a Consenting Sponsor Lender, counsel to the AFG Entities shall disclose to counsel to the other Restructuring Support Parties the amount of First Lien Claims and Second Lien Claims acquired thereby and the aggregate amount of First Lien Claims and Second Lien Claims held by the Consenting Sponsor Lenders, after accounting for such acquisition).

16. Fees and Expenses. In accordance with and subject to Section 6(a)(xiii) and Section 6(a)(xiv) hereof and/or the DIP Orders (as applicable), which orders shall provide for the payment of all reasonable and documented fees and expenses described in this Agreement and the Definitive Documentation, the AFG Entities shall pay or reimburse when due all reasonable and documented fees and expenses (including travel costs and expenses) of the following (regardless of whether such fees and expenses were incurred before or after the Petition Date) incurred through and including the date on which a Termination Date, Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable) has occurred, in each case solely to the extent set forth in the engagement letters between the AFG Entities and each respective professional: (a) Jones Day as counsel, and Houlihan Lokey Capital, Inc. ("Houlihan") as financial advisor, for all Consenting First Lien Lenders and the DIP Lenders (collectively, the "First Lien Advisors"); (b) Akin Gump Strauss Hauer & Feld LLP ("Akin Gump") as counsel, and PJT Partners LP ("PJT") as financial advisor, for all Consenting Second Lien Lenders (excluding the Consenting Sponsor Lenders, and collectively, the "Second Lien Advisors"); and (c) Simpson Thacher & Bartlett LLP, as counsel to the Sponsor Entities (the "Sponsor Advisor").

17. Consents and Acknowledgments.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Out-of-Court Transaction or the Plan. The acceptance of the Plan by each of the Restructuring Support Parties will not be solicited until such Restructuring Support Party has received the Disclosure Statement and Solicitation Materials in accordance with the Solicitation Order, applicable law, and will be subject to sections 1125, 1126, and 1127 of the Bankruptcy Code.

(b) By executing this Agreement, but subject to the occurrence of the Termination Date, the Sponsor Termination Date or the Required Consenting Second Lien Lender Termination Date (as applicable), each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the RSA Effective Date) consents to the AFG Entities' use of its cash

collateral and incurrence of debtor-in-possession financing expressly as authorized by, and subject to the terms of, the DIP Orders until the occurrence of a Termination Date, a Sponsor Termination Date or a Required Consenting Second Lien Lender Termination Date (as applicable).

(c) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the RSA Effective Date) forbears from exercising remedies with respect to any Default or Event of Default as defined under the First Lien Loan Documents and Second Lien Loan Documents, as applicable, that is caused by the AFG Entities' entry into this Agreement or the other documents related to this Agreement and the transactions contemplated in this Agreement. For the avoidance of doubt, the forbearance set forth in this Section 17(c) shall not constitute a waiver with respect to any Default or Event of Default under the First Lien Credit Agreement or the Second Lien Credit Agreement and shall not bar any Restructuring Support Party from filing a proof of claim or taking action to establish the amount of such claim. Except as expressly provided in this Agreement and the Junior Lien Intercreditor Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any First Lien Secured Party or Second Lien Secured Party, or the ability of each First Lien Lender, Second Lien Lender, or the First Lien Agent or the Second Lien Agent to protect and preserve any right, remedy, condition, or approval requirement under this Agreement or the Definitive Documentation. Upon the termination of this Agreement, the agreement of the Restructuring Support Parties to forbear from exercising rights and remedies in accordance with this Section 17(c) shall immediately terminate without requirement of any demand, presentment or protest of any kind, all of which the AFG Entities hereby waive.

18. Representations and Warranties.

(a) Each Restructuring Support Party hereby represents and warrants on a several and not joint and several basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or "blue sky" laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the AFG Entities, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make, obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

(v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) to the extent it is a Consenting First Lien Lender or Consenting Second Lien Lender, it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, and it has made its own analysis and decision to enter into this Agreement;

(vii) to the extent it is a Consenting First Lien Lender or Consenting Second Lien Lender, it acknowledges the AFG Entities' representation and warranty that the issuance and any resale of the New Common Stock pursuant to the Plan is intended to be exempt from registration under the Securities Act pursuant to

Section 4(a)(2) of the Securities Act and Regulation D thereunder or pursuant to section 1145 of the Bankruptcy Code; and

(viii) it (A) either (1) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests identified below its name on its signature page hereof, and has the power and authority to bind the owner(s) of such claims and interests to the terms of this Agreement; (B) is entitled (for its own accounts or for the accounts of such other owners) to all of the rights and economic benefits of such claims and interests; and (C) to the knowledge of the individuals working on the Restructuring Transactions, does not directly or indirectly own any First Lien Claims or Second Lien Claims, other than as identified below its name on its signature page hereof.

(b) Each AFG Entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than the AFG Entities) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including, without limitation, approval of each of the independent directors of each of the corporate entities that comprise the AFG Entities;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases of any AFG Entity's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to,

or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory bodies required in connection with implementation of the Restructuring Transactions;

(v) the issuance of and any resale of the New Common Stock pursuant to the Plan is intended to be exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act and Regulation D thereunder or pursuant to section 1145 of the Bankruptcy Code;

(vi) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and

(vii) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

19. Survival of Agreement. Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning a possible financial restructuring of the AFG Entities and in contemplation of possible chapter 11 filings by the AFG Entities and the rights granted in this Agreement are enforceable by each signatory hereto without approval of any court, including, without limitation, the Bankruptcy Court.

20. Waiver. If the transactions contemplated herein are or are not consummated, or following the occurrence of a Termination Date, Sponsor Termination Date or Required Consenting Second Lien Lender Termination Date (as applicable), if applicable, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, and the Parties expressly reserve any and all of their respective rights. The Parties acknowledge that this Agreement, the Plan, and all negotiations relating hereto are part of a proposed settlement of matters that could otherwise be the subject of litigation. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence, and any other applicable law, foreign or domestic, the Restructuring Term Sheet, this Agreement, the Plan, any related documents, and all negotiations relating thereto shall not be construed as or deemed to be an admission of any kind or be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

21. Relationship Among Parties. Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint and several; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the AFG Entities and the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended; (v) none of the Restructuring Support Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the AFG Entities or any of the AFG Entities' other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated here; and (vi) no action taken by any Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Parties are in any way acting in concert or as such a "group."

22. Specific Performance. It is understood and agreed by the Parties that money damages may be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

23. Governing Law & Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

24. Waiver of Right to Trial by Jury. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship

established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

25. Successors and Assigns. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

26. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

27. Notices. All notices (including, without limitation, any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to any AFG Entity:

AFGlobal Corporation
945 Bunker Hill, Suite 500
Houston, Texas 77024
Attn.: Curtis S. Samford
Thomas E. Giles
Email: csamford@afglobalcorp.com
tgiles@afglobalcorp.com

With a copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Edward O. Sassower, P.C.
Email: esassower@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn.: William A. Guerrieri
Christopher M. Hayes
Email: will.guerrieri@kirkland.com
christopher.hayes@kirkland.com

(b) If to the Consenting First Lien Lenders:

Jones Day
250 Vesey Street
New York, New York 10281
Attn.: Scott J. Greenberg
Michael J. Cohen
Email: sgreenberg@jonesday.com
mcohen@jonesday.com

(c) If to the Consenting Second Lien Lenders:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Ira S. Dizengoff
Philip C. Dublin
Jason P. Rubin
Email: idizengoff@akingump.com
pdublin@akingump.com
jrubin@akingump.com

(d) If to the Sponsor Entities:

FR Heavy Metal LP
600 Travis Street, Suite 6000
Houston, Texas 77002
Attn: Edward T. Bialas
Email: ebialas@firstreserve.com

With a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Sandy Qusba
Elisha Graff
Email: squsba@stblaw.com
egraff@stblaw.com

28. Entire Agreement. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

29. Amendments. Except as otherwise provided herein, this Agreement (including the Exhibits and Schedules) may not be modified, amended, or supplemented without the prior written consent of the AFG Entities, the Required Consenting First Lien Lenders and the

Required Consenting Second Lien Lenders; provided, however, that, in addition, only to the extent required under the Sponsor Entities Consent Rights, any modification of, amendment or supplement to, any exhibit hereto shall require the prior written consent of the Sponsor Entities; provided, further, that the prior written consent of all Parties shall be required to modify, amend or supplement any of Sections 1, 8, 9, 10, 11, or 29 hereof; provided, further, if any modification, amendment, or supplement at issue directly and adversely impacts the treatment or rights of any Consenting First Lien Lender or Consenting Second Lien Lender differently than any other Consenting First Lien Lender or Consenting Second Lien Lender, respectively, the agreement in writing of such Consenting First Lien Lender or Consenting Second Lien Lender, as applicable, shall also be required for such modification, amendment, or supplement to be effective.

30. Reservation of Rights.

(a) Except as expressly provided in this Agreement or the Restructuring Term Sheet, including, without limitation, Section 5(a) of this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies and interests, including, without limitation, its claims against any of the other Parties.

(b) Without limiting clause (a) of this Section 30 in any way, if the Plan is not consummated in the manner set forth, and on the timeline set forth, in this Agreement, or if this Agreement is terminated for any reason, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights, remedies, claims, and defenses and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses, subject to Section 20 of this Agreement. This Agreement, the Plan, and any related document shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

32. Other Support Agreements. Until a Termination Date, no AFG Entity shall enter into any other restructuring support agreement related to a partial or total restructuring of the AFG Entities' balance sheet unless such support agreement is consistent in all respects with the Restructuring Term Sheet and is reasonably acceptable to (i) the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders, and (ii) solely to the extent required under the Sponsor Entities Consent Rights, the Sponsor Entities.

33. Public Disclosure. The AFG Entities shall deliver drafts to the First Lien Advisors, the Second Lien Advisors, and the Sponsor Advisor of any press releases and public

documents that constitute disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement to the general public (each a "Public Disclosure") at least two calendar days before making any such disclosure. Any Public Disclosure shall be reasonably acceptable to the AFG Entities, the Consenting First Lien Lenders, the Consenting Second Lien Lenders and the Sponsor Entities. This Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof; provided, however, that, after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties; provided, further, however, that, except as permitted under Sections 14 and 15 hereof, no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the AFG Entities, the principal amount or percentage of any holdings under the First Lien Loan Documents held by any of the Consenting First Lien Lenders or under the Second Lien Loan Documents held by any of the Consenting Second Lien Lenders, in each case, without such Consenting First Lien Lender's or Consenting Second Lien Lender's prior written consent, as applicable. Any public filing of this Agreement, with the Bankruptcy Court or otherwise, that includes executed signature pages to this Agreement shall include such signature pages only in redacted form with respect to the amount of First Lien Claims held by each Consenting First Lien Lender, the amount of Second Lien Claims held by each Consenting Second Lien Lender, the amount of equity interests held by each Consenting Sponsor and, in the case of managed accounts, the specific name of the account managed (provided that the holdings disclosed in such signature pages may be filed in unredacted form with the Bankruptcy Court under seal).

34. Headings. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

35. Interpretation. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

36. Computation of Time. Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a Milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[*Signatures and exhibits follow*]

[SIGNATURE PAGES REDACTED]

Exhibit A to the Restructuring Support Agreement

Restructuring Term Sheet

EXECUTION VERSION

FR AFG HOLDINGS INC. AND ITS DOMESTIC SUBSIDIARIES

RESTRUCTURING TERM SHEET

April 5, 2017

This non-binding indicative term sheet (the "Term Sheet") sets forth the principal terms of a comprehensive restructuring (the "Restructuring") of the existing debt and other obligations of the AFG Entities (as defined herein). The Restructuring will be consummated through either (a) an out-of-court transaction or series of transactions or (b) the commencement of voluntary cases under chapter 11 (the "Chapter 11 Cases") of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), in accordance with the terms of the RSA (defined below) to be executed by the AFG Entities and the other Restructuring Support Parties (defined below) and to which this Term Sheet is appended. Capitalized terms used but not otherwise defined herein have the meaning given to such terms in the RSA.

THIS TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN, IT BEING UNDERSTOOD THAT SUCH A SOLICITATION, IF ANY, ONLY WILL BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY AND/OR OTHER APPLICABLE LAWS.

THE TRANSACTIONS DESCRIBED HEREIN WILL BE SUBJECT TO THE NEGOTIATION AND COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS SET FORTH HEREIN AND THE CLOSING OF ANY TRANSACTION SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH AGREED DEFINITIVE DOCUMENTS.

Material Terms of the Restructuring	
Term	**Description**
Overview of the Restructuring	This Term Sheet contemplates the Restructuring of FR AFG Holdings Inc. ("Holdings"), and its wholly-owned domestic subsidiaries (together with Holdings, each an "AFG Entity," and collectively, the "AFG Entities"). The Restructuring will be consummated through either (a) an out-of-court transaction (the "Out-of-Court Transaction," and documents implementing the Out-of-Court Transaction, the "Out-of-Court Transaction Documents") or (b) pursuant to a "prepackaged" chapter 11 plan of reorganization (the "Plan," and the supplement thereto, the "Plan Supplement") to be confirmed by the Bankruptcy Court. To effectuate the Restructuring, certain parties, including: (i) the AFG Entities; (ii) certain holders of First Lien Claims (as defined below) (such holders, the "Consenting First Lien Lenders"), including lenders under that certain First Lien Credit Agreement, dated as of December 19, 2012 (as may be amended, restated, supplemented or otherwise modified prior to the commencement of the Chapter 11 Cases, the "First Lien Credit Agreement," and, collectively with any letter of credit documentation, security agreement, intercreditor agreement, swap documentation, and any other collateral and ancillary documents, the "First Lien Loan Documents"),

	including the members of the ad hoc group of first lien lenders represented by Jones Day (the "Ad Hoc First Lien Group"); (iii) certain holders of Second Lien Claims (as defined below) (such holders, the "Consenting Second Lien Lenders"), including lenders under that certain Second Lien Credit Agreement, dated as of December 19, 2012 (as may be amended, restated, supplemented or otherwise modified prior to the commencement of the Chapter 11 cases, the "Second Lien Credit Agreement," and, collectively with any security agreement, intercreditor agreement, and any other collateral and ancillary documents, the "Second Lien Loan Documents"), including members of the ad hoc group of second lien lenders represented by Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"); (iv) certain Debt Fund Affiliates and Non-Debt Fund Affiliates (each as defined in the Second Lien Credit Agreement) (each a "Consenting Sponsor Lender" and, collectively, the "Consenting Sponsor Lenders"); and (v) FR Heavy Metal LP (solely in its capacity as a holder of 100% of the direct or indirect existing equity interests in the AFG Entities, the "Consenting Sponsor, and, collectively with any Consenting Sponsor Lenders, the "Sponsor Entities"; together with the Consenting First Lien Lenders and Consenting Second Lien Lenders, the "Restructuring Support Parties"), will enter into a Restructuring Support Agreement (the "RSA") consistent with the material terms set forth herein. The Restructuring, if implemented pursuant to the Plan, will be financed by (i) consensual use of cash collateral and (ii) a $70 million new-money DIP financing (the "DIP Credit Facility") provided by certain members of the Ad Hoc First Lien Group consistent with the material terms set forth in the term sheet attached hereto as **Exhibit A** (the "DIP Term Sheet"). To fund its Restructuring, on the effective date of the Restructuring (the "Effective Date"), the AFG Entities will enter into new credit agreements (collectively, the "New Credit Agreements") evidencing (i) a new senior secured asset-backed revolving credit facility (the "Exit ABL Facility") in the aggregate principal amount of up to $50 million (with a first-priority security interest in customary ABL priority collateral and a second-priority security interest in customary term loan collateral), which Exit ABL Facility shall comply with Section 3 of the RSA and otherwise contain such terms as are reasonable and customary for facilities of this type, and (ii) a new senior secured term loan (secured by a first-priority security interest on customary term loan collateral and a second-priority security interest in customary ABL priority collateral) (the "Exit Term Loan Facility"; the credit agreement evidencing such facility, the "Exit Term Loan Credit Agreement"; and the loans thereunder, the "Exit Term Loans") in the aggregate principal amount of $70 million (inclusive of amounts outstanding under the DIP Credit Facility that are converted to Exit Term Loans on the Effective Date) provided by certain members of the Ad Hoc First Lien Group and consistent with the material terms set forth in a term sheet attached to the DIP Term Sheet as **Annex I** and shall comply with Section 3 of the RSA. As reorganized pursuant to the Restructuring, the AFG Entities shall be referred to collectively, as "Reorganized AFG," and as reorganized pursuant to the Restructuring, Holdings shall be referred to herein "Reorganized Holdings."

Treatment of Claims and Interests Under the Restructuring	
Claim	**Proposed Treatment**
Administrative and Priority Claims	If the Restructuring is implemented pursuant to the Plan, will be paid in full, in cash on the Effective Date, or as otherwise determined by the AFG Entities, with the consent (not to be unreasonably delayed, withheld or conditioned) of both the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders.
DIP Claims	If the Restructuring is implemented pursuant to the Plan, on the Effective Date, (i) all fees and expenses payable under the DIP Credit Facility shall be paid in cash in full and (ii) all other amounts outstanding under the DIP Credit Facility shall be converted into Exit Term Loans.
Other Secured Claims	If the Restructuring is implemented pursuant to the Plan, on the Effective Date, holders of secured claims other than First Lien Claims and Second Lien Claims (each as defined below) (the "Other Secured Claims") shall receive either (i) payment in cash in full of the unpaid portion of their allowed Other Secured Claims, including any interest thereon required to be paid under section 506(b) of the Bankruptcy Code (or if payment is not then due, in accordance with the terms of such allowed Other Secured Claims), (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, (iii) the collateral securing such allowed Other Secured Claim, plus any interest thereon required to be paid under section 506(b) of the Bankruptcy Code, or (iv) such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.
First Lien Claims	On the Effective Date, the holders of claims under the First Lien Loan Documents, (such holders, the "First Lien Claimants," and such claims the "First Lien Claims"), shall receive their pro rata share of 95.5% of the shares of the new common stock of Reorganized Holdings (the "New Common Stock") issued as of the Effective Date (subject to dilution on account of the New Common Stock issued upon exercise of the Warrants (as defined below) and the MIP Equity (as defined below)).
Second Lien Claims	On the Effective Date, the holders of claims under the Second Lien Loan Documents (such holders, the "Second Lien Claimants," and such claims the "Second Lien Claims") shall receive their pro rata share of (i) 4.5% of the shares of the New Common Stock issued as of the Effective Date (subject to dilution on account of the New Common Stock issued upon exercise of the Warrants and the MIP Equity) and (ii) warrants (the "Warrants") entitling the holders to purchase their pro rata share of 12.5% of the New Common Stock (taking into account the exercise of the Warrants and subject to dilution on account of the MIP Equity, if applicable, and any issuances of New Common Stock before the exercise date of the Warrants) for an aggregate exercise price (to be allocated across the Warrants on a pro rata basis on the shares of New Common Stock underlying each Warrant) based on $660 million of total enterprise value. The Warrants shall be issued on the Effective Date and shall expire, if unexercised, on the 5th anniversary therof, and will have terms agreed to by the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders; provided that the Warrants will have Black-Scholes protection for third party extraordinary transactions within the first two years.
General Unsecured Claims	On the Effective Date, the holders of allowed general unsecured claims shall be unimpaired.

Existing Equity Interests	On the Effective Date, all existing equity interests (including common stock, preferred stock and any options, warrants, profit interest units, or rights to acquire any equity interests) in Holdings shall be cancelled and holders of such interests shall receive no recovery.
Other Terms	
Restructuring Expenses	On the Effective Date, without the need to file a fee or retention application in the Chapter 11 Cases, the AFG Entities shall pay all reasonable and documented fees and expenses, including fees and expenses estimated to be incurred through the Effective Date, of (a) Jones Day as counsel, and Houlihan Lokey Capital, Inc. ("Houlihan") as financial advisor, for all Consenting First Lien Lenders; (b) Akin Gump as counsel, and PJT Partners LP ("PJT") as financial advisor, for all Consenting Second Lien Lenders (excluding the Consenting Sponsor Lenders); and (c) Simpson Thacher & Bartlett LLP, as counsel to the Consenting Sponsor and the Consenting Sponsor Lenders.
Releases	The Plan or the Out-of-Court Transaction Documents (as applicable) and order confirming the Plan shall provide customary releases (including third party releases) and exculpation provisions, in each case, to the fullest extent permitted by law, for the benefit of the AFG Entities, the Reorganized AFG Entities, the First Lien Agent, the First Lien Claimants, the Second Lien Claimants, the Second Lien Agent, the DIP Lenders, the DIP Agent, and such entities' respective current and former affiliates, and such entities' and their current and former affiliates' current and former officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their current and former officers, managers, directors, equity holders, principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.
Implementation	Among other things, the Plan or the Out-of-Court Transaction Documents (as applicable) shall provide for the establishment of a management equity incentive plan (the "MIP") under which New Common Stock representing 10% of the New Common Stock issued on the Effective date on a fully-diluted basis (the "MIP Equity") will be reserved for grants (or restricted stock units, options or other instruments) made from time to time to the directors, officers, and other management of Reorganized AFG, subject to the terms and conditions established from time to time in the discretion of the New Board (as defined below). The MIP will be implemented on or promptly after the Effective Date and set forth in the Plan Supplement or the Out-of-Court Transaction Documents (as applicable). The Plan or the Out-of-Court Transaction Documents (as applicable) shall provide for the assumption of the AFG Entities' severance program that applies to executives and senior managers. The Debtors' annual incentive plan ("AIP") shall be assumed on the Effective Date and any unpaid amounts under the AIP as of the Effective Date that were otherwise payable during the Chapter 11 Cases shall be paid on the Effective Date.

New Board	The composition of Reorganized Holdings' initial board of directors (the "New Board") shall consist of seven (7) directors in total, one of which shall be the chief executive officer of Reorganized AFG, one of which shall be a representative of First Reserve Management, L.P. and affiliates, and the remaining members of which shall be designated by the Ad Hoc First Lien Group. One member of the Ad Hoc Second Lien Group shall also have the right to designate one (1) non-voting observer (the "Observer") to the Board, subject to such member (x) holding, on the Effective Date, Second Lien Claims in an amount no less than such holdings as of the date of the execution of the RSA and (y) maintaining, after the Effective Date, holdings of at least 75% of the New Common Stock (on a fully-diluted basis) issued to such member on the Effective Date on account of such Second Lien Claims. The right to designate an Observer shall be personal to such member.
Shareholders Agreement	Holders of New Common Stock shall be parties to a shareholders agreement, subject to the consent rights set forth in the RSA, the material terms of which shall be set forth in the Plan Supplement or the Out-of-Court Transaction Documents (as applicable).
Definitive Documentation	It shall be a condition precedent to the Effective Date that the Definitive Documentation (as defined in the RSA) shall have satisfied the Definitive Documentation requirements set forth in the RSA.
Indemnification Obligations	The AFG Entities' indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, employment contracts, or otherwise, for the directors and the officers that are currently employed by, or serving on the board of directors of, any of the AFG Entities, as of the Petition Date, shall be assumed pursuant to the Plan and the Debtors shall maintain their current D&O coverage in place as of the Effective Date of the date of the Plan Support Agreement for current and former directors and officers.
Tax Issues	The terms of the Restructuring shall be structured to preserve or otherwise maximize favorable tax attributes (including tax basis) of the AFG Entities to the extent practicable.
Fiduciary Out	Notwithstanding anything to the contrary herein, the terms of this Term Sheet shall be subject to the "fiduciary out" provisions set forth in the RSA.

* * * *

Exhibit A

DIP Term Sheet

FR AFG HOLDINGS, INC. AND ITS DOMESTIC SUBSIDIARIES

DEBTOR-IN-POSSESSION FINANCING TERM SHEET

As of April 5, 2017

This non-binding indicative term sheet (the "DIP Term Sheet") sets forth the principal terms of a potential superpriority, priming secured debtor-in-possession credit facility (the "DIP Credit Facility"; the credit agreement evidencing the DIP Credit Facility, the "DIP Credit Agreement" and, together with the other definitive documents governing the DIP Credit Facility and the DIP Orders (as defined herein), the "DIP Documents," each of which shall be in form and substance acceptable to the DIP Secured Parties (as defined herein) and substantially consistent with this DIP Term Sheet to be entered into with the Loan Parties (as defined herein)); provided that, for the avoidance of doubt, nothing herein shall impair or modify any consent rights with respect to any DIP Documents provided under Section 3 of the RSA (as defined below). The DIP Credit Facility will be subject to the approval of the Bankruptcy Court (as defined herein) and consummated in cases under chapter 11 (the "Chapter 11 Cases") of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") commenced by FR AFG Holdings, Inc. ("Holdings") and each of its domestic subsidiaries (collectively, the "Debtors"), in accordance with (i) interim (the "Interim DIP Order") and final orders (the "Final DIP Order" and, together with the Interim DIP Order, "DIP Orders") of the Bankruptcy Court authorizing the Loan Parties to enter into the DIP Credit Facility, each of which shall be in form and substance acceptable to the DIP Secured Parties, and (ii) the DIP Documents to be executed by the Loan Parties.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the accompanying Restructuring Term Sheet (as defined in the Restructuring Support Agreement dated of even date herewith (the "RSA")) or that certain First Lien Credit Agreement dated as of December 19, 2012 among FR AFG Holdings, Inc. ("Holdings"), AmeriForge Group Inc. (as successor by merger with Heavy Metal Merger Sub, Inc.) ("Existing Borrower"), the Guarantors party thereto from time to time (the "Existing Guarantors"), Deutsche Bank Trust Company Americas, as Administrative Agent (in such capacity, the "First Lien Agent"), Collateral Agent, Swing Line Lenders and L/C Issuer, and each lender from time to time party thereto (the "First Lien Lenders") (including all documents, instruments and agreements related thereto, all as supplemented, amended and modified from time to time, collectively, the "First Lien Credit Agreement").

This DIP Term Sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions, and is intended to be entitled to the protections of Federal Rule of Evidence 408 and any other applicable statutes or doctrines protecting the disclosure of confidential information and information exchanged in the context of settlement discussions. Holdings and the Existing Borrower are not authorized to disclose this DIP Term Sheet to any person other than their affiliates and their professional advisors, who shall agree to maintain its confidentiality.

THIS NON-BINDING DIP TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER OR COMMITMENT WITH RESPECT TO ANY CREDIT FACILITY. THE TRANSACTION DESCRIBED HEREIN WILL BE SUBJECT TO CREDIT APPROVAL BY THE LENDERS, THE NEGOTIATION AND COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS SET FORTH HEREIN, AND THE CLOSING OF ANY TRANSACTION SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH AGREED DEFINITIVE DOCUMENTS AND THE APPLICABLE DIP ORDERS.

Borrower	The Existing Borrower, as debtor in possession in the Chapter 11 Cases.
Guarantors	The DIP Credit Facility shall be guaranteed by the Existing Guarantors.
Administrative Agent	[TBD] (in such capacity, the "DIP Agent").
DIP Lenders	The members of the ad hoc group of First Lien Lenders represented by Jones Day (the "Ad Hoc First Lien Group") (in such capacity as the proposed lenders hereunder, the "DIP Lenders" and, together with the DIP Agent, the "DIP Secured Parties")). The obligation of any DIP Lender to fund any loan under the DIP Credit Facility may be fulfilled on behalf of such DIP Lender by any of such DIP Lender's affiliated or related funds or financing vehicles. The DIP Lenders may, by notice to the Borrower, modify the funding mechanics of the DIP Credit Facility to mitigate or avoid any adverse tax effects on the DIP Lenders, provided that any such change shall not result in a material cost or expense (other than customary fronting or similar fees) to the DIP Lenders or the Debtors.
DIP Credit Facility	The DIP Credit Facility shall be a superpriority delayed-draw term facility in an aggregate principal amount not to exceed in aggregate $70 million (the "DIP Loan Commitments", and such loans, the "DIP Loans"), subject to the terms and conditions set forth in this DIP Term Sheet. The draw mechanics of the DIP Credit Facility shall be on terms mutually agreed upon by the DIP Lenders and the Debtors, and in accordance with the Budget (as defined herein). DIP Loans may be made directly by a DIP Lender or "fronted" by a financial institution on terms acceptable to the relevant DIP Lender and fronting financial institution.
Availability	The effectiveness of the DIP Credit Facility (the date of such effectiveness, the "DIP Effective Date") shall be subject to the satisfaction of the Conditions Precedent (as defined herein). In addition, the availability of DIP Loans shall be subject to the following conditions: • At the time of making any DIP Loan and after giving effect thereto the representations and warranties of the Loan Parties contained in the DIP Documents shall be true and correct in all material respects. • No Default or Event of Default shall then exist or result therefrom. • All DIP Loans shall be made in subject to and in accordance with the Budget (as defined herein). • Up to $15 million of DIP Loans will be available upon the Bankruptcy Court's entry of the Interim DIP Order, and $55 million of additional DIP Loans will be available upon the Bankruptcy Court's entry of the

	Final DIP Order.
Letters of Credit	Letters of credit outstanding under the First Lien Credit Agreement ("Existing L/Cs") shall either remain outstanding under the First Lien Credit Agreement or shall be deemed outstanding under the DIP Credit Facility ("Converted L/Cs") and incremental to the DIP Loan Commitments. If the Existing L/Cs are so converted, the First Lien Lenders participating in such Existing L/Cs as of the Petition Date shall participate in the Converted L/Cs to the same extent as under the First Lien Credit Agreement. For the avoidance of doubt, there shall be no cash collateralization requirement with respect to the Converted L/Cs. [A separate letter of credit facility (the "L/C Facility") between the Debtors and [TBD], in its capacity as letter of credit issuer (the "Issuing Bank"), shall provide for the issuance of additional letters of credit in the aggregate amount of no more than $[_] million ("Additional L/Cs"); provided that, prior to the issuance of any such Additional L/Cs, the Debtors shall post cash collateral in an amount equal to 105.0% of the face amount thereof. For the avoidance of doubt, Additional L/Cs and the corresponding DIP Credit Facility proceeds used to cash collateralize such Additional L/Cs shall utilize the letter of credit commitment contained in the L/C Facility and the DIP Loan Commitment. The Issuing Bank shall have the right of first refusal to issue any Additional L/Cs. If so refused, the Borrower shall have the right to (i) obtain a letter of credit (a "Third Party L/C") from a third party of the Borrower's choosing and (ii) utilize cash collateral and/or proceeds of the DIP Credit Facility to cash collateralize up to $[__] million of Third Party L/Cs, so long as the maximum of the face amount of issued Additional L/Cs and Third Party L/Cs, whether issued under the L/C Facility or a facility furnished by a third-party letter of credit issuer, shall be no greater than $[__] million. For the avoidance of doubt, the L/C Facility is incremental to the DIP Loan Commitments and separate from the DIP Credit Facility.] All Existing L/Cs (whether or not converted to Converted L/Cs) and Additional L/Cs that are not converted into letters of credit under any exit financing will be required to be cash collateralized in an amount equal to 105% of the face amount thereof on the Maturity Date.
Maturity Date	Earliest of (a) six (6) months after the date on which the Debtors commence the Chapter 11 Cases (the "Petition Date"), (b) the Plan Effective Date (as defined herein), and (c) the date all DIP Loans become due and payable under the DIP Documents, whether by acceleration or otherwise (the "Maturity Date").
Interest Rate	• 1-month LIBOR plus 800 bps, payable in cash monthly • LIBOR floor of 1.0% • Delayed draw commitment payment on the undrawn amount of the DIP Loan Commitments of 1.75%, payable in cash monthly. • Default interest rate of an additional 2.0% per annum upon the occurrence

	and during the continuance of an Event of Default (as defined in the DIP Credit Agreement), payable in cash on demand.
Payments and Fees	Upfront Payment: 2.25% cash payment, which shall be earned, and a pro rata portion of which shall be paid, upon entry of the Interim DIP Order and the remainder of which will be paid upon entry of the DIP Final Order. Administrative Agent Fee: $[TBD].
Collateral	• First priority liens on and security interests in all of the Loan Parties' assets that are unencumbered as of the Petition Date; and • Super-priority priming liens on and security interests in all of the Loan Parties' assets that are encumbered as of the Petition Date, except those assets securing obligations (up to $1.0 million in the aggregate) that are subject to valid and perfected liens in existence on the Petition Date that constitute "Permitted Encumbrances" under the First Lien Credit Agreement (collectively, the "DIP Collateral" and, the liens and security interests thereon and therein, the "DIP Liens"). All of the DIP Liens shall be created on terms, and pursuant to documentation, satisfactory to the DIP Agent and the DIP Lenders in their discretion.
Documentation	The DIP Credit Agreement and the other DIP Documents shall be prepared by counsel for the Ad Hoc First Lien Group, and shall substantially reflect the terms and provisions of this DIP Term Sheet in all material respects and shall be acceptable to the DIP Secured Parties.
Conditions Precedent	The effectiveness of the DIP Credit Facility on the DIP Effective Date and the obligations of the DIP Lenders to make DIP Loans shall be subject to customary closing conditions, including, without limitation, the satisfaction of the following conditions precedent (the "Conditions Precedent") (unless waived in writing by the DIP Secured Parties): • All DIP Documents shall have been executed by the Loan Parties and the other parties thereto. • The representations and warranties of the Loan Parties contained in the DIP Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty that is qualified as to "Material Adverse Effect" or otherwise as to "materiality", in all respects) as of the Closing Date (as defined in the DIP Credit Agreement) (or as of such earlier date if the representation or warranty specifically relates to an earlier date). • There shall have been no material adverse change in the business, condition (financial or otherwise) or results of operations of the Borrower and its subsidiaries, taken as a whole (other than as a result of the events leading up to, and following, the commencement of the Chapter 11 Cases and the continuation and prosecution thereof, including circumstances or conditions customarily resulting from such

	events, commencement, continuation and prosecution) (a "Material Adverse Effect"), since the RSA Effective Date (as defined in the RSA). • All reasonable and documented out-of-pocket fees and expenses (including reasonable and documented out-of-pocket fees and expenses of outside counsel and financial advisors) required to be paid to the DIP Agent and the DIP Lenders shall have been paid (or will be paid with the proceeds of the DIP Loan authorized under the Interim DIP Order or the Final DIP Order, as applicable). • The DIP Secured Parties shall have received the Budget in form and substance acceptable to the DIP Secured Parties and otherwise consistent with this DIP Term Sheet. • The DIP Agent and the DIP Lenders shall have received, by at least three (3) business days prior to the DIP Effective Date "know your customer" and similar information required by bank regulatory authorities. • Upon the entry of the Interim DIP Order, the DIP Agent shall, for the benefit of the DIP Secured Parties, have valid and perfected first priority liens on the DIP Collateral to the extent set forth in the Interim DIP Order, subject only to liens permitted by the DIP Documents, and all filing and recording fees and taxes with respect to such liens and security interests that are then due and payable shall have been duly paid. • The satisfaction of other customary terms and conditions (including, without limitation, delivery of secretary and officer certificates, notice of borrowing, evidence of insurance, and legal opinions) and such other conditions as shall be required by the DIP Secured Parties.
Milestones	The Loan Parties shall comply with the following deadlines: • The Debtors shall use commercially reasonable best efforts to deliver the Exit ABL Facility Term Sheet, subject to compliance with Section 3 of the RSA, no later than April 19, 2017. • A chapter 11 plan with respect to the Loan Parties shall be in form and substance acceptable to the DIP Secured Parties (the "Approved Plan of Reorganization") and a disclosure statement for the Approved Plan of Reorganization shall be in form and substance acceptable to the DIP Secured Parties (the "Disclosure Statement"), in each case, no later than April 19, 2017. • The Loan Parties shall commence the solicitation of votes to accept or reject the Approved Plan of Reorganization on or before April 21, 2017 and, in connection with such solicitation, establish a date no later than May 5, 2017 as the deadline to submit votes to accept or reject

	such Approved Plan of Reorganization. • The Loan Parties shall commence the Chapter 11 Cases by filing voluntary petitions under chapter 11 of the Bankruptcy Code with the Bankruptcy Court no later than May 5, 2017 (the "'Petition Date"). • On the Petition Date, the Loan Parties shall file the Approved Plan of Reorganization, the Disclosure Statement, and motions, in form and substance acceptable to the DIP Secured Parties, seeking approval of the DIP Credit Facility (the "DIP Motion") and requesting a combined hearing for approval of the Disclosure Statement and confirmation of the Approved Plan of Reorganization. • The Bankruptcy Court shall enter the Interim DIP Order, which order shall be in form and substance acceptable to the DIP Secured Parties, approving the DIP Credit Facility on an interim basis no later than five (5) days following the Petition Date. • The Bankruptcy Court shall enter the Final DIP Order, which order shall be in form and substance reasonably acceptable to the DIP Secured Parties, approving the DIP Credit Facility on a final basis no later than 35 days following the Petition Date. • The Bankruptcy Court shall enter an order approving the Disclosure Statement and related solicitation procedures and confirming the Approved Plan of Reorganization, which order shall be in form and substance reasonably acceptable to the DIP Secured Parties, no later than 35 days following the Petition Date. • The Plan Effective Date shall occur no later than 60 days following the Petition Date.
Voluntary Prepayment	Prior to the Maturity Date, the Borrower may, upon at least two business days' notice and at the end of any applicable interest period (or at other times with the payment of applicable breakage costs), prepay in full or in part, the DIP Loans, subject to payment of such breakage costs. The Borrower shall not be permitted to repurchase DIP Loans or repay or prepay DIP Loans other than on a pro rata basis.
Mandatory Prepayment	Prior to the Maturity Date, the following mandatory prepayments shall be required: 1. Asset Sales: Prepayments of the DIP Loans in an amount equal to 100.0% of the net cash proceeds of the sale or other disposition of any property or assets of the Loan Parties or any of their respective subsidiaries, except for ordinary course and de minimis sales and additional exceptions to be agreed on in the DIP Documents; 2. Insurance Proceeds: Prepayments of the DIP Loans in an amount equal to 100.0% of the net cash proceeds of insurance paid on account of any loss of

	any property or assets of the Loan Parties or any of their respective subsidiaries subject to exceptions to be agreed on in the DIP Documents; and 3. Incurrence of Indebtedness: Prepayments of the DIP Loans in an amount equal to 100.0% of the net cash proceeds of any indebtedness incurred by the Loan Parties or any of their respective subsidiaries after the Closing Date (other than certain specified indebtedness otherwise permitted under the DIP Documents), payable no later than the date of receipt.
Financial Covenant	Until the repayment in full in cash of the obligations under the DIP Credit Facility, the Loan Parties shall strictly perform in accordance with the Budget, subject to the following covenant (the "Financial Covenant"): the negative variance of the Loan Parties' actual net cash flows (before any debt service payments) for any period of four consecutive weeks (each, a "Testing Period") from the projected amount therefor set forth in the Budget shall not exceed 15.0% (any variance not exceeding such maximum, a "Permitted Variance"). The Financial Covenant shall be tested on Wednesday of each week, with the first such test to be conducted on the Wednesday following the first four-week period following the DIP Effective Date. Beginning on each second Wednesday following the DIP Effective Date and each Wednesday thereafter, the Loan Parties shall deliver to the DIP Secured Parties and the advisors to each of the Ad Hoc First Lien Group and the Ad Hoc Second Lien Group (as defined below) the Variance Report (as defined herein), which Variance Report shall include, without limitation, the following line items: payroll costs and costs to be paid under a key employee incentive program, operating expenses, general and administrative expenses, debt service payments, adequate protection payments, administrative expenses under section 503(b) of the Bankruptcy Code and other expenses to be incurred by Borrower for the applicable period, together with an aging of accounts receivable, projected cash receipts and estimate of gross and net operating income for the applicable period. "Budget" means a written rolling 13 - week budget setting forth on a line-item basis the Loan Parties' projected cash receipts and cash disbursements, on a weekly basis, which budget shall be first delivered on the Petition Date and be in form and substance acceptable to the DIP Secured Parties and which budget shall be updated every four weeks in form and substance acceptable to the DIP Secured Parties. To the extent that any updated Budget is not acceptable to the DIP Secured Parties, the then-existing approved budget will remain the "Budget" until replaced by an updated budget that is acceptable to the DIP Secured Parties.
Reporting	The Borrower shall deliver to the DIP Agent, the DIP Lenders and the advisors to each of the Ad Hoc First Lien Group and the Ad Hoc Second Lien Group: (a) monthly unaudited consolidated financial statements of Holdings and its subsidiaries and on a non-consolidated basis by business unit within 30 days after the end of each fiscal month, certified by Holdings' chief financial officer;

	(b) quarterly unaudited consolidated financial statements of Holdings and its subsidiaries and quarterly unaudited financial statements of Holdings and its material domestic subsidiaries on a non-consolidated basis by business unit within 45 days of quarter-end for the first three fiscal quarters of the fiscal year, certified by Holdings' chief financial officer; (c) annual audited consolidated financial statements of Holdings and its subsidiaries and annual audited financial statements of Holdings and its material domestic subsidiaries on a non-consolidated basis by business unit within 120 days of year-end, certified with respect to such consolidated statements by Holdings' independent certified public accountants; (d) 13-week cash flow forecasts, on a rolling 13-week basis, updated every four weeks and in form and substance reasonably acceptable to the DIP Secured Parties (the "13-Week Projections"); (e) a weekly line-by-line variance report (the "Variance Report"), which Variance Report shall compare actual cash receipts and disbursements of the Loan Parties with corresponding amounts provided for in the Budget on a line-by-line basis for the prior week period and the Testing Period (or such shorter period as may have elapsed from the date hereof), including written descriptions in reasonable detail explaining any material positive or negative variances, and shall otherwise be in form and substance reasonably acceptable to the DIP Secured Parties; (f) all other reports and notices required to be delivered under the DIP Credit Agreement as mutually agreed upon by the Debtors, the DIP Agent, and the DIP Lenders; (g) as reasonably practicable, no less than three (3) days prior to filing, drafts of all pleadings, motions, applications, judicial information, financial information and any other documents filed by or on behalf of the Borrower or the Guarantors with the Bankruptcy Court or delivered to the U.S. Trustee in the Chapter 11 Cases, or distributed by or on behalf of the Borrower or any Guarantor to any official committee in the Chapter 11 Cases; and (h) copies of reports of the financial and restructuring advisors of the Loan Parties as reasonably requested by the DIP Agent or any DIP Lender.
Other Covenants	The DIP Credit Agreement shall contain such other negative and affirmative covenants that are ordinary and customary in debtor-in-possession financings and reasonably acceptable to the DIP Secured Parties, including, without limitation, compliance with the Budget in accordance with the DIP Credit Agreement.
Representations & Warranties	The DIP Credit Agreement shall contain such representations and warranties as are usual and customary in debtor-in-possession financing and as are reasonably acceptable to the DIP Secured Parties.
Use of Proceeds	The proceeds of the DIP Credit Facility shall be used to, among other things, (a) pay fees, interest, payments and expenses associated with the DIP Credit

	Facility, (b) provide for the ongoing working capital and capital expenditure needs of the Loan Parties during the pendency of the Chapter 11 Cases, (c) fund the Carve-Out (as defined herein), (d) fund the Adequate Protection Payments (as defined below) and (e) fund the costs of the administration of the Chapter 11 Cases and the consummation of the restructuring, in each case, subject to the Budget.
DIP Loan Disbursement Account	The Borrower and the Guarantors shall deposit the proceeds of the DIP Loans in the Borrower's master (or "concentration") account at [_____] (the "DIP Loan Disbursement Account"). Proceeds of the DIP Credit Facility and any other deposits to be provided under the DIP Documents shall be deposited, held, and disbursed through the DIP Loan Disbursement Account.
Events of Defaults/Remedies	Events of Default shall include, without limitation: • failure to pay principal or interest on the DIP Loans or any fees under the DIP Credit Facility when due; • failure of any representation or warranty of any Loan Party contained in any DIP Document to be true and correct in all material respects when made; • breach of any covenant, provided that certain affirmative covenants may be subject to a five (5) business day grace period (from the earlier of the date that (i) any Loan Party obtains knowledge of such breach and (ii) any Loan Party receives written notice of such default from the DIP Agent or the Required Lenders (as defined below)); • failure to comply with the Budget, subject to a Permitted Variance; • the DIP Agent shall cease to have a valid and perfected first-priority security interest in and lien on any DIP Collateral (other than upon a release by reason of a transaction that is permitted under the DIP Credit Agreement); • any Loan Party shall (i) contest the validity or enforceability of any DIP Document in writing or deny in writing that it has any further liability thereunder or (ii) contest the validity or perfection of the liens and security interests securing the DIP Loans; • any attempt by any Loan Party to invalidate or otherwise impair the DIP Loans or the liens granted to the DIP Lenders with respect to the DIP Loans; • failure by any Debtor to comply in any material respect with the Interim DIP Order or Final DIP Order, as applicable; • the entry by a court of competent jurisdiction of an order amending, modifying, staying, revoking or reversing the Interim DIP Order or Final DIP Order, as applicable, without the express written consent of the DIP Secured Parties; • any sale or other disposition of all or a material portion of the DIP Collateral securing the DIP Loans pursuant to section 363 of the Bankruptcy Code other than as permitted by the DIP Orders or the Approved Plan of Reorganization (or pursuant to a transaction that is

	permitted under the DIP Credit Agreement); • conversion of, or the filing of any motion by a Loan Party to convert, any of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code; • dismissal of, or the filing of any motion by a Loan Party to dismiss, any of the Chapter 11 Cases; • the appointment of a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of any Loan Party (powers beyond those set forth in sections 1106(a)(3) and 1106(a)(4) of the Bankruptcy Code) under sections 1104(d) and 1106(b) of the Bankruptcy Code; • failure to meet any Milestone (including, without limitation, failure of the Bankruptcy Court to enter, within 35 calendar days following the Petition Date, a Final DIP Order); • the entry of an order granting relief from the automatic stay under section 362 of the Bankruptcy Code to a holder or holders of any security interest or lien on any part of the DIP Collateral securing the DIP Loans to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any such DIP Collateral having a fair market value in excess of an amount to be agreed by the Required Lenders; • the grant of any super-priority claim that is *pari passu* with or senior to those of the DIP Secured Parties; • termination of the use of cash collateral; • the filing of a plan of reorganization or liquidation by the Borrower or any Guarantor that is not an Approved Plan of Reorganization; • expiration of the period of time during which only the Borrower and its co-debtors may file a plan pursuant to section 1121 of the Bankruptcy Code; and • the allowance of any claim or claims under section 506(c) of the Bankruptcy Code against or with respect to any of the DIP Collateral. Among other remedies to be specified, upon the occurrence of an Event of Default, the DIP Agent may and, at the direction of the Required Lenders, shall seek relief from the automatic stay on seven days' notice to foreclose on all or any portion of the DIP Collateral, and apply the proceeds thereof to the obligations arising under the DIP Credit Facility or otherwise exercise remedies against the DIP Collateral permitted by applicable non-bankruptcy law.
Carve-Out	As used in this Term Sheet, the "Carve-Out" means the sum of (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee (the "U.S. Trustee") under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code

	(without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees (including success, completion, or transaction fees) and expenses (the "Professional Fees") accrued or incurred by persons or firms retained by the Loan Parties pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and any committee of unsecured creditors (the "Creditors' Committee") pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the DIP Agent of a Carve-Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice, subject to an investigation budget cap of $50,000 with respect to Professional Fees to be incurred by the Creditors' Committee under the investigation budget (the "Investigation Budget Cap"); and (iv) Professional Fees in an aggregate amount not to exceed $[_____] incurred after the first business day following delivery by the DIP Agent of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve-Out Trigger Notice Cap"); provided that nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement, or compensation described in clauses (i), (ii), (iii). or (iv) above, on any grounds. For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent to the DIP Lenders, the Loan Parties, their lead restructuring counsel, the U.S. Trustee, counsel to the Ad Hoc First Lien Group, counsel to the Ad Hoc Second Lien Group and counsel to the Creditors' Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Credit Facility, stating that the Post-Carve-Out Trigger Notice Cap has been invoked. On the day on which a Carve-Out Trigger Notice is given by the DIP Agent as set forth herein (the "Termination Declaration Date"), the Carve-Out Trigger Notice shall (i) be deemed a draw request and notice of borrowing by the Loan Parties for DIP Loans under the DIP Loan Commitments (on a pro rata basis based on the then outstanding DIP Loan Commitments), in an amount equal to the then unpaid amounts of the Professional Fees (any such amounts actually advanced shall constitute DIP Loans) and (ii) also constitute a demand to the Loan Parties to utilize all cash on hand (including cash collateral) as of such date and any available cash thereafter held by any Loan Party to fund a reserve in an amount equal to the then unpaid amounts of the Professional Fees. The Loan Parties shall deposit and hold such amounts in a segregated account at the DIP Agent in trust to pay such then unpaid Professional Fees (the "Pre-Carve-Out Trigger Notice Reserve") prior to any and all other claims (including the DIP Superpriority Claims). On the Termination Declaration Date, the Carve-Out Trigger Notice shall also be deemed a request by the Loan Parties for DIP Loans under the DIP Loan Commitments (on a pro rata basis based on the then outstanding DIP Loan Commitments), in an amount equal to the Post-Carve-Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP Loans). The Loan Parties shall deposit and hold such

	amounts in a segregated account at the DIP Agent in trust to pay such Professional Fees benefiting from the Post-Carve-Out Trigger Notice Cap (the "Post Carve-Out Trigger Notice Reserve" and, together with the Pre-Carve-Out Trigger Notice Reserve, the "Carve-Out Reserves") prior to any and all other claims. All funds in the Pre-Carve-Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve-Out set forth above (the "Pre-Carve-Out Amounts"), but not, for the avoidance of doubt, the Post-Carve-Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre Carve-Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Credit Facility has been indefeasibly paid in full, in cash, and all DIP Loan Commitments have been terminated, in which case any such excess shall be paid to the First Lien Lenders in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve-Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve-Out set forth above (the "Post-Carve-Out Amounts"), and then, to the extent the Post Carve-Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Credit Facility has been indefeasibly paid in full, in cash, and all DIP Loan Commitments have been terminated, in which case any such excess shall be paid to the First Lien Lenders in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything in the DIP Documents, this Term Sheet, or the DIP Orders to the contrary: (i) if either of the Carve-Out Reserves is not funded in full in the amounts set forth herein, then, any excess funds in one of the Carve-Out Reserves following the payment of the Pre-Carve-Out Amounts and Post-Carve-Out Amounts, respectively, shall be used to fund the other Carve-Out Reserve, up to the applicable amount set forth herein, prior to making any payments to the DIP Agent or the First Lien Lenders, as applicable; (ii) following delivery of a Carve-Out Trigger Notice, the DIP Agent and the First Lien Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Loan Parties until the Carve-Out Reserves have been fully funded or unless the proceeds of such sweep or foreclosure are applied immediately to fund the Carve-Out Reserves, but shall have a security interest in any residual interest in the Carve-Out Reserves, with any excess paid to the DIP Agent for application in accordance with this Term Sheet; (iii) disbursements by the Loan Parties from the Carve-Out Reserves shall not constitute DIP Loans or increase or reduce the balance of the DIP Superpriority Claims outstanding; (iv) the failure of the Carve-Out Reserves to satisfy in full the Professional Fees shall not affect or impair the priority of the Carve-Out; (v) in no way shall any of the Carve-Out, Post-Carve-Out Trigger Notice Cap, Carve-Out Reserves, or any budget or financial projection delivered in connection with this Term Sheet or the DIP Credit Facility be construed as a cap or limitation on the amount of the Professional Fees due and payable by the Loan Parties or their estates.

	For the avoidance of doubt and notwithstanding anything to the contrary herein or in any intercreditor agreement, the DIP Documents, or in any of First Lien Loan Documents, the Carve-Out shall be senior to all liens and claims securing the DIP Credit Facility (including the DIP Superpriority Claims), and any and all other forms of adequate protection, liens, or claims securing the DIP Credit Facility or the obligations under the First Lien Credit Agreement. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Professional Fees shall not reduce the Carve-Out. Any payment or reimbursement made on a final basis or after the occurrence of the Termination Declaration Date in respect of any Professional Fees shall permanently reduce the Carve-Out on a dollar-for-dollar basis. Any funding of the Carve-Out shall be added to, and made a part of, the DIP Credit Facility secured by the Collateral and shall be otherwise entitled to the protections granted under the order approving the DIP Credit Facility, the Bankruptcy Code, and applicable law. For the avoidance of doubt and notwithstanding anything to the contrary herein or in any intercreditor agreement, the DIP Documents, or in any of the documents evidencing the First Lien Credit Facility, the Carve-Out shall not include, apply to, or be available for any fees or expenses incurred by any party in connection with (a) the investigation, initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation, other than the investigation of such claims by the Creditors' Committee prior to the delivery of a Carve-Out Trigger Notice and subject to the Investigation Budget Cap, (i) against any of the DIP Lenders, the DIP Agent, the First Lien Lenders, the First Lien Agent, the Prepetition Second Lien Secured Lenders, or the Second Lien Agent (whether in such capacity or otherwise), or (ii) challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the obligations and the liens and security interests granted under the DIP Documents, the First Lien Loan Documents or the Second Lien Loan Documents, including, in each case without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise; (b) attempts to modify any of the rights granted to the DIP Lenders or the DIP Agent with respect to the DIP Credit Facility; (c) attempts to prevent, hinder or otherwise delay any of the DIP Lenders' or the DIP Agent's assertion, enforcement or realization upon any DIP Collateral in accordance with the DIP Documents and the DIP Orders once an Event of Default has occurred and after the Default Notice Period or (d) paying any amount on account of any claims arising before the commencement of the Chapter 11 Cases unless such payments are approved by an order of the Bankruptcy Court; provided that for the avoidance of doubt, this paragraph (including, for the avoidance of doubt, the Investigation Budget Cap) shall not limit (or be deemed to limit) the Loan Parties' rights to seek recharacterization of adequate protection as being applied to principal.

Expenses and Indemnification	All reasonable, documented, out-of-pocket expenses (limited to (i) reasonable legal fees and reasonable, documented, out-of-pocket expenses of one primary counsel and one local counsel for the DIP Agent; (ii) reasonable legal fees and reasonable, documented, out-of-pocket expenses of one primary counsel and one local counsel for the DIP Lenders; and (iv) reasonable fees and reasonable, documented, out-of-pocket expenses of one financial advisor for the DIP Secured Parties) of the DIP Secured Parties incurred in connection with, whether before or after the commencement of, the Chapter 11 Cases and the negotiation and documentation of the DIP Credit Facility and restructuring matters with respect to the Loan Parties In addition, all reasonable, documented, out-of-pocket fees, costs and expenses (including but not limited to reasonable legal fees and documented, out-of-pocket expenses) of the DIP Agent and the DIP Lenders for workout proceedings and enforcement costs associated with the DIP Credit Facility are to be paid by the Borrower. The Borrower will indemnify the DIP Secured Parties and their affiliates, and their respective related parties, and hold each of them harmless from and against all reasonable out-of-pocket costs, expenses (including but not limited to reasonable and documented legal fees and expenses) and liabilities arising out of or relating to the transactions contemplated hereby and any actual or proposed use of the proceeds of any loans made under the DIP Credit Facility; provided that no such person will be indemnified for costs, expenses or liabilities to the extent determined by a final, non-appealable judgment of a court of competent jurisdiction to have been incurred solely by reason of the gross negligence, bad faith or willful misconduct of such person (or their affiliates and/or respective related parties).
DIP Superpriority Claim	All obligations of the Borrower under the DIP Credit Facility and all amounts owing by the Guarantors in respect thereof at all times shall constitute allowed super-priority administrative expense claims, pursuant to section 364(c)(1) of the Bankruptcy Code, in the Chapter 11 Cases (the "DIP Superpriority Claims"), having priority over all administrative expenses of the kind specified in, or ordered pursuant to, sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b) or 726 or any other provisions of the Bankruptcy Code, subject only to the Carve-Out.
Adequate Protection for First Lien Agent and First Lien Lenders	As adequate protection, (i) the First Lien Agent, on behalf of the First Lien Lenders, shall receive to the extent of any aggregate diminution in the value of the First Lien Lenders' collateral, (a) valid, binding, enforceable and perfected replacement liens on and security interests in the DIP Collateral, which liens and security interests shall (1) be junior and subordinate only to the Carve-Out, the DIP Liens, and other permitted liens (the "First Lien AP Liens"), and (2) otherwise be senior to all other security interests in or liens on any of the DIP Collateral; and (b) allowed super-priority administrative expense claims in the Chapter 11 Cases having priority over all administrative expenses of the kind specified in, or ordered pursuant to, section 364(c)(1) of the Bankruptcy Code, subject only to the Carve-Out and the DIP Superpriority Claim (the "First Lien AP Superpriority Claim"); (ii) (a) the First Lien Agent shall be entitled to reimbursement of the reasonable and documented fees and expenses (including one primary counsel and one local counsel) regardless of whether such fees and expenses were incurred before or after the commencement of the Chapter

	11 Cases and (b) the Ad Hoc First Lien Group shall be entitled to reimbursement of the reasonable and documented fees and expenses, regardless of whether such fees and expenses were incurred before or after the commencement of the Chapter 11 Cases, of one primary counsel (currently Jones Day), one local counsel and one financial advisor (currently Houlihan Lokey Capital Inc.); and (iii) the First Lien Lenders shall receive on a monthly basis cash payment of all accrued but unpaid interest under the First Lien Credit Agreement (the payments described in the immediately preceding clauses (ii) and (iii), the "First Lien Adequate Protection Payments").
Adequate Protection for Second Lien Agent and Second Lien Lenders	As adequate protection, (i) the Second Lien Agent, on behalf of the Second Lien Lenders, shall receive to the extent of any aggregate diminution in the value of the Second Lien Lenders' collateral, (a) valid, binding, enforceable and perfected replacement liens on and security interests in the DIP Collateral, which liens and security interests shall (1) be junior and subordinate only to the Carve-Out, the DIP Liens, the First Lien AP Liens and other permitted liens, and (2) otherwise be senior to all other security interests in or liens on any of the DIP Collateral; and (b) allowed super-priority administrative expense claims in the Chapter 11 Cases having priority over all administrative expenses of the kind specified in, or ordered pursuant to, section 364(c)(1) of the Bankruptcy Code, subject only to the Carve-Out, the DIP Superpriority Claim and the First Lien AP Superpriority Claim; and (ii) (a) the Second Lien Agent shall be entitled to reimbursement of the reasonable and documented fees and expenses (including one primary counsel and one local counsel), regardless of whether such fees and expenses were incurred before or after the commencement of the Chapter 11 Cases and (b) the Second Lien Lenders represented by Akin Gump Strauss Hauer & Feld LLP (the "Ad Hoc Second Lien Group") shall be entitled to reimbursement of the reasonable and documented fees and expenses, regardless of whether such fees and expenses were incurred before or after the commencement of the Chapter 11 Cases, of one primary counsel (currently Akin Gump Strauss Hauer & Feld LLP), one local counsel (if necessary) and one financial advisor (currently PJT Partners) (the payments described in the immediately preceding clause (ii) the "Second Lien Adequate Protection Payments" and, together with the First Lien Adequate Protection Payments, the "Adequate Protection Payments").
Stipulations	The DIP Orders shall contain stipulations as to, among other things, the amount and priority of the secured indebtedness and liens granted under the First Lien Credit Agreement and Second Lien Credit Agreement and related documentation.
Waivers	The DIP Orders shall provide a waiver of the equitable doctrine of "marshaling" with respect to the DIP Collateral (a "Marshaling Waiver"). The Final DIP Order shall provide (i) a waiver of the "equities of the case" exception to section 552(b) of the Bankruptcy Code and (ii) a waiver of the ability to surcharge the DIP Collateral, including under section 506(c) of the Bankruptcy Code, in each case, in favor of the First Lien Agent, First Lien Lenders, Second Lien Agent and Second Lien Lenders, and (iii) a Marshalling Waiver with respect to Collateral securing the Loans under the First Lien Credit Agreement and the Second Lien Credit Agreement, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders and the Second Lien

	Agent.
Releases	Pursuant to the DIP Orders, the Borrower and Guarantors shall release all claims against the following parties and each of their respective representatives: the DIP Agent (in its capacity as such), the DIP Lenders (in their capacity as such) and, subject to a customary challenge period, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders and the Second Lien Agent.
Credit Bid	The DIP Claims, First Lien Claims and Second Lien Claims may be credit bid in connection with the sale of any asset of the Loan Parties (in whole or in part), including without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(ii)-(iii) of the Bankruptcy Code; provided that any credit bid by the First Lien Claims or the Second Lien Claims must include a sufficient cash purchase price to pay in full in cash the DIP Claims (in the event of a credit bid of the First Lien Claims) or the DIP Claims and the First Lien Claims (in the event of a credit bid of the Second Lien Claims).
Governing Law	The DIP Documents shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflict of law principles thereof. Each party to the DIP Documents will waive the rights to trial by jury and will consent to jurisdiction of the Bankruptcy Court for so long as the Chapter 11 Cases remain open and, thereafter, the state and federal courts located in the County of New York in the State of New York.
Required Lenders	DIP Lenders holding greater than 50.0% of the outstanding commitments and/or exposure under the DIP Loans (the "Required Lenders").
Amendments	All amendments, modifications and waivers of the DIP Documents shall require the consent of the Required Lenders, except in the case of amendments, modifications, or waivers customarily requiring consent from all DIP Lenders, all affected DIP Lenders or the DIP Agent.
Proof of Claim	The First Lien Agent, First Lien Lenders, the Second Lien Agent and the Second Lien Lenders will not be required to file a proof of claim in connection with the Chapter 11 Cases.
Cooperation	The Loan Parties will assist the DIP Agent in the syndication of the DIP Loan Facility as reasonably requested, and will provide customary information and documents in connection therewith.

Assignments and Participations	Each DIP Lender may assign all or any part of the DIP Loans to one or more banks, financial institutions, or other entities. Upon such assignment, such affiliate, bank, financial institution, or entity will become a Lender for all purposes under the Loan Documents. The Lenders will also have the right to sell participations, subject to customary limitations on voting rights, in the DIP Loans.
Conversion to Exit Facility	On the Plan Effective Date, unless the DIP Loans are otherwise repaid in full and in cash and all outstanding letters of credit cash collateralized in an amount equal to 105% of the face amount thereof, the DIP Loans and unused DIP Commitments shall be converted to loans and commitments under the Exit Term Loan Facility, which shall be subject to definitive documentation separate from the DIP Documents and consistent with the terms described on Annex I.

ANNEX I

KEY TERMS OF THE EXIT TERM LOAN FACILITY	
Borrower	Existing Borrower
Guarantors	Existing Guarantors
Facilities	• Commitment to provide secured term loans consisting of the Converted DIP Commitments (as defined in the Restructuring Term Sheet) ("Exit Term Loans"; the holders of the Exit Term Loans, the "Exit Term Loan Lenders"). • The respective administrative agents under the Exit Term Loan Facility and Exit ABL Facility (as defined in the Restructuring Term Sheet) shall be subject to an intercreditor agreement customary for such facilities (the "Intercreditor Agreement"). • Participation in the Exit Term Loan Facility will be offered to all First Lien Lenders holding greater than $10.0 million of the loans under the First Lien Credit Agreement.
Letters of Credit	The Existing L/Cs or the Converted L/Cs and Additional L/Cs that remain undrawn as of the Effective Date (as defined in the Restructuring Term Sheet) will be converted into letters of credit under the Exit ABL Facility.
Maturity Date	Five (5) year anniversary of the Plan Effective Date.
Interest Rate	• L+ 800 bps in cash, stepping down to L+ 700 bps in cash if EBITDA for the most recently completed period of four fiscal quarters for which financial statements have been delivered ("Four Quarter EBITDA") is greater than $50 million. The definition of "EBITDA" shall be subject to compliance with Section 3 of the RSA. • 500 bps of interest paid in kind, stepping down to 100 bps if Four Quarter EBITDA is at least $25 million but less than or equal to $50 million, and to 0 bps if Four Quarter EBITDA is greater than $50 million. • LIBOR floor of 1.0%. • Four Quarter EBITDA shall be tested on a quarterly basis and determine the cash amount and PIK amount (if any) of the next possible interest payment.
Upfront Fee	A payment equal to 1.50% of the amount of the Exit Term Loans, which shall be payable in cash on the Plan Effective Date.
Collateral	Exit Loans to be secured by first-priority liens on all of the Loan Parties' assets other than the assets securing the Exit ABL Facility and second-priority liens on all of the Loan Parties' assets securing the Exit ABL Facility on a first priority basis, in each case, subject to permitted liens and the Intercreditor Agreement.
Call Protection	Not prepayable prior to the first anniversary of the Plan Effective Date. Prepayable at any time after the first anniversary of the Plan Effective Date at 102.0% of par plus accrued interest in year 2, and 101.0% of par plus accrued interest in year 3; thereafter, prepayable at par plus accrued interest.
Amortization	Fixed amortization of 1.0% per year based on beginning balance, paid quarterly

Mandatory Prepayment	Customary mandatory prepayments in connection with asset sales, casualty events and debt incurrences, in each case, subject to customary thresholds, exceptions and reinvestment rights.
Financial Covenants	TBD.
Covenants	TBD.
Reporting	Quarterly and annual financial reporting consistent with existing First Lien Credit Agreement and monthly financial statements.
Backstop Payment	A payment equal to 2.50% of the amount of the Exit Term Loans, which shall be payable in cash to the Backstop Parties on the Plan Effective Date.
Backstop Parties	The members of the Ad Hoc First Lien Group.

Exhibit B to the Restructuring Support Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "Joinder") to the Restructuring Support Agreement (the "Agreement"), dated as of [__], 2017, by and among: (i) FR AFG Holdings Inc. ("Holdings"), and its wholly-owned domestic subsidiaries (together with Holdings, each an "AFG Entity," and collectively, the "AFG Entities"); (ii) the First Lien Agent, (iii) the Consenting First Lien Lenders; (iv) the Second Lien Agent; (v) the Consenting Second Lien Lenders; and (vi) the Sponsor Entities, is executed and delivered by [_____] (the "Joining Party") as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Restructuring Support Parties.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the First Lien Claims and/or Second Lien Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 18 of the Agreement to each other Party.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

_____

By:
Name:
Title:

Principal Amount of First Lien Claims: $_____

Principal Amount of Second Lien Claims: $_____

Notice Address:

Fax:
Attention:
Email:

Annex 1 to the Form of Transferee Joinder

Restructuring Support Agreement

EXHIBIT C TO THE DISCLOSURE STATEMENT

LIQUIDATION ANALYSIS

Liquidation Analysis

1) Introduction

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code[1] requires that the Bankruptcy Court find, as a condition to confirmation of the Plan, that each Holder of a Claim or Interest in each Impaired Class: (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Person would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the Bankruptcy Court must (i) estimate the cash proceeds (the "Liquidation Proceeds") that a potential chapter 7 trustee (the "Trustee") would generate if each Debtor's chapter 11 case were converted to a chapter 7 case on the Effective Date and the assets of such Debtor's estate were liquidated, (ii) determine the distribution (the "Liquidation Distribution") that each Holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7, and (iii) compare each Holder's Liquidation Distribution to the distribution under the Plan (the "Plan Distribution") that such Holder would receive if the Plan were confirmed and consummated. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. The analysis with respect to the foregoing (this "Liquidation Analysis") is based upon certain assumptions discussed herein and in the Disclosure Statement.

THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN, OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THAT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THIS LIQUIDATION ANALYSIS.

2) Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtors' converted their chapter 11 cases to chapter 7 cases on June 30, 2017 (the "Conversion Date"). The pro forma values referenced herein are projected to be as of May 1, 2017, and include a roll-forward amount representative of activity between December 31, 2016, and June 30, 2017, which we assume to be a reasonable proxy for the anticipated Effective Date. The Liquidation Analysis was prepared on a legal entity basis, and summarized into a Total AFGlobal Corporation Summary.

The Liquidation Analysis represents an estimate of recovery values and percentages based upon a hypothetical liquidation if the Debtors' chapter 11 cases were converted to cases under chapter 7 of the Bankruptcy Code and a Trustee were appointed by the Bankruptcy Court to convert the Debtors' assets into cash. The determination of the hypothetical proceeds from the liquidation of the Debtors' assets is a *highly uncertain* process involving the extensive use of estimates and assumptions which, although considered reasonable by the Debtors' management

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of Ameriforge Group Inc. and Its Debtor Affiliates*, to which this exhibit is attached as **Exhibit C**.

and their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors and their management.

The Debtors' management believes the risk to the Company's operations related to a failed restructuring process would be significant and would likely result in immediate and irreparable harm from both a liquidity and enterprise value standpoint. These issues would include, among others, (i) the immediate departures of key employees, including those in senior management positions at various entities, (ii) disruption of ongoing critical supplies deliveries, (iii) loss of vendor trade terms that would be essential to maintaining the Company's working capital and liquidity management profile, and (iv) possible reductions or losses of both recurring and new contract revenue from key customers. Given these risk factors alone, it is the Debtors' position that the likelihood of selling assets on a going concern basis following a failed restructuring process would have a low probability of success within the context of a reasonable timeframe. Thus, the Liquidation Analysis assumes the chapter 11 cases convert to chapter 7 cases on June 30, 2017.

The cessation of business in a liquidation is likely to trigger certain claims that otherwise would not exist under a Plan absent a liquidation. Examples of these kinds of claims include various potential employee claims (for such items as severance) and unpaid chapter 11 administrative claims. Some of these claims could be significant and, in certain instances, may be entitled to priority in payment over general unsecured claims. Those priority claims would receive priority in payment from the liquidation proceeds before the balance would be made available to pay general unsecured claims.

The Liquidation Analysis does not include estimates for the tax consequences, both federal and state, that may be triggered upon the liquidation and sale events of assets in the manner described above. Such tax consequences may be material.

The Liquidation Analysis does not include recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions.

As discussed herein, the claim amounts reflected in the Liquidation Analysis are estimates primarily based on the Debtors' most recent analysis and are subject to material revision. The Liquidation Analysis was prepared before the deadline for filing claims against the Debtors, and, therefore, the amount of Allowed Claims against the Debtors' estates may vary materially from the Claim amounts used in this Liquidation Analysis.

3) Liquidation Process

The Debtors' liquidation would be conducted in a chapter 7 environment with the Trustee managing the bankruptcy estate (the "Estate") to maximize recovery in an expedited process. The Trustee's initial step would be to develop a liquidation plan to generate proceeds from the sale of the Debtors' assets for distribution to creditors. The three major components of the liquidation are as follows:

- generation of cash proceeds from asset sales, largely sold on a piecemeal basis;

- costs related to the liquidation process, such as post-conversion operating cash flow through asset dispositions, personnel retention costs, estate wind-down costs and trustee, professional, and other administrative fees; and

- distribution of net proceeds generated from asset sales to claimants in accordance with the priority scheme under Chapter 7 of the Bankruptcy Code.[2]

4) Distribution of Net Proceeds to Claimants

Any available net proceeds would be allocated to the applicable creditors and equity holders in strict priority in accordance with section 726 of the Bankruptcy Code:

- Super-Priority Secured Claims: includes outstanding balances owed under any post-petition Debtor-in-Possession ("DIP") financing facility and professional Carve-Out pursuant to the DIP Order;

- Secured Claims: includes claims arising under the Debtors' secured credit facilities;

- Administrative & Priority Claims: includes claims for post-petition accounts payable, post-petition accrued expenses, claims arising under section 503(b)(9) of the Bankruptcy Code, and certain unsecured claims entitled to priority under section 507 of the Bankruptcy Code;

- General Unsecured Claims: includes non-secured long-term debt, non-priority debt, including pre-petition trade payables, pre-petition intercompany trade debt, and various other unsecured liabilities; and

- Interests: includes equity interests in the Debtors.

5) Conclusion

The Debtors have determined, as summarized in the following analysis, upon the Effective Date, the Plan will provide all holders of Claims and Interests with a recovery (if any) that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code, and as such believe that the Plan satisfies the requirement of section 1129(a)(7) of the Bankruptcy Code.

[2] The liquidation process includes a reconciliation of claims asserted against chapter 7 estate to determine the allowed claim amount per class.

Liquidation Proceeds by Asset Class

$ in millions	Note	12/31/2016 Net Book Value	Adjustment	Pro-forma Value 6/30/2017	Recovery Estimate (%) Low	Midpoint	High	Recovery Estimate ($) Low	Midpoint	High
Current Assets										
Cash & Short term investments	[1]	$ 47.6	$ (23.7)	$ 23.9	100.0%	100.0%	100.0%	$ 23.9	$ 23.9	$ 23.9
Accounts Receivable	[2]	33.2	4.1	37.3	60.0%	72.5%	85.0%	22.4	27.0	31.7
Inventory	[3]	74.0	29.0	103.0	24.1%	34.1%	44.1%	24.8	35.1	45.4
Other Current Assets	[4]	44.4	-	44.4	1.3%	1.9%	2.6%	0.6	0.9	1.1
Total Current Assets		199.2	9.3	208.5	34.4%	41.7%	49.0%	71.7	86.9	102.1
Long Term Assets										
PP&E	[5]	57.2	-	57.2	50.0%	62.5%	75.0%	28.6	35.7	42.9
Deferred Taxes	[6]	-	-	-	0.0%	0.0%	0.0%	-	-	-
Deposits	[7]	0.1	-	0.1	65.0%	75.0%	85.0%	0.1	0.1	0.1
Other Assets	[8]	199.6	-	199.6	0.8%	1.7%	2.5%	1.7	3.3	5.0
Investment in Affiliates	[9]	(48.3)	-	(48.3)	0.0%	0.0%	0.0%	-	-	-
Total Long Term Assets		208.6	-	208.6	14.6%	18.8%	23.0%	30.4	39.2	48.0
Other										
Non-Debtor Recovery	[10]	245.8	(0.9)	244.9	11.6%	15.3%	19.0%	28.4	37.4	46.4
Total Assets		$ 653.6	$ 8.4	$ 662.0	19.7%	24.7%	29.7%	$ 130.4	$ 163.5	$ 196.6
Less Liquidation Costs										
Chapter 7 US Trustee Fee	[11]							$ (1.3)	$ (1.6)	$ (2.0)
Chapter 7 Professional Fee	[12]							(1.3)	(1.6)	(2.0)
Post Conversion Cash Flow	[13]							11.8	11.8	11.8
Wind-down Costs	[14]							(15.0)	(15.0)	(15.0)
Total Liquidation Adjustments								$ (5.8)	$ (6.5)	$ (7.1)
Net Proceeds								**$ 124.6**	**$ 157.0**	**$ 189.4**

Hypothetical Recoveries by Claimant Class - Chapter 7 Liquidation

	Notes	Estimate Claims	Recovery Estimate (%) Low	Midpoint	High	Recovery Estimate ($) Low	Midpoint	High
Chapter 11 Administrative Claims	[15]	$ 21.5	0.0%	0.0%	0.0%	$ -	$ -	$ -
DIP Claims	[16]	70.5	100.0%	100.0%	100.0%	70.5	70.5	70.5
Professional Fee Claims	[17]	6.9	0.0%	0.0%	0.0%	-	-	-
Priority Tax Claims	[18]	0.2	0.0%	0.0%	0.0%	-	-	-
Statutory Fees	[19]	-	0.0%	0.0%	0.0%	-	-	-
Class 1 - Other Secured Claims	[20]	0.3	100.0%	100.0%	100.0%	0.3	0.3	0.3
Class 2 - Other Priority Claims	[21]	1.7	0.0%	0.0%	0.0%	-	-	-
Class 3 - First Lien Claims	[22]	611.9	8.8%	14.1%	19.4%	53.8	86.2	118.7
Class 3 - First Lien Secured Claims		86.2	100.0%	100.0%	100.0%	53.8	86.2	118.7
Class 3 - First Lien Deficiency Claims		525.6	0.0%	0.0%	0.0%	-	-	-
Class 4 - Second Lien Claims	[23]	149.5	0.0%	0.0%	0.0%	-	-	-
Class 4 - Second Lien Secured Claims		-	0.0%	0.0%	0.0%	-	-	-
Class 4 - Second Lien Deficiency Claims		149.5	0.0%	0.0%	0.0%	-	-	-
Class 5 - General Unsecured Claims	[24]	72.2	0.0%	0.0%	0.0%	-	-	-
Class 6 - Intercompany Claims	[25]	-	0.0%	0.0%	0.0%	-	-	-
Class 7 - Intercompany Interests	[26]	-	0.0%	0.0%	0.0%	-	-	-
Class 8 - Interests in Holdings	[27]	-	0.0%	0.0%	0.0%	-	-	-
		$ 934.6				**$ 124.6**	**$ 157.0**	**$ 189.4**

Specific Notes to the Liquidation Analysis

Gross Liquidation Proceeds

1. Cash & Short Term Investments

- Consists of cash in banks and highly liquid investment securities that have original maturities of three months or less.
- The book cash balance as of June 30, 2017, is based on the latest weekly cash forecast prepared by the Company and its advisors.
- The Company estimates 100% recovery of Cash.

2. Accounts Receivable

- Accounts receivable consist of accrued revenues due under normal terms, generally requiring payment within 30 to 150 days of production.
- The book balance of Accounts Receivable as of June 30, 2017, is the book balance as of December 31, 2016 rolled forward to June 30, 2017.
- The analysis assumes that a chapter 7 trustee would retain certain existing staff to handle collection efforts for outstanding trade accounts receivable for the entities undergoing liquidation.
- The liquidation values of accounts receivable were estimated to range from 60% to 85% of the pro forma value.

3. Inventory

- Inventory consists of the Debtors' raw materials, work-in-progress, and finished goods.
- The inventory is maintained in multiple locations and reflects a variety, mix, and quantity consistent with the Debtors' particular equipment and operations; and
- The liquidation values of inventory were estimated to range from 20% to 80% of the pro forma value resulting in an aggregate recovery of 24.1% to 44.1%.

4. Other Current Assets

- Other current assets consist of costs in excess of billings, pre-paid expenses, and deferred tax assets.
- Costs in excess of billings include uncompleted contracts with billings that are less than income earned to date. Pre-paid expenses include prepayments on account of

insurance, utility deposits, and pre-paid property tax. Deferred tax assets relate to assets generated from the company's net operating losses.

- The liquidation values of other current assets were estimated to range from 0% to 50% of the pro forma value resulting in an aggregate recovery of 1.3% to 2.6%.

5. Property, Plant & Equipment

- Other property, plant, and equipment consists of furniture, fixtures, leasehold improvements, machinery, and equipment, and other property and equipment.
- Includes 4 owned real estate properties.
- The liquidation values of all other property, plant, and equipment were estimated to range from 50% to 75% of the pro forma value.

6. Deferred Taxes

- Deferred income taxes are assets originating from differences between the financial statement carrying amounts and the tax basis.
- The liquidation values of deferred taxes were estimated at 0% of the pro forma value due to net operating loss carry forwards.

7. Deposits

- Includes deposits such as utilities and facilities leases.
- The liquidation values of deposits were estimated to range from 65% to 85% of the pro forma value.

8. Other Assets

- Consists primarily of goodwill, intangibles, and other assets, such as intellectual property, patents, business methodologies, trade secrets, and brands.
- The liquidation values of goodwill, intangibles, and other assets were estimated to range from 0% to 30% of the pro forma value resulting in an aggregate recovery of 0.8% to 2.5%

9. Investments in Affiliates

- Includes AFGlobal's interest in certain non-debtors whose proceeds would become available for distribution in the event of a liquidation.
- The liquidation values of investments in affiliates were estimated to be 0% of the pro forma value.

10. Non-Debtor Recovery

- Estimated net recovery of $37.4 million (15.3% of total estimated pro forma value at June 30, 2017) from disposition of non-Debtor affiliates located in Brazil, China, Indonesia, Mexico, Singapore, the United Arab Emirates, and the United Kingdom.

Liquidation Adjustments

11. Chapter 7 Trustee Fees

- Although section 326 of the Bankruptcy Code provides for Trustee fees of 3.0% for liquidation proceeds in excess of $1 million, the Liquidation Analysis assumes that the bankruptcy court will only authorize Trustee fees of 1.0% of Liquidation Proceeds; and

- Should the Bankruptcy Court authorize Trustee fees in excess of 1.0%, the liquidation proceeds available for distribution could be significantly reduced.

12. Chapter 7 Professional Fees

- Professional fees include estimates for certain professionals required during the wind-down period; and

- Fees are estimated at a rate of 1.0% of gross liquidation proceeds.

13. Post-Conversion Cash Flow

- Post-Conversion Cash Flow represents the Debtors' anticipated cash flow in a chapter 7 environment for a 6-month Liquidation Period, and assumes no capital expenditures.

14. Wind Down Costs

- The Liquidation Analysis assumes that the chapter 7 liquidation process will take six months to complete with an additional twelve months to wind down and administer the estates. Wind down costs associated with this process include payroll, benefits, and retention for certain employees to assist with asset monetization, as well as severance for all terminated employees, and certain IT, insurance, taxes, and other G&A costs.

Claims

15. Chapter 11 Administrative Claims

- Any claims for costs and expenses of administration of the chapter 11 cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and through the Conversion Date of preserving the Estates and

operating the Debtors' businesses; (b) Allowed Professional Claims; (c) the DIP Claims and the DIP Payments; and (d) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

- Includes unpaid accounts payable as of Conversion Date of June 30, 2017.

16. DIP Facility Claims

- Any Other Secured Claim held by any of the DIP Facility Lenders or the DIP Facility Agent arising under or related to the DIP Credit Agreement or the Final DIP and Cash Collateral Order, including any Claim for principal, interest, and fees and expenses to the extent not otherwise satisfied pursuant to an Order of the Court.

17. Professional Fee Claims

- Analysis assumes no recovery for Professional Fee Claims, although a Carve-Out for Professional Fee Claims in an amount to be determined will be negotiated in connection with the DIP Order.

18. Priority Tax Claims

- Allowed Priority Tax Claims will be treated per section 1129(a)(9)(C) of the Bankruptcy Code and will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

19. Statutory Fees

- All fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Conversion Date shall be paid by the Debtors.

20. Class 1 – Other Secured Claims

- Includes claims arising from capital lease with Intech Funding Corp at Steel Industries.

21. Class 2 – Other Priority Claims

- The Debtors estimate that there will be approximately $1.7 million in Other Priority Claims on the Conversion Date.

- The Liquidation Analysis projects that Other Priority Claims will receive no recovery in a chapter 7 liquidation.

22. Class 3 – First Lien Claims

- Includes claims residing under the revolving loan and on account of the First Lien Credit Agreement, which is secured by a first priority lien on substantially all the

assets of the Company, including any Claim for principal, interest, and fees and expenses to the extent not otherwise satisfied pursuant to an Order of the Court.

- The deficiency portion of the First Lien Claims would be considered General Unsecured Claims.

23. Class 4 – Second Lien Claims

- Includes claims against the Debtors arising on account of the Second Lien Credit Agreement, which is secured by a second priority lien on substantially all the assets of the Company, including any Claim for principal, interest, and fees and expenses to the extent not otherwise satisfied pursuant to an Order of the Court.

- The deficiency portion of the Second Lien Claims would be considered General Unsecured Claims.

24. Class 5 – General Unsecured Claims

- The Debtors estimate that there will be approximately $72.2 million in General Unsecured Claims, $525.6 million in First Lien Deficiency Claims and $149.5 million in Second Lien Deficiency Claims.

- The general unsecured claim estimate includes the earn-out liability related to the Managed Pressure Operations acquisition of $19.9 million, deferred revenue of $13.2 million, warranty reserve related to HHI settlement of $9.0 million, unsecured debt related to a patent purchase $0.7 million, and various other unsecured liabilities of $29.4 million.

25. Class 6 – Intercompany Claims

- All intercompany receivables and payables are assumed to eliminate. Thus, the balances will generate no proceeds in a liquidation scenario.

26. Class 7 – Intercompany Interests

- Other than an Interest in AFGlobal, (a) an Interest in one Debtor or Non-Debtor Subsidiary held by another Debtor or Non-Debtor Subsidiary or (b) an Interest in a Debtor or a Non-Debtor Subsidiary held by an Affiliate of a Debtor or a Non-Debtor Subsidiary.

27. Class 8 – Interest in Holdings

- The Debtors estimate that there will be no Class 8 Interests on the Conversion Date.

Statement of Limitations

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code is an uncertain process involving the use of significant estimates and assumptions that, although considered reasonable by the Debtors and the Debtors' management based upon their business judgment and input from their advisors, are inherently subject to uncertainties and contingencies beyond the control of the Debtors and their advisors. Inevitably, some assumptions in this Liquidation Analysis may not materialize in an actual chapter 7 liquidation, and unanticipated outcomes could materially affect the ultimate results in a chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. This Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by independent accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REFLECTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY. WHILE THE DEBTORS MAKE NO ASSURANCES, IT IS POSSIBLE THAT PROCEEDS RECEIVED FROM THE SALE OF INTANGIBLE ASSETS COULD BE MORE THAN IN THE HYPOTHETICAL CHAPTER 7 LIQUIDATION.

In preparing this Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' financial statements. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted, but which could be asserted and Allowed in a chapter 7 liquidation, including unpaid chapter 11 Administrative Claims, and chapter 7 Administrative Claims such as wind-down costs and the Trustee's fees and expenses. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan.

NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

EXHIBIT D TO THE DISCLOSURE STATEMENT

VALUATION ANALYSIS

Valuation Analysis

THE INFORMATION CONTAINED HEREIN 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 INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.[1]

Lazard Frères & Co. LLC ("**Lazard**"), as investment banker to the Debtors, has estimated a range of total enterprise value (the "**Reorganization Value**") and implied equity value (the "**Equity Value**") of the Reorganized Debtors on a going concern basis (the "**Valuation Analysis**"). The Valuation Analysis herein is based on information as of the date of the Disclosure Statement and is based on the Financial Projections and other information described herein. For purposes of this Valuation Analysis, it has been assumed that no material changes that would affect value occur between the date of the Disclosure Statement and the assumed Effective Date.

Solely for purposes of the Plan, Lazard estimated that the potential range of Reorganization Value is approximately $535 million to $635 million (with a midpoint estimate of approximately $585 million) as of an assumed Effective Date of June 30, 2017.

THE ESTIMATED RANGE OF THE REORGANIZATION VALUE, AS OF AN ASSUMED EFFECTIVE DATE OF JUNE 30, 2017, REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION IN RESPECT OF THE BUSINESS AND ASSETS OF THE DEBTORS AVAILABLE TO LAZARD AS OF APRIL 5, 2017. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S CONCLUSIONS, LAZARD DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM ITS ESTIMATE.

Based upon the Financial Projections and other information described herein and the assumed combined range of the Reorganization Value of the Reorganized Debtors of between $535 million and $635 million and assumed net debt of $45 million (assuming a debt balance of $70 million and a pro forma cash balance of $25 million as of June 30, 2017), Lazard has estimated that the potential range of Equity Value is approximately $490 million to $590 million, with a midpoint estimate of $540 million.

LAZARD DID NOT INDEPENDENTLY VERIFY THE FINANCIAL PROJECTIONS OR OTHER INFORMATION THAT LAZARD USED IN CONNECTION WITH THIS VALUATION ANALYSIS, AND NO INDEPENDENT VALUATIONS OR APPRAISALS OF THE DEBTORS OR THEIR ASSETS OR LIABILITIES WERE SOUGHT OR OBTAINED IN CONNECTION HEREWITH. THIS VALUATION ANALYSIS DOES NOT PURPORT TO BE AN APPRAISAL OR NECESSARILY REFLECT THE VALUES THAT MAY BE REALIZED IF ASSETS ARE SOLD AS A GOING CONCERN, IN LIQUIDATION, OR OTHERWISE. IN THE CASE OF THE REORGANIZED

[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of Ameriforge Group Inc. and Its Debtor Affiliates*, to which this analysis is attached as **Exhibit D**.

DEBTORS, THE VALUATION ANALYSIS REPRESENTS THE HYPOTHETICAL REORGANIZATION VALUE OF THE REORGANIZED DEBTORS. SUCH ESTIMATES WERE DEVELOPED SOLELY FOR PURPOSES OF THE FORMULATION OF THE PLAN AND THE ANALYSIS OF IMPLIED RELATIVE RECOVERIES TO CREDITORS THEREUNDER. SUCH ESTIMATES REFLECT COMPUTATIONS OF THE RANGE OF THE REORGANIZATION VALUE OF THE REORGANIZED DEBTORS THROUGH THE APPLICATION OF VARIOUS VALUATION TECHNIQUES AND DO NOT PURPORT TO REFLECT OR CONSTITUTE APPRAISALS, LIQUIDATION VALUES, OR ESTIMATES OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN, WHICH MAY BE SIGNIFICANTLY DIFFERENT THAN THE AMOUNTS SET FORTH HEREIN.

THE VALUE OF AN OPERATING BUSINESS IS SUBJECT TO NUMEROUS UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN FACTORS AFFECTING THE FINANCIAL CONDITION AND PROSPECTS OF SUCH A BUSINESS. AS A RESULT, THE VALUATION ANALYSIS SET FORTH HEREIN IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE DEBTORS, LAZARD, NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY. IN ADDITION, THE POTENTIAL VALUATION OF NEWLY ISSUED SECURITIES IS SUBJECT TO ADDITIONAL UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH 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, THE ANTICIPATED INITIAL SECURITIES HOLDINGS OF PREPETITION CREDITORS, SOME OF WHICH MAY PREFER TO LIQUIDATE THEIR INVESTMENT RATHER THAN HOLD IT ON A LONG-TERM BASIS, AND OTHER FACTORS WHICH GENERALLY INFLUENCE THE PRICES OF SECURITIES.

Lazard assumed that the Financial Projections were reasonably prepared in good faith by Debtors' management and on a basis reflecting the Debtors' management's best estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. The Valuation Analysis assumes the Reorganized Debtors will achieve their Financial Projections in all material respects, including revenue growth, EBITDA margins, and cash flows as projected. If the business performs at levels below or above those set forth in the Financial Projections, such performance may have a materially negative or positive impact, respectively, on the estimated potential range of Reorganization Value and Equity Value. In preparing the Valuation Analysis, Lazard: (a) reviewed certain historical financial information of the Debtors for recent years and interim periods, which is limited; (b) reviewed certain financial and operating data of the Debtors, including the Financial Projections; (c) discussed the Debtors' operations and future prospects with the Debtors' senior management team; (d) reviewed certain publicly available financial data for, and considered the market value of, public companies that Lazard deemed generally relevant in analyzing the value of the Reorganized Debtors; (e) considered certain economic and industry information that Lazard deemed generally relevant to the Reorganized Debtors; and (f) conducted such other studies, analyses, inquiries and investigations as Lazard deemed appropriate. Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Debtors' management (including the Financial Projections) and other parties as well as publicly available information and did not undertake any independent appraisal of any of the assets or liabilities of the Debtors or of any third party.

The Valuation Analysis does not constitute a recommendation to any holder of Allowed Claims or any other person as to how such person should vote or otherwise act with respect to the Plan. Lazard has not

been requested to and does not express any view as to the potential trading value of the Reorganized Debtors' securities on issuance or at any other time. The Valuation Analysis set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the consideration to be received by such person under the Plan or of the terms and provisions of the Plan.

Lazard did not estimate the value of any tax attributes nor did it estimate the impact of any cancellation of indebtedness income on the Reorganized Debtors' Financial Projections. Any changes to the assumptions on the availability of tax attributes or the impact of cancellation of indebtedness income on the Reorganized Debtors' Financial Projections could materially impact the Valuation Analysis.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE VALUATION ANALYSIS PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ANALYSIS INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE ANALYSIS IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION.

THE REORGANIZATION VALUE AND EQUITY VALUE DETERMINED BY LAZARD REPRESENT ESTIMATES AND DO NOT REFLECT VALUES THAT COULD BE ATTAINABLE IN PUBLIC OR PRIVATE MARKETS. THE IMPUTED ESTIMATE OF THE RANGE OF THE REORGANIZATION EQUITY VALUE OF REORGANIZED DEBTORS ASCRIBED IN THE ANALYSIS DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET TRADING VALUE. ANY SUCH TRADING VALUE MAY BE MATERIALLY DIFFERENT FROM THE ESTIMATED EQUITY VALUE RANGE FOR THE REORGANIZED DEBTORS ASSOCIATED WITH LAZARD'S VALUATION ANALYSIS.

LAZARD IS ACTING AS INVESTMENT BANKER TO THE COMPANY, AND WILL NOT BE RESPONSIBLE FOR AND WILL NOT PROVIDE ANY TAX, ACCOUNTING, ACTUARIAL, LEGAL OR OTHER SPECIALIST ADVICE.

* * * * *

EXHIBIT E TO THE DISCLOSURE STATEMENT

FINANCIAL PROJECTIONS

Financial Projections

The Debtors believe that the Plan[1] meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

In connection with the Disclosure Statement, the Debtors' management team ("Management") prepared financial projections (the "Projections") for the years 2017 through 2020 (the "Projection Period"). The Projections were prepared by Management and are based on a number of assumptions made by Management with respect to the future performance of the Reorganized Debtors' operations. The Debtors' board of directors was not asked to, and thus did not, approve the Projections or evaluate or endorse the Projections or the assumptions underlying the Projections.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE PROJECTIONS DO NOT REFLECT THE IMPACT OF FRESH START ACCOUNTING, WHICH COULD RESULT IN A MATERIAL CHANGE TO ANY OF THE PROJECTED VALUES.

ALTHOUGH MANAGEMENT HAS PREPARED THE PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, IT IS IMPORTANT TO NOTE THAT THE DEBTORS OR THE REORGANIZED DEBTORS CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of Ameriforge Group Inc. and Its Debtor Affiliates*, to which this exhibit is attached as **Exhibit E**.

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Principal Assumptions for the Financial Projections

Overview

The Debtors, together with their non-Debtor affiliates (the "Company"), are leading global providers of technology, services, and fully-integrated manufacturing capabilities to the oil and gas, general industrial, aerospace, and power generation industries. The Company offers a broad range of both highly-engineered and general forged products, as well as complementary aftermarket services to customers around the globe. The Company is headquartered in Houston, Texas and has manufacturing facilities and service centers throughout the United States, Canada, and globally in countries such as China, United Kingdom, Brazil, Indonesia, and United Arab Emirates. As described more fully in the Disclosure Statement, the Company operates six business divisions including: pressure pumping technology, advanced drilling systems ("ADS"), subsea production systems, sealing products and technology, lifecycle services, and aerospace and power generation.

General Assumptions

a. Presentation

The Projections were prepared on a basis of accounting generally consistent with the company's financial reporting practices and Generally Accepted Accounting Principles ("GAAP"). GAAP requires that majority owned subsidiaries be reported under the consolidation method of accounting.

b. Methodology

The Projections, and related production and sales assumptions, are based on both input from senior management and certain industry reports prepared by various third parties. The Projections incorporate Management's operating assumptions and capital plan and are based on various strategic reviews, historical performance, management's views of market dynamics, as well as corresponding assumptions regarding pricing, market share, and cost structure.

c. Accounting Policies

The Projections have been prepared using accounting policies that are materially consistent with those applied in the Debtors' historical financial statements and projections. The Projections may not reflect all of the adjustments necessary to implement fresh-start accounting pursuant to ASC 852-10, as issued by the American Institute of Public Accountants.

d. Plan Consummation

The operating assumptions assume that the Plan will be confirmed and consummated by June 30, 2017, and reflects the estimated cash impact of claim class treatments.

Principal Assumptions for the Financial Projections

a. Sales

Projected sales are based on combination of quoting activity, sales pipeline, backlog, research growth rates for comparable companies, and divisions and industry projections for key drivers (e.g., international rig count). ADS Equipment and Pressure Pumping Technology utilize detailed unit sales and margin assumptions.

b. Cost of Sales

Includes (direct labor and direct material), overhead, and product line support. Cost assumptions driven by recent historical rates and "normalized" rates, based on anticipated margin profile. Costs escalated with requisite step change functions as required to facilitate and support anticipated top-line growth. Gross margin as a percentage of sales is estimated to grow to 25.0% in 2020 largely due to product mix and operating leverage.

c. Selling, General, and Administrative Expenses

Selling, General and Administrative costs ("SG&A") are primarily comprised of labor costs, insurance costs, rent, and third-party professional fees associated with the Debtors' corporate overhead. Projected SG&A is based primarily on historical SG&A costs, adjusted for recent cost reduction efforts. SG&A is expected to increase by between 4.5% and 5.0% each year from 2017 to 2020.

d. EBITDA

Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") is projected to increase to approximately $94 million in 2020 as (1) the Debtors' core markets are anticipated to recover; (2) sales mix shifts to higher margin products; and (3) forecasted top-line growth leads to increased scale and operating leverage.

e. Capital Expenditures

Capital expenditures are projected to be between $6 million and $7 million per year during the Projection Period and are mainly anticipated to be related to maintenance capital expenditures necessary to maintain the service capability of the Debtors' existing assets in the normal course of the Debtors' businesses.

f. Taxes

Taxes are projected to remain at an effective rate near zero through the projection period due to the impacts of deductions for net operating losses, fixed asset tax bases, and various other tax credits.

g. Capital Structure and Liquidity

All pre-petition funded debt obligations, which approximate $752 million in the aggregate, will be cancelled in exchange for the issuance of New Common Stock and Warrants.

The Projections assume the DIP Facility Claim will total $70 million at emergence. On the Effective Date, the DIP Claims shall be converted into Exit Term Loans of equal principal amount.

The Projections assume that the Debtors will obtain an asset-based lending facility commitment in the amount of $50 million (the "ABL Facility"), of which approximately $14 million is estimated to be utilized at emergence for the purposes of letters of credit collateral.

Management expects to have approximately $25 million of cash available for general corporate purposes at the time of emergence from chapter 11. Additionally, Management expects to have approximately $19 million of unused availability, net of outstanding letters of credit, under the ABL Facility resulting in total liquidity of at approximately $43 million at emergence.

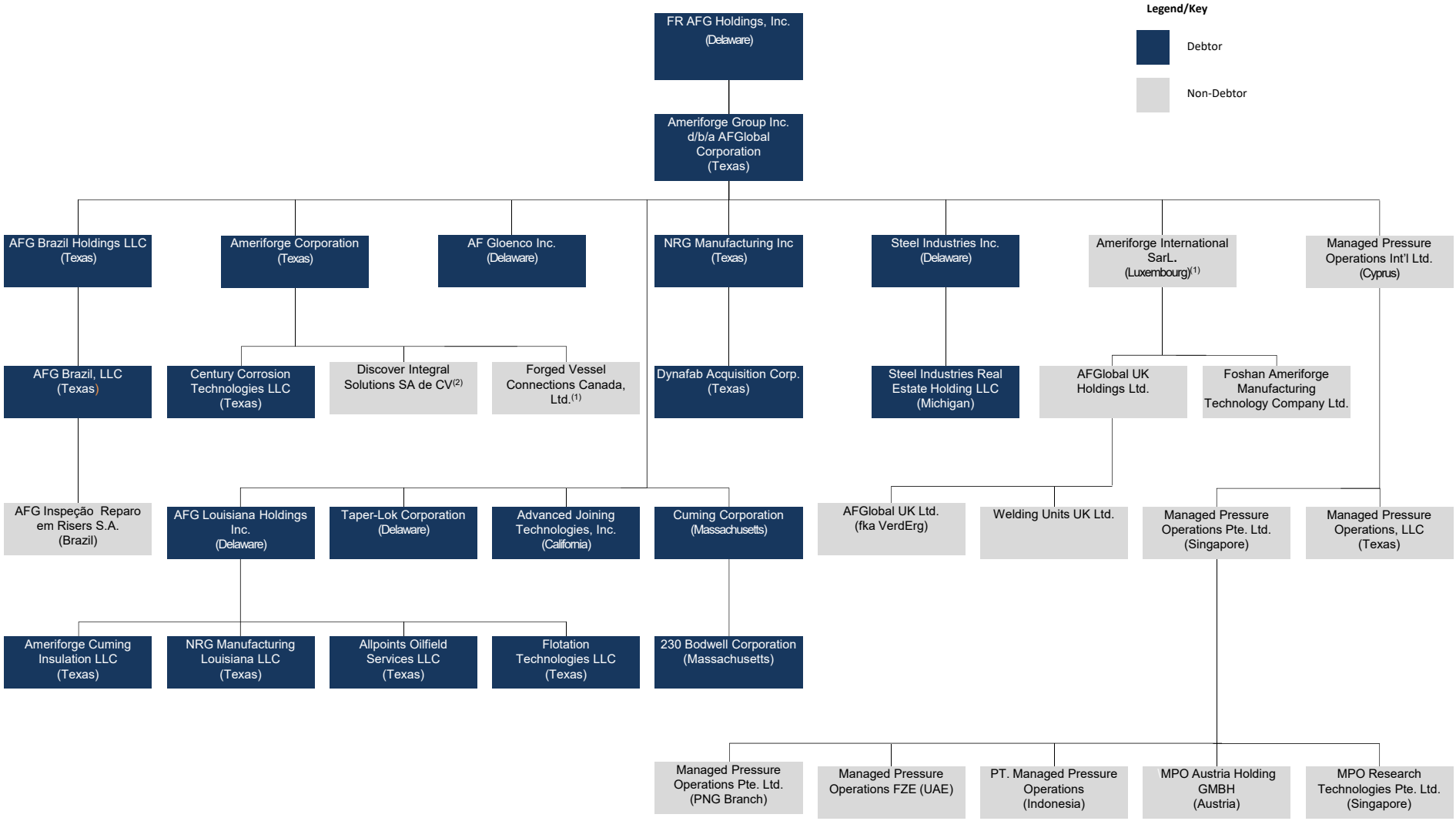
Summary Financial Projections

Period Ending	12/31/2017	12/31/2018	12/31/2019	12/31/2020
	(6 Months)	(12 Months)	(12 Months)	(12 Months)
($ in millions)				
Projected Consolidated Income Statement				
Net Sales	$210.4	$469.1	$562.6	$645.1
Less: COGS (excl. D&A)	(157.8)	(353.5)	(419.2)	(481.6)
Gross Profit	$52.5	$115.6	$143.4	$163.6
Less: SG&A (excl. D&A)	(19.6)	(41.5)	(43.5)	(45.6)
Segment Adj. EBITDA	$33.0	$74.1	$99.9	$117.9
Less: Corporate G&A	(10.1)	(21.8)	(22.8)	(23.9)
Consolidated Adj. EBITDA	**$22.9**	**$52.3**	**$77.1**	**$94.0**
Projected Consolidated Cash Flow Statement				
Consolidated Adj. EBITDA	$22.9	$52.3	$77.1	$94.0
Less: Cash Taxes	--	(0.2)	(0.3)	(0.4)
Less: Capex	(3.0)	(6.3)	(6.8)	(6.8)
Less: Δ in NWC	2.8	2.8	(31.3)	(29.4)
Less: Δ in Other Assets/Liabilities	--	(4.6)	(12.7)	(16.3)
Unlevered Free Cash Flow	$22.6	$44.1	$25.9	$41.1
Less: Cash Interest	(3.6)	(6.8)	(6.4)	(6.4)
Less: Exit Term Loan Facility Amortization	(0.4)	(0.7)	(0.7)	(0.7)
Plus: Drawdown/(Repayment) of Exit ABL Facility	--	--	--	--
Total Change in Cash	$18.7	$36.6	$18.8	$34.1
Beginning Cash	$25.2	$43.9	$80.6	$99.4
Ending Cash	**$43.9**	**$80.6**	**$99.4**	**$133.5**
Projected Consolidated Key Balance Sheet Items				
Exit ABL Facility	--	--	--	--
Exit Term Loan Facility	71.4	71.1	70.4	69.7
Total Debt	**$71.4**	**$71.1**	**$70.4**	**$69.7**
Ending Cash	$43.9	$80.6	$99.4	$133.5
Exit ABL Facility Availability	21.1	22.9	29.9	36.6
Total Liquidity	**$65.0**	**$103.4**	**$129.3**	**$170.0**

EXHIBIT F TO THE DISCLOSURE STATEMENT

CORPORATE ORGANIZATIONAL CHART

CORPORATE ORGANIZATIONAL CHART



(1) 65% of non-debtor equity has been pledged

(2) 99% held by Ameriforge Corporation (TX) and 1% held by Ameriforge Group, Inc.

EXHIBIT G TO THE DISCLOSURE STATEMENT

WARRANT AGREEMENT

WARRANT AGREEMENT

between

FR AFG HOLDINGS INC.

and

[•],
Warrant Agent

Dated as of [•], 2017

Warrants To Purchase Common Stock

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EXHIBITS

WARRANT AGREEMENT

AGREEMENT dated as of [•], 2017 between FR AFG Holdings, Inc., a Delaware corporation (referred to herein as the "***Company***"), and [•], a national banking association, as warrant agent (referred to herein as the "***Warrant Agent***").

The Company proposes to issue and deliver its Warrant Certificates (as defined below) evidencing Warrants (as defined below) to purchase, under certain circumstances, up to an aggregate of 1,428,571 shares of its Common Stock (as defined below), subject to adjustment as provided herein. Each such Warrant shall entitle the registered owner thereof to purchase one share of Common Stock, subject to adjustment as provided herein.

In consideration of the foregoing and for the purpose of defining the terms and provisions of the Warrants and the respective rights and obligations thereunder of the Company, the Warrant Agent and the record holders of the Warrant Certificates, the Company and the Warrant Agent each hereby agree as follows:

1. **Definitions.**

"***Affiliate***" of any specified Person, means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"***Affiliate Transaction***" has the meaning set forth in Section 16.2.

"***Agreement***" means this agreement as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"***Appropriate Officer***" has the meaning set forth in Section 2.3(c).

"***Board of Directors***" means either the board of directors of the Company or any duly authorized committee of that board.

"***Business Day***" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a legal holiday in the State of New York or a day on which banking institutions and trust companies in the state in which the Corporate Agency Office is located are authorized or obligated by law, regulation or executive order to close.

"***Cashless Exercise***" has the meaning set forth in Section 3.7.

"***Common Stock***" means the Common Stock, par value $[•] per share, of the Company.

"***Company***" means the company identified in the preamble hereof and its successors and assigns.

"***Company Order***" means a written request or order signed in the name of the Company by its Chairman or any Co-Chairman of the Board, its Chief Executive Officer, its President, any Vice President, its Treasurer, any Assistant Treasurer, its Secretary or any Assistant Secretary, and delivered to the Warrant Agent.

"***Company Selected Expert***" has the meaning set forth in Section 5.3(c).

"***Confidential Information***" has the meaning set forth in Section 23.

"***Corporate Agency Office***" has the meaning set forth in Section 8.

"***corporation***" means a corporation, association, company, limited liability company, partnership, limited partnership, limited liability partnership, joint-stock company, business trust or other similar entity.

"***Current Market Price***" means on any date the amount which a willing buyer would pay a willing seller in an arm's length transaction on such date (neither being under any compulsion to buy or sell) for one share of the Common Stock as determined as of such date (x) for the purposes of any computation under this Agreement (except under Section 5.2), by an Independent Financial Expert as set forth in value report thereof using one or more valuation methods that such Independent Financial Expert, in its best professional judgment, determines to be most appropriate or (y) for the purposes of any computation under Section 5.2, by the Treasurer or Chief Financial Officer of the Company in good faith, whose determination shall be conclusive and evidenced by a certificate of such officer delivered to the Warrant Agent.

"***Determinations***" has the meaning set forth in Section 5.3(c).

"***Exchange Act***" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case, as amended from time to time.

"***Exercise Date***" has the meaning set forth in Section 3.2(f).

"***Exercise Period***" means the period from and including the Original Issue Date to and including the Expiration Date.

"***Exercise Price***" means the exercise price per share of Common Stock, initially set at $61.50 subject to adjustment as provided in Section 5.1.

"***Expiration Date***" means [•], 2022, the fifth anniversary of the Original Issue Date.

"***Financial Expert***" means any broker or dealer registered as such under the Exchange Act that conducts an investment banking business of nationally recognized standing.

"***Holder***" means any Person in whose name at the time any Warrant Certificate is registered upon the Warrant Register and, when used with respect to any Warrant Certificate, the Person in whose name such Warrant Certificate is registered in the Warrant Register.

"***Independent Financial Expert***" means any Financial Expert selected by the Company that either (i) is reasonably acceptable to the Holders of Warrant Certificates evidencing a majority of the outstanding Warrants or (ii) is a firm (x) which does not (and whose directors, officers, employees and affiliates, to the knowledge of the Company, do not) have a material direct or indirect financial interest in the Company or any of its Affiliates (other than by virtue of compensation paid for advice or opinions referred to in the exception to clause (z)), as determined by the Board of Directors of the Company in its reasonable good faith judgment, (y) which has not been, within the last two years, and, at the time it is called upon to give independent financial advice to the Company or any of its Affiliates, is not (and none of whose directors, officers, employees or affiliates, to the knowledge of the Company, is) a promoter, director or officer of the Company or any of its Affiliates or an underwriter with respect to any of the securities of the Company or any of its Affiliates and (z) which does not provide any advice or opinions to the Company or Affiliates except as an independent financial expert in connection with this Agreement.

"***Liquidity Event***" means (i) any Transaction (x) that is consummated prior to the Two-Year Date or (y) for which a definitive agreement is entered into prior to the Two-Year Date and that is consummated within six months of the Two-Year Date; or (ii) any transaction or series of related transactions occurring prior to the Two-Year Date constituting (x) a dividend or distribution of all or substantially all of the Company's assets to the holders of the Common Stock, or (y) a sale, transfer or disposition of substantially all the Company's assets to any Person in exchange for consideration that is distributed to the holders of the Common Stock.

"***Liquidity Event Effective Date***" means (i) in case of any Liquidity Event constituting a Transaction, the date of consummation of such Transaction; or (ii) in the case of a Liquidity Event constituting a Substantially All Dividend, the date for determination of the holders of Common Stock entitled to receive such Substantially All Dividend.

"***Liquidity Event Payment Date***" means with respect to any Liquidity Event, (i) in the case of a Liquidity Event constituting a Transaction, the Liquidity Event Effective Date for such Transaction; or (ii) in the case of a Liquidity Event constituting a Substantially All Dividend, the date on which such Substantially All Dividend is paid to holders of Common Stock.

"***Liquidity Event Proceeds***" means the aggregate consideration (including all cash, stock, assets, securities, warrants, options, subscription rights, evidences of indebtedness or assumptions of liabilities or indebtedness or other property) paid or payable to the holders of shares of Common Stock (or into which shares of Common Stock are exchanged or converted) in connection with a Liquidity Event. For purposes of the foregoing, the consideration paid or payable (or into which shares of Common Stock are exchanged or converted) in the Liquidity Event shall include the cash, stock, assets, securities, warrants, options, subscription rights, evidences of indebtedness or assumptions of liabilities or indebtedness or other property paid or payable to the holders of shares of Common Stock (or into which shares of Common Stock are exchanged or converted), in connection with the Liquidity Event, regardless of how such consideration is characterized in the definitive documents relating to such Liquidity Event.

"***Liquidity Event Trigger Date***" means with respect to any Liquidity Event the date 30 days before the Liquidity Event Effective Date.

"***Notice Date***" has the meaning set forth in Section 5.3(c).

"***Original Issue Date***" means [•], 2017, the date on which Warrants are originally issued under this Agreement.

"***outstanding***" when used with respect to any Warrants, means, as of the time of determination, all Warrants theretofore originally issued under this Agreement except (i) Warrants that have been exercised pursuant to Section 3.2(a), and (ii) Warrants that have otherwise been acquired by the Company; provided, however, that in determining whether the Holders of the requisite amount of the outstanding Warrants have given any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Agreement, Warrants owned by the Company or any Subsidiary or Affiliate of the Company shall be disregarded and deemed not to be outstanding.

"***Person***" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"***Property Dividend***" means any payment by the Company to holders of its Common Stock of any dividend, or any other distribution by the Company to such holders, of any shares of capital stock of the Company, evidences of indebtedness of the Company, cash or other assets (including rights, warrants or other securities (of the Company or any other Person)), other than any dividend or distribution (i) upon a transaction to which Section 5.1(c) applies or (ii) of any Common Stock referred to in Section 5.1(b).

"***Recipient***" has the meaning set forth in Section 3.2(e).

"***Representatives***" of a Holder means its partners, shareholders, members, directors, officers, employees, agents, counsel, accountants, consultants, investment advisers or other professionals or representatives, or its affiliates or wholly owned subsidiaries.

"***Required Warrant Holders***" has the meaning set forth in Section 5.3(c).

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Specified Independent Financial Expert***" has the meaning set forth in Section 5.3(c).

"***Subsidiary***" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"***Substantially All Dividend***" means a Liquidity Event within the meaning of clause (ii) of the definition thereof.

"***Transaction***" means any merger, consolidation, amalgamation or other similar transaction or series of related transactions to which the Company is a party and pursuant to

which the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of shares of Common Stock immediately prior to such transaction "beneficially own" less than 50% of the shares of common equity securities of the surviving entity immediately following such transaction.

"***Two-Year Date***" means the date that is the date two years after the Original Issue Date.

"***Voting Stock***" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect the members of the Board of Directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"***Warrant Agent***" means the warrant agent set forth in the preamble hereof or the successor or successors of such Warrant Agent appointed in accordance with the terms hereof.

"***Warrant Certificates***" means those certain warrant certificates evidencing the Warrants, substantially in the form of Exhibit A.

"***Warrant Exercise Documentation***" has the meaning set forth in Section 3.2(c).

"***Warrant Register***" has the meaning set forth in Section 8.2.

"***Warrants***" means those certain warrants to purchase initially up to an aggregate of 1,428,571 shares of Common Stock at the Exercise Price, subject to adjustment pursuant to Section 5, issued hereunder.

"***Warrant Value***" means, with respect to any Warrant, for any Liquidity Event, the fair market value of such Warrant determined as of the Liquidity Event Payment Date for such Liquidity Event, as determined by the Specified Independent Financial Expert, calculated using the Black-Scholes model for valuing options.

"***Warrant Value Amount***" means, with respect to any Liquidity Event, an amount in cash equal to the Warrant Value for such Liquidity Event.

2. Warrant Certificates.

2.1. Issuance of Warrants. Each Warrant Certificate shall evidence the number of Warrants specified therein, and each Warrant evidenced thereby shall represent the right, subject to the provisions contained herein and therein, to purchase one share of Common Stock, subject to adjustment as provided in Section 5.

2.2. Form of Warrant Certificates. The Warrant Certificates evidencing the Warrants shall be substantially in the form of Exhibit A, shall be dated the date on which countersigned by the Warrant Agent, shall have such insertions, omissions, substitutions and other variations as are appropriate or required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends, summaries, or endorsements typed, stamped, printed, lithographed or engraved thereon as the officers of the Company executing the same

may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation pursuant thereto or with any rule or regulation of any securities exchange on which the Warrants may be listed, or to conform to usage.

2.3. Execution and Delivery of Warrant Certificates.

(a) Warrant Certificates evidencing the Warrants which may be countersigned and delivered under this Agreement are limited to Warrant Certificates evidencing 1,428,571 Warrants except for Warrant Certificates countersigned and delivered upon registration of transfer of, or in exchange for, or in lieu of, one or more previously countersigned Warrant Certificates pursuant to Sections 3.2(d), 6 and 8.

(b) At any time and from time to time on or after the date of this Agreement, Warrant Certificates evidencing the Warrants may be executed by the Company and delivered to the Warrant Agent for countersignature, and the Warrant Agent shall, upon receipt of a Company Order and at the direction of the Company set forth therein, countersign and deliver such Warrant Certificates to the Company for original issuance to the respective Persons entitled thereto. The Warrant Agent is further hereby authorized to countersign and deliver Warrant Certificates as required by this Section 2.3 or by Sections 2.2, 3.2(d), 6 or 8.

(c) The Warrant Certificates shall be executed in the corporate name and on behalf of the Company by the Chairman (or any Co-Chairman) of the Board, the Chief Executive Officer, the President or any one of the Vice Presidents of the Company (each, an "***Appropriate Officer***") and attested to by the Secretary or one of the Assistant Secretaries of the Company, either manually or by facsimile or electronic signature printed thereon. The Warrant Certificates shall be manually countersigned by the Warrant Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company whose signature shall have been placed upon any of the Warrant Certificates shall cease to be such officer of the Company before countersignature by the Warrant Agent and issue and delivery thereof, such Warrant Certificates may, nevertheless, be countersigned by the Warrant Agent and issued and delivered with the same force and effect as though such person had not ceased to be such officer of the Company, and any Warrant Certificate may be signed on behalf of the Company by such person as, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company, although at the date of the execution of this Warrant Agreement any such person was not such officer.

3. Exercise and Expiration of Warrants.

3.1. Right to Acquire Common Stock Upon Exercise. Each Warrant Certificate shall, when countersigned by the Warrant Agent, entitle the Holder thereof, subject to the provisions thereof and of this Agreement, to acquire from the Company, for each Warrant evidenced thereby one share of Common Stock at the Exercise Price, subject to adjustment as provided in this Agreement. The Exercise Price, and the number of shares of Common Stock obtainable upon exercise of each Warrant, shall be adjusted from time to time as required by Section 5.1.

3.2. Exercise and Expiration of Warrants.

(a) Exercise of Warrants. Subject to and upon compliance with the terms and conditions set forth herein, a Holder of a Warrant Certificate may exercise all or any whole number of the Warrants evidenced thereby, on any Business Day from and after the Original Issue Date until 5:00 p.m., New York time, on the Expiration Date, for the shares of Common Stock obtainable thereunder.

(b) Expiration of Warrants. The Warrants shall terminate and become void as of 5:00 p.m., New York time, on the Expiration Date.

(c) Method of Exercise. In order to exercise all or any of the Warrants represented by a Warrant Certificate, the Holder thereof must (i) at the Corporate Agency Office (x) surrender to the Warrant Agent the Warrant Certificate evidencing such Warrants and (y) deliver to the Warrant Agent a written notice of the Holder's election to exercise the number of the Warrants specified therein, duly executed by such Holder, which notice shall be in the form of the notice on the reverse of, or attached to, such Warrant Certificate and (ii) except in the case of a Cashless Exercise, at the option of the Holder, pay to the Warrant Agent an amount, equal to the aggregate of the Exercise Price in respect of each share of Common Stock into which such Warrants are exercisable, in any combination of the following elected by such Holder: (A) cash delivered to the Warrant Agent at the Corporate Agency Office, (B) certified bank check or official bank check in New York Clearing House funds payable to the order of the Company and delivered to the Warrant Agent at the Corporate Agency Office, or (C) wire transfer in immediately available funds, to the account (No. [•]; ABA No. [•]; Reference: [•]; Attention: [•]) of the Company at the Warrant Agent or such other account of the Company at such banking institution as the Company shall have given notice to the Warrant Agent and such Holder in accordance with Section 11.1(b) (such payment, together with the Warrant Certificate and the written notice of the Holder's election, the "***Warrant Exercise Documentation***").

(d) Partial Exercise. If fewer than all the Warrants represented by a Warrant Certificate are exercised, such Warrant Certificate shall be surrendered and a new Warrant Certificate of the same tenor and for the number of Warrants which were not exercised shall be executed by the Company. The Warrant Agent shall countersign the new Warrant Certificate, registered in such name or names, subject to the provisions of Section 8 regarding registration of transfer and payment of governmental charges in respect thereof, as may be directed in writing by the Holder, and shall deliver the new Warrant Certificate to the Person or Persons in whose name such new Warrant Certificate is so registered. The Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrant certificates duly executed on behalf of the Company for such purpose.

(e) Issuance of Common Stock. The Company shall, as promptly as practicable after the Exercise Date, and in any event within five Business Days after the receipt of all Warrant Exercise Documentation, execute or cause to be executed and deliver or cause to be delivered to the Recipient (as defined below) a certificate or certificates representing the aggregate number of shares of Common Stock issuable upon such exercise (based upon the aggregate number of Warrants so exercised), determined in accordance with Section 3.6, together with an amount in cash in lieu of any fractional share(s), if the Company so elects pursuant to

Section 5.2. The certificate or certificates so delivered shall be, to the extent reasonably practicable, in such denomination or denominations as such Holder shall request in such notice of exercise and shall be registered or otherwise placed in the name of, and delivered to, the Holder or, subject to Section 2.3(c) and Section 3.4, such other Person as shall be designated by the Holder in such notice (the Holder or such other Person being referred to herein as the "***Recipient***").

(f) Time of Exercise. Each exercise of a Warrant shall be deemed to have been effected immediately prior to the close of business on the first day on which each of the following has occurred (the "***Exercise Date***"): (i) the Warrant Certificate representing such Warrant has been surrendered for exercise and the notice of exercise has been duly executed by the Holder and delivered to the Company as provided in Section 3.2(c), (ii) except in the case of a Cashless Exercise, the Company has been paid an amount equal to the aggregate of the applicable Exercise Price in respect of each share of Common Stock into which such Warrants are exercisable as provided in Section 3.2(c), and (iii) all taxes required to be paid by Holder, if any, pursuant to Section 3.4 prior to the exercise of such Warrant have been paid. On the Exercise Date, subject to Section 5.1(e)(iv), the certificates for the shares of Common Stock issuable upon such exercise as provided in Section 3.2(e) shall be deemed to have been issued and, for all purposes of this Agreement, the Recipient shall, as between such Person and the Company, be deemed to be and entitled to all rights of the holder or record of such Common Stock.

3.3. Application of Funds Upon Exercise of Warrants. Any funds delivered to the Warrant Agent upon exercise of any Warrant(s) shall be held by the Warrant Agent in trust for the Company. The Warrant Agent shall promptly deliver and pay to or upon the written order of the Company all funds received by it upon the exercise of any Warrants by bank wire transfer to an account designated by the Company or as the Warrant Agent otherwise may be directed in writing by the Company.

3.4. Payment of Taxes. The Company shall pay any and all taxes (other than income taxes) that are payable in respect of the issue or delivery of shares of Common Stock on exercise of Warrants pursuant hereto. The Company shall not be required, however, to pay any tax or other charge imposed in respect of any transfer involved in the issue and delivery of any certificates for shares of Common Stock or payment of cash or other property to any Recipient other than the Holder of the Warrant Certificate surrendered upon the exercise of a Warrant, and in case of such transfer or payment, the Warrant Agent and the Company shall not be required to issue or deliver any certificate or pay any cash until (a) such tax or charge has been paid or an amount sufficient for the payment thereof has been delivered to the Warrant Agent or the Company or (b) it has been established to the Company's reasonable satisfaction that any such tax or other charge that is or may become due has been paid.

3.5. Surrender of Certificates. Any Warrant Certificate surrendered for exercise shall, if surrendered to the Company, be delivered to the Warrant Agent, and all Warrant Certificates surrendered or so delivered to the Warrant Agent shall be promptly cancelled by the Warrant Agent and shall not be reissued by the Company. The Warrant Agent shall destroy such cancelled Warrant Certificates and deliver its certificate of destruction to the Company, unless the Company shall otherwise direct.

3.6. Shares Issuable. The number of shares of Common Stock "obtainable upon exercise" of Warrants at any time shall be the number of shares of Common Stock into which such Warrants are then exercisable. The number of shares of Common Stock "into which each Warrant is exercisable" shall be one share, subject to adjustment as provided in Section 5.1.

3.7. Cashless Exercise. Notwithstanding any provisions herein to the contrary, if the Current Market Price of one share of Common Stock is greater than the applicable Exercise Price on the Exercise Date, in lieu of paying to the Company the applicable Exercise Price by wire transfer in immediately available funds, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of the Warrants (or the portion thereof being exercised) by expressly stating in its notice of exercise that the Holder desires to effect a "cashless exercise" (a "***Cashless Exercise***") in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = (Y\ (A\text{-}B)) \div A$$

where X = the number of shares of Common Stock to be issued to the Holder

Y = the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Common Stock purchasable under this Warrant as to which this Warrant is being exercised (on the Exercise Date)

A = the applicable Current Market Price of one share of Common Stock (on the Exercise Date)

B = the applicable Exercise Price (as adjusted through and including the Exercise Date).

4. **Dissolution, Liquidation or Winding up.**

If, on or prior to the Expiration Date, the Company (or any other Person controlling the Company) shall propose a voluntary dissolution, liquidation or winding up of the affairs of the Company, the Company shall give written notice thereof to all Holders of Warrant Certificates in the manner and within the time period provided in Section 11.2. Each Holder of Warrant Certificates shall receive the securities, cash or other property which such Holder would have been entitled to receive had such Holder been the holder of record of the shares of Common Stock into which the Warrants were exercisable immediately prior to such dissolution, liquidation or winding up (net of the then applicable Exercise Price) and the rights to exercise the Warrants shall terminate on the date specified in such notice as the date on which the holders of record of the shares of Common Stock shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such dissolution, liquidation or winding up, as the case may be.

In case of any such voluntary dissolution, liquidation or winding up of the Company, the Company shall deposit with the Warrant Agent any funds or other property which the Holders are entitled to receive under this Agreement, together with a Company Order as to the distribution thereof. After receipt of such deposit from the Company and after receipt of surrendered Warrant

Certificates evidencing Warrants, the Warrant Agent shall make payment in appropriate amount to such Person or Persons as it may be directed in writing by the Holder surrendering such Warrant Certificate. The Warrant Agent shall not be required to pay interest on any money deposited pursuant to the provisions of this Section 4 except such as it shall agree with the Company to pay thereon. Any moneys, securities or other property which at any time shall be deposited by the Company or on its behalf with the Warrant Agent pursuant to this Section 4 shall be, and are hereby, assigned, transferred and set over to the Warrant Agent in trust for the purpose for which such moneys, securities or other property shall have been deposited; provided that moneys, securities or other property need not be segregated from other funds, securities or other property held by the Warrant Agent except to the extent required by law.

5. **Adjustments.**

5.1. Adjustments. In order to prevent dilution of the rights granted under the Warrants, the Exercise Price shall be subject to adjustment from time to time as provided in this Section 5.1 and the number of shares of Common Stock obtainable upon exercise of Warrants shall be subject to adjustment from time to time as provided in this Section 5.1 (in each case, after taking into consideration any prior adjustments pursuant to this Section 5.1).

(a) Subdivisions and Combinations. In the event the Company shall, at any time or from time to time after the Original Issue Date while the Warrants remain outstanding and unexpired in whole or in part, effect a subdivision (by any stock split or otherwise) of the outstanding shares of Common Stock into a greater number of shares of Common Stock (other than (x) a stock split effected by means of a stock dividend or distribution to which Section 5.1(b) applies or (y) a subdivision upon a transaction to which Section 5.1(c) applies), then and in each such event the Exercise Price in effect at the opening of business on the day after the date upon which such subdivision becomes effective shall be proportionately decreased. Conversely, if the Company shall, at any time or from time to time after the Original Issue Date while the Warrants remain outstanding and unexpired in whole or in part, effect a combination (by any reverse stock split or otherwise) of the outstanding shares of Common Stock into a smaller number of shares of Common Stock (other than a combination upon a transaction to which Section 5.1(c) applies), then and in each such event the Exercise Price in effect at the opening of business on the day after the date upon which such combination becomes effective shall be proportionately increased. Any adjustment under this Section 5.1(a) shall become effective immediately after the opening of business on the day after the date upon which the subdivision or combination becomes effective.

(b) Common Stock Dividends. In the event the Company shall, at any time or from time to time after the Original Issue Date while the Warrants remain outstanding and unexpired in whole or in part, make or issue to the holders of its Common Stock a dividend or distribution payable in, or otherwise make or issue a dividend or other distribution on any class of its capital stock payable in, shares of Common Stock (other than a dividend or distribution upon a transaction to which Section 5.1(c) applies), then and in each such event the Exercise Price in effect at the opening of business on the day after the date for the determination of the holders of shares of Common Stock entitled to receive such dividend or distribution shall be decreased by multiplying such Exercise Price by a fraction (not to be greater than 1):

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding at the close of business on such date for determination; and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding at the close of business on such date for determination plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Any adjustment under this Section 5.1(b) shall become effective immediately after the opening of business on the day after the date for the determination of the holders of shares of Common Stock entitled to receive such dividend or distribution.

(c) Reorganizations, Reclassifications or Recapitalization. Subject to Section 5.3, in the event of any (i) capital reorganization of the Company, (ii) reclassification of the Common Stock of the Company (including a change in par value or from par value to no par value or from no par value to par value, but excluding a reclassification consisting of solely (x) a stock dividend or distribution of solely shares of Common Stock to which Section 5.1(b) applies or (y) a subdivision or combination of solely shares of Common Stock to which Section 5.1(a) applies), (iii) consolidation or merger or amalgamation of the Company with or into another Person or of another Person into the Company, (iv) the sale, transfer or other disposition of all or substantially all of the Company's assets to any other Person, or (v) other similar transaction, in each case pursuant to which the holders of Common Stock receive (either directly or upon subsequent liquidation) cash, stock, assets, securities, warrants, options, subscription rights, evidences of indebtedness or assumptions of liabilities or indebtedness or other property, in each case whether of the Company or any other Person, in lieu of or in exchange for or upon change or conversion of Common Stock (other than in cases of clauses (i) through (v), a Liquidity Event), the Warrants shall, immediately after such reorganization, reclassification, consolidation, merger, amalgamation, sale, transfer, disposition or similar transaction, subject to Section 5.3, remain outstanding and shall thereafter, in lieu of the number of shares of Common Stock then issuable upon exercise of the Warrants, be exercisable for the kind and number of cash, stock, assets, securities, warrants, options, subscription rights, evidences of indebtedness or assumptions of liabilities or indebtedness or other property resulting from such transaction to which the Holders would have received upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Holders had exercised the Warrants in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, amalgamations, sale, transfer, disposition or similar transaction and acquired the applicable number of shares of Common Stock then issuable upon exercise of the Warrants as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of the Warrants), and, in such case, the Company shall (or shall cause any such other Person) to enter into a supplemental agreement, executed and delivered to the Warrant Agent, in form reasonably satisfactory to the Warrant Agent, providing for appropriate adjustment (in form and substance reasonably satisfactory to the Holders) with respect to the Holders' rights under the Warrants to insure that the provisions of this Agreement (including Sections 5 and 9 hereof) shall thereafter be applicable, as nearly as possible, to the Warrants in relation to any cash, stock, assets, securities, warrants, options, subscription rights, evidences of indebtedness or assumptions of liabilities or indebtedness or other property thereafter acquirable upon exercise of the Warrants. The provisions of this Section 5.1(c) shall similarly apply to successive reorganizations,

reclassifications, consolidations, mergers, amalgamations, sales, transfers, dispositions or similar transactions.

(d) Property Dividends. In the event the Company shall, at any time or from time to time after the Original Issue Date while the Warrants remain outstanding and unexpired in whole or in part, make or issue a dividend or distribution to holders of Common Stock a Property Dividend (other than (y) any dividend or distribution upon a transaction to which Section 5.1(c) applies or (z) a Substantially All Dividend), then and in each such event the Exercise Price in effect immediately prior to the close of business on the date for the determination of the holders of Common Stock entitled to receive such dividend or distribution shall be decreased by the fair market value (as determined by the Independent Financial Expert) as of the record date for such distribution of such Property Dividend so distributed

Any adjustment under this Section 5.1(d) shall become effective immediately prior to the opening of business on the day after the date for the determination of the holders of Common Stock entitled to receive such dividend or distribution.

(e) Other Provisions Applicable to Adjustments. The following provisions shall be applicable to the making of adjustments to the Exercise Price and the number of shares of Common Stock into which each Warrant is exercisable under this Section 5.1:

(i) Treasury Stock. The dividend or distribution of any issued shares of Common Stock owned or held by or for the account of the Company shall be deemed a dividend or distribution of shares of Common Stock for purposes of this Section 5.1. The Company shall not make or issue any dividend or distribution on shares of Common Stock held in the treasury of the Company. For the purposes of this Section 5.1, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(ii) When Adjustments Are to be Made. The adjustments required by Sections 5.1(a), 5.1(b), 5.1(c) and 5.1(d) shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that no adjustment of the Exercise Price that would otherwise be required shall be made unless and until such adjustment either by itself or with other adjustments not previously made increases or decreases the Exercise Price immediately prior to the making of such adjustment by at least 5%. Any adjustment representing a change of less than such minimum amount (except as aforesaid) shall be carried forward and made as soon as such adjustment, together with other adjustments required by Sections 5.1(a), 5.1(b), 5.1(c), and 5.1(d) and not previously made, would result in such minimum adjustment.

(iii) Fractional Interests. In computing adjustments under this Section 5, fractional interests in Common Stock shall be taken into account to the nearest one-thousandth of a share.

(iv) Deferral Of Issuance Upon Exercise. In any case in which Sections 5.1(b) shall require that a decrease in the Exercise Price be made effective prior

to the occurrence of a specified event and any Warrant is exercised after the time at which the adjustment became effective but prior to the occurrence of such specified event and, in connection therewith, Section 5.1(f) shall require a corresponding increase in the number of shares of Common Stock into which each Warrant is exercisable, the Company may elect to defer until the occurrence of such specified event (A) the issuance to the Holder of the Warrant Certificate evidencing such Warrant (or other Person entitled thereto) of, and the registration of such Holder (or other Person) as the record holder of, the Common Stock over and above the Common Stock issuable upon such exercise on the basis of the number of shares of Common Stock obtainable upon exercise of such Warrant immediately prior to such adjustment and to require payment in respect of such number of shares the issuance of which is not deferred on the basis of the Exercise Price in effect immediately prior to such adjustment and (B) the corresponding reduction in the Exercise Price; provided, however, that the Company shall deliver to such Holder or other person a due bill or other appropriate instrument that meets any applicable requirements of the principal national securities exchange or other market on which the Common Stock is then traded, if applicable, and evidences the right of such Holder or other Person to receive, and to become the record holder of, such additional shares of Common Stock, upon the occurrence of such specified event requiring such adjustment (without payment of any additional Exercise Price in respect of such additional shares).

(f) Adjustment to Shares Obtainable Upon Exercise. Whenever the Exercise Price is adjusted as provided in Section 5.1(a) or Section 5.1(b), the number of shares of Common Stock into which a Warrant is exercisable shall simultaneously be adjusted by multiplying such number of shares of Common Stock into which a Warrant is exercisable immediately prior to such adjustment by a fraction, the numerator of which shall be the Exercise Price immediately prior to such adjustment, and the denominator of which shall be the Exercise Price immediately thereafter.

(g) Compliance with Governmental Requirements. Before taking any action that would cause an adjustment reducing the Exercise Price below the then par value of any of the shares of Common Stock into which the Warrants are exercisable, the Company will take any corporate action that may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of such Common Stock at such adjusted Exercise Price.

(h) Optional Adjustments. The Company may at its option, at any time during the term of the Warrants, increase the number of shares of Common Stock into which each Warrant is exercisable, or decrease the Exercise Price, in addition to those changes required by Sections 5.1(a), 5.1(b), 5.1(c) or 5.1(d) as deemed advisable by the Board of Directors of the Company (x) if the Board of Directors determines that an event or transaction has occurred that adversely affects the rights of the Holders that did not otherwise require an adjustment pursuant to Sections 5.1(a), 5.1(b), 5.1(c) or 5.1(d) and to which Section 5.3 does not apply or (y) in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(i) Notice of Adjustment. Upon the occurrence of each adjustment of the Exercise Price or the number of shares of Common Stock into which a Warrant is exercisable pursuant to this Section 5.1, the Company at its expense shall promptly:

(i) compute such adjustment in accordance with the terms hereof;

(ii) after such adjustment becomes effective, deliver to all Holders in accordance with Section 11.1(b) a notice setting forth such adjustment (including the kind and amount of securities, cash or other property for which the Warrants shall be exercisable and the Exercise Price) and showing in detail the facts upon which such adjustment is based; and

(iii) deliver to the Warrant Agent a certificate of the Treasurer of the Company setting forth the Exercise Price and the number of shares of Common Stock into which each Warrant is exercisable after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the computation by which such adjustment was made (including a description of the basis on which the fair market value of any evidences of indebtedness, shares of capital stock, securities, cash or other assets or consideration used in the computation was determined). As provided in Section 10.1, the Warrant Agent shall be entitled to rely on such certificate and shall be under no duty or responsibility with respect to any such certificate, except to exhibit the same from time to time to any Holder desiring an inspection thereof during reasonable business hours.

(j) Statement on Warrant Certificates. Irrespective of any adjustment in the Exercise Price or amount or kind of shares into which the Warrants are exercisable, Warrant Certificates theretofore or thereafter issued may continue to express the same Exercise Price initially applicable or amount or kind of shares initially issuable upon exercise of the Warrants evidenced thereby pursuant to this Agreement.

5.2. Fractional Interest. The Company shall not be required upon the exercise of any Warrant to issue any fractional shares, but may, in lieu of issuing any fractional shares of Common Stock make an adjustment therefore in cash on the basis of the Current Market Price per share of Common Stock on the date of such exercise. If Warrant Certificates evidencing more than one Warrant shall be presented for exercise at the same time by the same Holder, the number of full shares of Common Stock which shall be issuable upon such exercise thereof shall be computed on the basis of the aggregate number of Warrants so to be exercised. The Holders, by their acceptance of the Warrant Certificates, expressly waive their right to receive any fraction of a share of Common Stock or a stock certificate representing a fraction of a share of Common Stock if such amount of cash is paid in lieu thereof.

5.3. Liquidity Event Payment.

(a) In the event, at any time or from time to time after the Original Issue Date while the Warrants remain outstanding and unexpired in whole or in part, a Liquidity Event occurs, then:

(i) the Company shall distribute, no later than the Liquidity Event Payment Date, to each Holder of a Warrant Certificate evidencing a Warrant that was outstanding

at the close of business on the Liquidity Event Effective Date (whether or not such Warrant is outstanding on the Liquidity Event Payment Date) the Warrant Value Amount with respect to such Liquidity Event; and

(ii) effective immediately after the close of business on the Liquidity Event Effective Date, such Warrant shall be terminated and cancelled (subject only to the right of the Holder of the Warrant Certificate evidencing such Warrant to receive the applicable Warrant Value Amount on the Liquidity Event Payment Date).

(b) If the Liquidity Event constitutes a Transaction in which the Common Stock is exchanged for or converted or changed into Liquidity Event Proceeds or a Substantially All Dividend and the Liquidity Event Proceeds consist of items of consideration other than cash (or cash in part and other items of consideration in part), the Warrant Value Amount payable to the Holders will be paid in such respective amounts of each of such item of consideration (including cash, if any) in the same proportion as such respective items of consideration are paid to the holders of Common Stock. Otherwise, the Warrant Value Amount will be paid solely in cash.

(c) In connection with any Liquidity Event, the Warrant Value and Warrant Value Amount and related components and values set forth in the definitions of Warrant Value and Warrant Value Amount (and, if Section 5.3(b) applies, the respective amounts of the various items of consideration) shall be determined (the "***Determinations***") by an Independent Financial Expert selected as specified below. No later than two Business Days after the Liquidity Event Trigger Date, the Company shall provide notice of an Independent Financial Expert selected by the Company (the "***Company Selected Expert***") to each Holder in accordance with Section 11.1 (the date on which such notice is delivered, the "***Notice Date***"). To the extent Holders of Warrant Certificates evidencing a majority of the then outstanding Warrants (the "***Required Warrant Holders***") object to the Company Selected Expert within seven days of the Notice Date, then the Company and Required Warrant Holders shall jointly select an Independent Financial Expert by no later than the 10th day after the Notice Date. If the Company and the Required Warrant Holders are unable to agree on a jointly selected Independent Financial Expert, the Required Warrant Holders shall select promptly, but no later than the 14th day after the Notice Date, a separate Independent Financial Expert and such Independent Financial Expert and the Company Selected Expert shall select promptly, but no later than the 21st day after the Notice Date, a third Independent Financial Expert to make the Determinations. The Determinations of the finally selected Independent Financial Expert (the "***Specified Independent Financial Expert***") shall be final and conclusive, and the fees and expenses of any such Independent Financial Experts shall be borne by the Company. The Determinations shall be completed no later than the Business Day next preceding the Liquidity Event Payment Date for any Liquidity Event.

6. **Loss or Mutilation.**

If (a) any mutilated Warrant Certificate is surrendered to the Warrant Agent or (b) both (i) there shall be delivered to the Company and the Warrant Agent (A) a claim by a Holder as to the destruction, loss or wrongful taking of any Warrant Certificate of such Holder and a request thereby for a new replacement Warrant Certificate, and (B) such indemnity bond as may be

required by them to save each of them and any agent of either of them harmless and (ii) such other reasonable requirements as may be imposed by the Company have been satisfied, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a "protected purchaser", the Company shall execute and upon its written request the Warrant Agent shall countersign and deliver to the registered Holder of the lost, wrongfully taken, destroyed or mutilated Warrant Certificate, in exchange therefore or in lieu thereof, a new Warrant Certificate of the same tenor and for a like aggregate number of Warrants. At the written request of such registered Holder, the new Warrant Certificate so issued shall be retained by the Warrant Agent as having been surrendered for exercise, in lieu of delivery thereof to such Holder, and shall be deemed for purposes of Section 3.2 to have been surrendered for exercise on the date the conditions specified in clauses (a) or (b) of the preceding sentence were first satisfied.

Upon the issuance of any new Warrant Certificate under this Section 6, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses (including the fees and expenses of the Warrant Agent and of counsel to the Company) in connection therewith.

Every new Warrant Certificate executed and delivered pursuant to this Section 6 in lieu of any lost, wrongfully taken or destroyed Warrant Certificate shall constitute an additional contractual obligation of the Company, whether or not the allegedly lost, wrongfully taken or destroyed Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement equally and proportionately with any and all other Warrant Certificates duly executed and delivered hereunder.

The provisions of this Section 6 are exclusive and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement of mutilated, lost, wrongfully taken, or destroyed Warrant Certificates.

7. **Reservation and Authorization of Common Stock.**

The Company covenants that, for the duration of the Exercise Period, the Company will at all times reserve and keep available, from its authorized and unissued Common Stock solely for issuance and delivery upon the exercise of the Warrants and free of preemptive rights, such number of shares of Common Stock and other securities, cash or property as from time to time shall be issuable upon the exercise in full of all outstanding Warrants. The Company further covenants that it shall, from time to time, take all steps necessary to increase the authorized number of shares of its Common Stock if at any time the authorized number of shares of Common Stock remaining unissued would otherwise be insufficient to allow delivery of all the shares of Common Stock then deliverable upon the exercise in full of all outstanding Warrants. The Company covenants that all shares of Common Stock issuable upon exercise of the Warrants will, upon issuance, be duly and validly issued, fully paid and nonassessable. The Company shall take all such actions as may be necessary to ensure that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic stock exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company covenants that all shares of Common Stock

will, at all times that Warrants are exercisable, be duly approved for listing subject to official notice of issuance on each securities exchange, if any, on which the Common Stock is then listed. The Company covenants that the stock certificates issued to evidence any shares of Common Stock issued upon exercise of Warrants will comply with the Delaware General Corporation Law and any other applicable law.

The Company hereby authorizes and directs its current and future transfer agents for the Common Stock at all times to reserve stock certificates for such number of authorized shares as shall be requisite for such purpose. The Warrant Agent is hereby authorized to requisition from time to time from any such transfer agents stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement, and the Company hereby authorizes and directs such transfer agents to comply with all such requests of the Warrant Agent. The Company will supply such transfer agents with duly executed stock certificates for such purposes.

8. **Transfers; Warrant Transfer Books.**

8.1. Corporate Agency Office. The Warrant Agent will maintain an office (the "***Corporate Agency Office***") in the United States of America, where Warrant Certificates may be surrendered for registration of transfer or exchange in accordance with this Section 8 and where Warrant Certificates may be surrendered for exercise of Warrants evidenced thereby, which office is [•] on the Original Issuance Date. The Warrant Agent will give prompt written notice to all Holders of Warrant Certificates of any change in the location of such office. For purposes of this Section 8, "***transfer***" means any sale, assignment or other disposition of ownership interests in a Warrant.

8.2. Warrant Register. The Warrant Certificates evidencing the Warrants shall be issued in registered form only. The Company shall cause to be kept at the office of the Warrant Agent designated for such purpose a warrant register (the "***Warrant Register***") in which, subject to such reasonable regulations as the Warrant Agent may prescribe and such regulations as may be prescribed by law, the Company shall provide for the registration of Warrant Certificates and of transfers or exchanges of Warrant Certificates as herein provided.

8.3. Transfers. Upon surrender for registration of transfer of any Warrant Certificate at the Corporate Agency Office, the Company shall execute, and the Warrant Agent shall countersign and deliver, in the name of the designated transferee or transferees, one or more new Warrant Certificates evidencing the same aggregate number of Warrants; provided, that the Warrant Agent shall have received (a) a written instruction of transfer in form satisfactory to the Warrant Agent, duly executed by the Holder thereof or by such Holder's representative, duly authorized in writing, (b) a written certification by the proposed transferee that it (i) is not directly engaged in any business that is competitive with the Company and (ii) if it owns (directly or through Affiliates) more than 10% of any business that is competitive with the Company, it has implemented internal controls to prevent the sharing of confidential information within the organization, and (c) surrender of the Warrant Certificate or Warrant Certificates representing the Warrants, duly endorsed for transfer. Subject to the foregoing, the Warrants shall be freely transferable; provided, however, that no Warrants or shares issuable upon exercise

of the Warrants shall be sold, exchanged or otherwise transferred in violation of the Securities Act or state securities laws, and no Warrant shall be transferred to a competitor of the Company.

8.4. Exchanges. At the option of the Holder, Warrant Certificates may be exchanged at the Corporate Agency Office upon payment of the charges hereinafter provided for other Warrant Certificates evidencing a like aggregate number of Warrants. Whenever any Warrant Certificates are so surrendered for exchange, the Company shall execute, and the Warrant Agent shall countersign and deliver, the Warrant Certificates of the same tenor and evidencing the same aggregate number of Warrants as evidenced by the Warrant Certificates surrendered by the Holder making the exchange; provided, that the Warrant Agent shall have received (a) a written instruction of exchange in form satisfactory to the Warrant Agent, duly executed by the Holder thereof or by his attorney, duly authorized in writing, and (b) surrender of the Warrant Certificate or Warrant Certificates representing the Warrants, duly endorsed for transfer

8.5. Valid Obligations. All Warrant Certificates issued upon any registration of transfer or exchange of Warrant Certificates shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits under this Agreement, as the Warrant Certificates surrendered for such registration of transfer or exchange.

8.6. No Service Charge. No service charge shall be made for any registration of transfer or exchange of Warrant Certificates; provided, however, the Company may require payment of a sum sufficient to cover any stamp or other tax or other charge that may be imposed in connection with any registration of transfer or exchange of Warrant Certificates. The Warrant Agent shall forward any such sum collected by it to the Company or to such Persons as the Company shall specify by written notice. The Warrant Agent shall have no obligation to effect an exchange or register a transfer or exchange unless and until it is satisfied that all such taxes and/or charges have been paid.

8.7. Reports of Ownership. The Warrant Agent shall, upon request of the Company from time to time, deliver to the Company such reports of registered ownership of the Warrants and such records of transactions with respect to the Warrants and the shares of Common Stock as the Company may request. The Warrant Agent shall also make available to the Company for inspection by the Company's agents or employees, from time to time as the Company may request, such original books of accounts and records maintained by the Warrant Agent in connection with the issuance and exercise of Warrants hereunder, such inspections to occur at the Corporate Agency Office during normal business hours.

8.8. Copies; Notice. The Warrant Agent shall keep copies of this Agreement and any notices given to Holders hereunder available for inspection by the Holders during normal business hours at the Corporate Agency Office. The Company shall supply the Warrant Agent from time to time with such numbers of copies of this Agreement as the Warrant Agency may request.

9. Other Rights of Warrant Holders.

9.1. Registration Rights. In the event the Common Stock is registered pursuant to the Exchange Act at any time after the Original Issue Date while the Warrants remain outstanding

and unexpired in whole or in part, then the Company shall enter into an agreement with the Holders providing for customary registration rights for the shares of Common Stock into which the Warrants are exercisable within [•] days of such registration of the Common Stock.

9.2. Information Rights. The Company shall (a) furnish to the Holders any reports or other information delivered to the holders of Common Stock solely in their capacity as stockholders by the Company or its Subsidiaries at the same time such reports or other information are delivered or made available to such holders of Common Stock solely in their capacity as stockholders, and (b) provide Holders access to conference calls, webcasts or similar electronic communications to which holders of Common Stock are provided access by the Company or its Subsidiaries solely in their capacity as stockholders, if any, at the same time such conference calls, webcasts or similar communications are made accessible to such holders of Common Stock solely in their capacity as stockholders.

9.3. No Redemption. Except as provided in Section 5.3 upon a Liquidity Event, the Warrants shall not be subject to redemption by the Company or any other Person; provided that the Warrants may be acquired by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of this Warrant Agreement.

9.4. No Voting or Dividend Rights. No Holder of a Warrant Certificate evidencing any Warrant shall have or exercise any rights by virtue hereof as a holder of Common Stock of the Company, including, without limitation, the right to vote, to receive dividends and other distributions as a holder of Common Stock or to receive notice of, or attend, meetings or any other proceedings of the holders of Common Stock. Subject to the provisions of Sections 4, 5.1, 5.3, 9.2 and 11.1 hereof and except as may be specifically provided for herein, until the exercise of any Warrant:

(i) the consent of any Holder shall not be required with respect to any action or proceeding of the Company;

(ii) no such Holder, by reason of the ownership or possession of a Warrant or the Warrant Certificate representing the same, shall have any right to receive any cash dividends, stock dividends, allotments or rights or other distributions paid, allotted or distributed or distributable to the holders of Common Stock prior to, or for which the relevant record date preceded, the date of the exercise of such Warrant; and

(iii) no such Holder shall have any right not expressly conferred hereunder or under, or by applicable law with respect to, the Warrant Certificate held by such Holder.

9.5. Rights of Action. All rights of action against the Company in respect of this Agreement, except rights of action vested in the Warrant Agent, are vested in the Holders of the Warrant Certificates, and any Holder of any Warrant Certificate, without the consent of the Warrant Agent or the Holder of any other Warrant Certificate, may, in such Holder's own behalf and for such Holder's own benefit, enforce and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, such Holder's right to exercise such Holder's Warrants in the manner provided in this Agreement.

9.6. Treatment of Holders of Warrant Certificates. Every Holder of a Warrant Certificate, by accepting the same, consents and agrees with the Company, with the Warrant Agent and with every subsequent holder of such Warrant Certificate that, prior to due presentment of such Warrant Certificate for registration of transfer in accordance with Section 8, the Company and the Warrant Agent may treat the Person in whose name the Warrant Certificate is registered as the owner thereof for all purposes and as the Person entitled to exercise the rights granted under the Warrants, and neither the Company, the Warrant Agent nor any agent thereof shall be affected by any notice to the contrary.

9.7. Communications to Holders.

(a) If any Holder of a Warrant Certificate applies in writing to the Warrant Agent and such application states that the applicant desires to communicate with other Holders with respect to its rights under this Warrant Agreement or under the Warrants, then the Warrant Agent shall, within five Business Days after the receipt of such application, and upon payment to the Warrant Agent by such applicant of the reasonable expenses of preparing such list, provide to such applicant a list of the names and addresses of all Holders of Warrant Certificates as of the most recent practicable date.

(b) Every Holder of Warrant Certificates, by receiving and holding the same, agrees with the Company and the Warrant Agent that neither the Company nor the Warrant Agent nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 9.7(a).

10. Concerning the Warrant Agent.

10.1. Nature of Duties and Responsibilities Assumed. The Company hereby appoints the Warrant Agent to act as agent of the Company as set forth in this Agreement. The Warrant Agent hereby accepts the appointment as agent of the Company and agrees to perform that agency upon the terms and conditions set forth in this Agreement and in the Warrant Certificates or as the Company and the Warrant Agent may hereafter agree, by all of which the Company and the Holders of Warrant Certificates, by their acceptance thereof, shall be bound; provided, however, that the terms and conditions contained in the Warrant Certificates are subject to and governed by this Agreement or any other terms and conditions hereafter agreed to by the Company and the Warrant Agent.

The Warrant Agent shall not, by countersigning Warrant Certificates or by any other act hereunder, be deemed to make any representations as to validity or authorization of (i) the Warrants or the Warrant Certificates (except as to its countersignature thereon), (ii) any securities or other property delivered upon exercise of any Warrant, (iii) the accuracy of the computation of the number or kind or amount of stock or other securities or other property deliverable upon exercise of any Warrant, (iv) the independence of any Independent Financial Expert or (v) the correctness of any of the representations of the Company made in such certificates that the Warrant Agent receives. The Warrant Agent shall not at any time have any duty to calculate or determine whether any facts exist that may require any adjustments pursuant to Section 5 hereof with respect to the kind and amount of shares or other securities or any property issuable to

Holders upon the exercise of Warrants required from time to time. The Warrant Agent shall have no duty or responsibility to determine the accuracy or correctness of such calculation or with respect to the methods employed in making the same. The Warrant Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or upon any adjustment pursuant to Section 5 hereof, and it makes no representation with respect thereto. The Warrant Agent shall not be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property upon the surrender of any Warrant Certificate for the purpose of exercise or upon any adjustment pursuant to Section 5 hereof or to comply with any of the covenants of the Company contained in Section 5 hereof.

The Warrant Agent shall not (i) be liable for any recital or statement of fact contained herein or in the Warrant Certificates or for any action taken, suffered or omitted by it in good faith on the reasonable belief that any Warrant Certificate or any other documents or any signatures are genuine or properly authorized, (ii) be responsible for any failure on the part of the Company to comply with any of its covenants and obligations contained in this Agreement or in the Warrant Certificates or (iii) be liable for any act or omission in connection with this Agreement except for its own gross negligence, bad faith or willful misconduct.

The Warrant Agent is hereby authorized to accept and protected in accepting instructions with respect to the performance of its duties hereunder by Company Order and to apply to any such officer named in such Company Order for instructions (which instructions will be promptly given in writing when requested), and the Warrant Agent shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with the instructions in any Company Order.

The Warrant Agent may execute and exercise any of the rights and powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys, agents or employees, provided, however, reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee. The Warrant Agent shall not be under any obligation or duty to institute, appear in or defend any action, suit or legal proceeding in respect hereof, unless first indemnified to its satisfaction, but this provision shall not affect the power of the Warrant Agent to take such action as the Warrant Agent may consider proper, whether with or without such indemnity. The Warrant Agent shall promptly notify the Company in writing of any claim made or action, suit or proceeding instituted against it arising out of or in connection with this Agreement.

The Company shall perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further acts, instruments and assurances as may reasonably be required by the Warrant Agent in order to enable it to carry out or perform its duties under this Agreement.

The Warrant Agent shall act solely as agent of the Company hereunder and does not assume any obligation or relationship of agency or trust for or with any of the Holders or any beneficial owners of Warrants. The Warrant Agent shall not be liable except for the failure to perform such duties as are specifically set forth herein or specifically set forth in the Warrant

Certificates, and no implied covenants or obligations shall be read into this Agreement against the Warrant Agent whose duties and obligations shall be determined solely by the express provisions hereof or the express provisions of the Warrant Certificates.

10.2. Right to Consult Counsel. The Warrant Agent may at any time consult with legal counsel satisfactory to it (who may be legal counsel for the Company), and the Warrant Agent shall incur no liability or responsibility to the Company or to any Holder for any action taken, suffered or omitted by it in good faith in accordance with the written opinion or advice of such counsel.

10.3. Compensation, Reimbursement and Indemnification. The Company agrees to pay the Warrant Agent from time to time compensation relating to its services hereunder as set forth on Exhibit B hereto and to reimburse the Warrant Agent for reasonable expenses and disbursements, including reasonable counsel fees incurred in connection with the administration of this Agreement. The Company further agrees to indemnify the Warrant Agent for and save it harmless against any losses, liabilities or reasonable expenses arising out of or in connection with the acceptance and administration of this Agreement, including the reasonable costs, legal fees and expenses of defending any claim of such liability, except that the Company shall have no liability hereunder to the extent that any such loss, liability or expense results from the Warrant Agent's own gross negligence, bad faith or willful misconduct.

10.4. Warrant Agent May Hold Company Securities. The Warrant Agent, any Countersigning Agent and any stockholder, director, officer or employee of the Warrant Agent or any Countersigning Agent may buy, sell or deal in any of the warrants or other securities of the Company or its Affiliates, become pecuniarily interested in transactions in which the Company or its Affiliates may be interested, contract with or lend money to the Company or its Affiliates or otherwise act as fully and freely as though it were not the Warrant Agent or the Countersigning Agent, respectively, under this Agreement. Nothing herein shall preclude the Warrant Agent or any Countersigning Agent from acting in any other capacity for the Company or for any other legal entity.

10.5. Resignation and Removal; Appointment of Successor.

(a) The Warrant Agent may resign its duties and be discharged from all further duties and liability hereunder (except liability arising as a result of the Warrant Agent's own gross negligence or willful misconduct) after giving 30 days' prior written notice to the Company. The Company may remove the Warrant Agent upon 30 days' written notice, and the Warrant Agent shall thereupon in like manner be discharged from all further duties and liabilities hereunder, except as aforesaid. The Warrant Agent shall, at the expense of the Company, cause notice to be given in accordance with Section 11.1(b) to each Holder of a Warrant Certificate of said notice of resignation or notice of removal, as the case may be. Upon such resignation or removal, the Company shall appoint in writing a new Warrant Agent. If the Company shall fail to make such appointment within a period of 30 calendar days after it has been notified in writing of such resignation by the resigning Warrant Agent or after such removal, then the Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new Warrant Agent. Any new Warrant Agent, whether appointed by the Company or by such a court, shall be a corporation doing business under the laws of the United

States or any state thereof in good standing, authorized under such laws to act as Warrant Agent, and having a combined capital and surplus of not less than $25,000,000. The combined capital and surplus of any such new Warrant Agent shall be deemed to be the combined capital and surplus as set forth in the most recent annual report of its condition published by such Warrant Agent prior to its appointment, provided, however, such reports are published at least annually pursuant to law or to the requirements of a Federal or state supervising or examining authority. After acceptance in writing of such appointment by the new Warrant Agent, it shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the Warrant Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be reasonably necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the reasonable expense of the Company and shall be legally and validly executed and delivered by the resigning or removed Warrant Agent. Not later than the effective date of any such appointment, the Company shall file notice thereof with the resigning or removed Warrant Agent. Failure to give any notice provided for in this Section 10.5(a), however, or any defect therein, shall not affect the legality or validity of the resignation of the Warrant Agent or the appointment of a new Warrant Agent as the case may be.

(b) Any corporation into which the Warrant Agent or any new Warrant Agent may be merged, or any corporation resulting from any consolidation to which the Warrant Agent or any new Warrant Agent shall be a party, shall be a successor Warrant Agent under this Agreement without any further act, provided that such corporation would be eligible for appointment as successor to the Warrant Agent under the provisions of Section 10.5(a). Any such successor Warrant Agent shall promptly cause notice of its succession as Warrant Agent to be given in accordance with Section 11.1(b) to each Holder of a Warrant Certificate at such Holder's last address as shown on the Warrant Register.

11. **Notices.**

11.1. Notices Generally.

(a) Any request, notice, direction, authorization, consent, waiver, demand or other communication permitted or authorized by this Agreement to be made upon, given or furnished to or filed with the Company or the Warrant Agent by the other party hereto or by any Holder shall be sufficient for every purpose hereunder if in writing (including facsimile or electronic mail communication) and faxed, sent via electronic mail, or delivered by hand (including by courier service) as follows:

If to the Company, to it at:
[•]
[•]
Attention: [•]
Facsimile no.: [•]
E-mail: [•]

or

If to the Warrant Agent, to it at:

[•]
[•]
Attention: [•]
Facsimile no.: [•]
E-mail: [•]

or, in either case, such other address as shall have been set forth in a notice delivered in accordance with this Section 11.1(a).

All such communications shall, when so (i) faxed or sent via electronic mail or (ii) delivered by hand (including by courier service), be effective when faxed or sent via electronic mail with confirmation of receipt or when received by the addressee, respectively.

(b) Where this Agreement provides for notice to Holders of any event or delivery of any information or documents to Holders, such notice or delivery shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event or entitled to receive such delivery, at the address of such Holder as it appears in the Warrant Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice or the making of such delivery. In any case where notice or delivery to Holders is given by mail, neither the failure to mail such notice or delivery, nor any defect in any notice or delivery so mailed, to any particular Holder shall affect the sufficiency of such notice or delivery with respect to other Holders. Where this Agreement provides for notice or delivery in any manner, such notice or delivery may be waived in writing by the Person entitled to receive such notice or delivery, either before or after the event, and such waiver shall be the equivalent of such notice or delivery.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made by a method approved by the Warrant Agent as one which would be most reliable under the circumstances for successfully delivering the notice to the addressees shall constitute a sufficient notification for every purpose hereunder.

11.2. Required Notices to Holders. In the event the Company shall propose:

(i) to make or issue any dividend or distribution to holders of Common Stock of any Common Stock or other stock, other securities, cash, assets or property or of any rights to subscribe for or purchase any shares of Common Stock or other stock of any class or any other securities, rights or options (including any Property Dividend or Substantially All Dividend); or

(ii) to effect any capital reorganization, consolidation or merger or amalgamation of the Company with or into another Person or of another Person into the Company, sale, transfer or other disposition of all or substantially all of the Company's assets to any other Person, or other similar transaction, or any Transaction; or

(iii) to effect the voluntary or involuntary dissolution, liquidation or winding-up of the Company; or

(iv) to effect any reclassification of its Common Stock; or

(v) to commence any tender offer (including any exchange offer) for the purchase (including the acquisition pursuant to an exchange offer) of all or any portion of the outstanding shares of Common Stock (or shall amend any such offer),

then, and in each such case, the Company shall cause to be filed with the Warrant Agent and shall give to each Holder of a Warrant Certificate, in accordance with Section 11.1(b), a notice of such proposed action. Such notice shall specify (x) the date on which a record is to be taken for the purposes of any such dividend or distribution; (y) the date on which such reclassification, Transaction, liquidation, dissolution or winding up is expected to become effective and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, Transaction, liquidation, dissolution or winding up; or (z) the date on which such tender offer commenced, the date on which such tender offer is scheduled to expire unless extended, the consideration offered and the other material terms thereof (or the material terms of any amendment thereto). Such notice shall be given, in the case of any dividend or distribution covered by clause (i) above, at least five Business Days prior to the record date for determining holders of the Common Stock for purposes of much action or, in the case of any other action covered by Section 11.2(i) through (v) above, at least five Business Days prior to the applicable effective or expiration date specified above or, in any such case, prior to such earlier time as notice thereof shall be required to be given pursuant to Rule 10b-17 under the Exchange Act.

If at any time the Company shall cancel any of the proposed transactions for which notice has been given under this Section 11.2 prior to the consummation thereof, the Company shall give each Holder prompt notice of such cancellation in accordance with Section 11.1(b) hereof.

12. **Inspection.**

The Warrant Agent shall cause a copy of this Agreement to be available at all reasonable times at the office of the Warrant Agent for inspection by the Holder of any Warrant Certificate. The Warrant Agent may require such Holder to submit his Warrant Certificate for inspection by it.

13. **Amendments.**

The Company and the Warrant Agent may, without the consent or concurrence of the Holders of the Warrant Certificates, by supplemental agreement or otherwise, amend this Agreement for the purpose of making any changes or corrections in this Agreement that (i) are required to cure any ambiguity or to correct or supplement any defective or inconsistent provision or clerical omission or mistake or manifest error herein contained or (ii) add to the covenants and agreements of the Company in this Agreement further covenants and agreements of the Company thereafter to be observed, or surrender any rights or powers reserved to or conferred upon the Company in this Agreement; provided, however, that in either case such amendment shall not adversely affect the rights or interests of the Holders of the Warrant Certificates hereunder in any material respect. This Agreement may otherwise be amended by the Company and the Warrant Agent only in a manner that applies uniformly to all outstanding

Warrants and with the consent of Holders of Warrant Certificates evidencing at least 75% of the outstanding Warrants.

The Warrant Agent shall join with the Company in the execution and delivery of any such amendment unless such amendment affects the Warrant Agent's own rights, duties or immunities hereunder, in which case the Warrant Agent may, but shall not be required to, join in such execution and delivery. Upon execution and delivery of any amendment pursuant to this Section 13, such amendment shall be considered a part of this Agreement for all purposes and every Holder of a Warrant Certificate theretofore or thereafter countersigned and delivered hereunder shall be bound thereby.

Promptly after the execution by the Company and the Warrant Agent of any such amendment, the Company shall give notice to the Holders of Warrant Certificates, providing a copy of such amendment, in accordance with the provisions of Section 11.1(b). Any failure of the Company to mail such notice or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment.

14. **Waivers.**

The Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if (i) the Company has obtained the written consent of Holders of Warrant Certificates evidencing a majority of the then outstanding Warrants, and (ii) any consent required pursuant to Section 13 has been obtained.

15. **Equitable Relief.**

Each of the Company and each of the Holders acknowledges that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction.

16. **No Circumvention or Impairment.**

16.1. Circumvention. The Company shall not, take any action or omit to take any action, including the amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, that would (a) circumvent or otherwise adversely affect the rights of the Holders, the economic value of the Warrants, or any provisions of this Agreement or (b) avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder.

16.2. Affiliate Transaction. The Company shall not enter into any transactions or series of related transactions with an Affiliate ("***Affiliate Transaction***") at any time that, but for the reference to the Two-Year Date and time periods calculated with respect to the Two-Year Date in the definition of "Liquidity Event," would constitute a "Liquidity Event," unless such

Affiliate Transaction is approved by a majority of the disinterested directors on the Board of Directors.

17. **Headings.**

The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

18. **Counterparts.**

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together constitute one and the same instrument.

19. **Severability.**

The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision hereof will not affect the validity or enforceability of the other provisions hereof; provided that if any provision of this Agreement, as applied to any party or to any circumstance, is adjudged by a court or governmental body not to be enforceable in accordance with its terms, the parties agree that the court or governmental body making such determination will have the power to modify the provision in a manner consistent with its objectives such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision will then be enforceable and will be enforced.

20. **Persons Benefiting.**

This Agreement shall be binding upon and inure to the benefit of the Company and the Warrant Agent, and their respective successors and assigns, and the Holders from time to time of the Warrant Certificates. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Company, the Warrant Agent and the Holders of the Warrant Certificates, any rights or remedies under or by reason of this Agreement or any part hereof. Each Holder, by acceptance of a Warrant Certificate, agrees to all of the terms and provisions of this Agreement applicable thereto.

21. **Applicable Law.**

THIS AGREEMENT, EACH WARRANT CERTIFICATE ISSUED HEREUNDER, EACH WARRANT EVIDENCED THEREBY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

22. **Entire Agreement.**

This Agreement sets forth the entire agreement of the parties hereto as to the subject matter hereof and supersedes all previous agreements among all or some of the parties hereto with respect thereto, whether written, oral or otherwise.

23. **Confidentiality.**

23.1. Confidential Information. Each Holder acknowledges that any notices or information furnished pursuant to this Agreement (the "***Confidential Information***") is confidential and competitively sensitive. Each Holder shall use, and shall cause any Person to whom Confidential Information is disclosed pursuant to clause (i) below to use, the Confidential Information only in connection with its investment in the Warrant or shares issuable upon exercise of the Warrant and not for any other purpose (including to disadvantage competitively the Company or any other Holder). Each Holder shall not disclose any Confidential Information to any Person, except that Confidential Information may be disclosed:

(i) to the Holder's Representatives in the normal course of the performance of their duties for such Holder (it being understood that such Representatives shall be informed by the Holder of the confidential nature of such information and shall be directed to treat such information in accordance with this Section 23.1);

(ii) to the extent requested or required by applicable law, rule or regulation; provided, that the Holder shall give the Company prompt written notice of such request(s), to the extent practicable, and to the extent permitted by law so that the Company may, at its sole expense, seek an appropriate protective order or similar relief (and the Holder shall cooperate with such efforts by the Company, and shall in any event make only the minimum disclosure required by such law, rule or regulation and shall use best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information);

(iii) to any Person to whom the Holder is contemplating a transfer of its Warrant permitted in accordance with the terms hereof; provided, that, prior to such disclosure, such potential transferee is advised of the confidential nature of such information and agrees in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company;

(iv) to any regulatory authority or rating agency to which the Holder or any of its Affiliates is subject or with which it has regular dealings, as long as such authority or agency is advised of the confidential nature of such information;

(v) in connection with the Holder's or the Holder's Affiliates' normal fund raising, marketing, informational or reporting activities or to any bona fide prospective purchaser of the equity or assets of the Holder or the Holder's Affiliates, or prospective merger partner of the Holder or the Holder's Affiliates; provided, that prior to such disclosure the Persons to whom such information is disclosed are advised of the confidential nature of such information and agree in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company; or

(vi) if the prior written consent of the Company shall have been obtained.

23.2. Defense and Termination. Nothing contained herein shall prevent the use (subject, to the extent possible, to a protective order) of Confidential Information in connection

with the assertion or defense of any claim by or against the Company or the Holder. The restrictions contained in this Section 23.2 shall terminate one year following the date on which the Holder ceases to own any Warrants.

23.3. Exclusions. Confidential Information does not include information that: (i) is or becomes generally available to the public (including as a result of any information filed or submitted by the Company with the Securities and Exchange Commission) other than as a result of a disclosure by the Holder or its Representatives in violation of any confidentiality provision of this Agreement or any other applicable agreement, (ii) is or was available to the Holder or its Representatives on a non-confidential basis prior to its disclosure to the Holder or its Representatives by the Company, or (iii) was or becomes available to the Holder or its Representatives on a non-confidential basis from a source other than the Company, which source is or was (at the time of receipt of the relevant information) not, to the best of the Holder's or its Representative's knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) the Company or another Person.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

FR AFG HOLDINGS, INC.

By:_____
Name:
Title:

[•], as Warrant Agent

By:_____
Name:
Title:

EXHIBIT H TO THE DISCLOSURE STATEMENT

GOVERNANCE TERM SHEET[1]

[1] Subject to modification, including in order to reflect or address the terms of the New Organizational Documents and the New Stockholders' Agreement, each of which have not yet been prepared.

Reorganized FR AFG Holdings, Inc. (the "Company") and Subsidiaries – Corporate Governance[1]

Certificate of Incorporation and Bylaws of Company

Topic	Provision
Capital Stock	
Number of authorized shares	10,000,000 common shares issued at emergence (based on 9,550,000 shares for First Lien Claimants and 450,000 for Second Lien Claimants); 1,428,571 shares reserved for issuance upon exercise of warrants and 1,269,841 shares reserved for issuance for MIP Equity). The certificate of incorporation will authorize 50,000,000 shares in the aggregate (the "Common Stock").[2] 100,000 preferred shares (the "Preferred Stock").
Common stock	One series with one vote per share.
Preferred stock	Board of directors of the Company (the "Board") has power to issue and define the terms of Preferred Stock (may only vote with Common Stock as one class and may pay dividends).
Warrants	The warrants will entitle holders to purchase their pro rata share of 12.5% of the Common Stock outstanding on the Effective Date (i.e., 1,428,571 shares) for an exercise price based on $615 million of total equity value.
Equity Plan (MIP)	The Board has the ability to issue up to 1,269,841 newly issued shares pursuant to an employee benefit plan.
Future equity and debt issuances	Preemptive rights (pro rata based on ownership of Common Stock) for (a) equity issuances (other than for MIP Equity) and (b) debt offerings/issuances where 25% or more of the offering/issuance is being made to stockholders of the Company or their affiliates only with respect to the portion being offered to stockholders (or affiliates) of the Company.
Directors	

[1] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the *Joint Prepackaged Chapter 11 Plan of Reorganization for Ameriforge Group Inc. and its Debtor Affiliates* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan").

[2] The actual number of shares issued shall be subject to the treatment for fractional distributions specified in the Plan.

Topic	Provision
Initial Directors and Board size	Seven directors ("Directors") to be initially appointed for a three year term, including: 1 seat: CEO of the reorganized Company ("Management Director") 1 seat: representative of First Reserve Management, L.P. and affiliates ("FR") 2 seats: representatives of Carlyle Investment Management L.L.C. ("Carlyle") 2 seats: representatives of Eaton Vance Management ("EV") 1 seat: representative of Stellex Capital Partners LP ("Stellex") (the representatives, including any successor representatives, together being the "Representative Directors" and each of FR, Carlyle, EV and Stellex being the "Initial Holders").
Removal of Directors	Each Representative Director may be removed with or without cause only by the stockholder that nominated such person ("Nominating Stockholder") or, if the Director was not appointed by a Nominating Stockholder, by a majority of the other Representative Directors. A Nominating Stockholder may remove and replace its Representative Director at any time by providing one business day prior written notice to the Board. Each Nominating Director will be entitled to retain its Representative Director(s) for the three year period following the Effective Date (the "Initial Period"), provided that if, at any time during the Initial Period, (a) the applicable Nominating Stockholder no longer owns at least 75% of the new Common Stock that was issued to it on the Effective Date (the "Emergence Ownership"), then that Nominating Stockholder's Representative Director will be deemed automatically to have resigned from the Board and (b) in the case of Carlyle and EV, no longer owns at least 50% of its Emergence Ownership, then its second director will be deemed automatically removed from the Board. Each of the 75% and 50% thresholds being referred to as the "Minimum Thresholds."
Directors after the Initial Period	After the Initial Period, (a) the Initial Holders (or their Major Transferees (as defined below), if applicable) will continue to retain its Representative Director subject to maintenance of the applicable Minimum Thresholds, and (b) any other stockholder (or affiliated group of funds) owning 10% or more of the outstanding voting power of the Company will have the right to nominate one Director to the Board (and for all purposes hereof, such Director will thereafter be deemed to be a Representative Director). The Board will take action to increase the size of the Board to the extent necessary to accommodate any additional Directors required by clause (b) above. If the resulting Board would be comprised of an even

Topic	Provision
	number of Directors, the Board will simultaneously create an additional directorship and fill the vacancy with an independent director.
Right to Transfer Board appointment right	At any time that a stockholder transfers the Minimum Threshold of stock ownership, whether during or after the Initial Period, such new stockholder ("Major Transferee") will acquire the right to make such appointment and the prior stockholder's Representative Director will be deemed automatically to have resigned from the Board.
Nomination of Directors	Each Representative Director will be re-nominated to his or her seat by the Nominating Stockholder or Major Transferee, as the case may be, subject to the ongoing Minimum Threshold requirements. The Stockholders Agreement will provide that all stockholders are required to vote to re-elect the Representative Directors at any meeting called for such purpose. Any vacancy on the Board for which there is no longer a Nominating Stockholder or Major Transferee that has the right to appoint a person to that seat may be nominated by, at the election of the Board, (i) after the Initial Period, a holder of 10% or more of the outstanding voting power of the Company who has not yet appointed a Director, if any, or (ii) a majority of the Directors.
Increase in number of directors	Any increase to the size of the Board shall be determined by the Directors.
Board Vacancies	Any vacancy in a Representative Director seat will be filled by the applicable Nominating Stockholder (or, if applicable, a Major Transferee) for whom such seat is reserved (subject to the Minimum Thresholds). All other vacancies will be filled by a majority of the remaining Directors.
Election of Directors	Directors are elected by plurality of votes. No cumulative voting.
Quorum and manner of acting in Board meetings	For Major Decisions (as defined below), at least one Representative Director of each Nominating Stockholder (or, if applicable, all Major Transferees) shall constitute a quorum and at least 70% of all Directors (i.e., initially at least 5 of 7 Directors) is required to take action. For all other decisions, at least a majority of the Directors shall constitute a quorum and a majority of the Directors present is required to take action. If a quorum cannot be met, then the meeting may be adjourned and rescheduled once for a later date (which date will be within 10 business days for meetings at

Topic	Provision
	which a Major Decision is to be discussed or within 5 days for all other meetings). The number of Directors required for purposes of a quorum for a reconvened meeting will be reduced by the number of Directors that did not attend the initial meeting.
Major Decisions	"Major Decisions" include the following: • Any sale of assets or stock by the Company with a value of more than $25 million; • Termination or appointment of the CEO; • Any sale of all or substantially all assets of the Company; • Certain significant corporate transactions (mergers, liquidation, dissolution, acquisitions with a value of more than $25 million); • Any incurrence of additional indebtedness of more than $25 million, subject to certain exceptions such as capitalized leases; and • Related party transactions.
Board action by consent	Consent in writing is allowed.
Vacancy Tiebreak	To the extent there are an even number of Directors due to a vacancy on the Board and their vote on appointing a Director to fill the vacancy results in a tie, the Management Director will have a tiebreak vote on the appointment of a new Director.
Board Committees	Board committees are permitted and permitted to act in any manner only to the extent authorized by the Board.
Indemnification/D&O Insurance	Customary indemnification and D&O insurance to protect directors and officers to maximum extent possible.
Board Non-Voting Observer	One member of the Ad Hoc Second Lien Group shall have the right to designate one non-voting observer to the Board, subject to such member (i) holding, on the effective date, Second Lien Claims in an amount no less than such holdings as of the date of the execution of the Restructuring Support Agreement and (ii) maintaining, after the effective date, holdings of at least 75% of its Emergence Ownership. The observer shall have the right to attend and to receive notice of all Board meetings and all material distributed to the Directors in connection with such Board meetings; provided that, for this purpose, Board meetings shall not include committee meetings other than special or transaction committees formed to

Topic	Provision
	discuss or evaluate a potential change of control transaction. The observer shall receive from the Company customary D&O indemnification and insurance. The right to designate an observer will be personal to such member and not transferable to another party.
Management Fees	The Company shall not pay any management, monitoring or similar fees to affiliates (other than customary Board fees).
Compliance Procedures	The Company will adopt and implement, within 120 days of the Effective Date, compliance procedures, training and monitoring programs. The Company will arrange training sessions in relation to the above.
Stockholders	
Location of stockholder meetings	If any stockholder meeting does not provide for remote access, it must be held in a place that is reasonably accessible to stockholders.
Stockholder Proposals	At any meeting of stockholders only the business brought forward by the Directors or the stockholders will be decided. To submit business, a stockholder must provide notice not less than 60 days nor more than 90 days prior to the first anniversary of the preceding years' meeting. Stockholders must provide a description of business to be discussed along with information about their holdings and interests in the Company in the notice. No limit on matters that can be brought at a meeting.
Quorum and Voting Standard	Holders of a majority of the voting shares of stock shall constitute a quorum. Voting based on number of shares present in person or voting by proxy. Unless otherwise stated, a majority approval of a quorum is required to take corporate action.
Ability of stockholders to act by written consent	Stockholders may take any action without a meeting if the required vote is achieved in writing or by electronic submission.
Cap on number of stockholders	Transfers resulting in 475 or more holders of record will be void, provided that the Board shall have discretion to increase the permitted number of holders of record. The Board shall have discretion to prohibit any trade to 20 or more transferees, provided that such discretion may not be exercised to prohibit transfers

Topic	Provision
	occasioned by the wind-down of a stockholder that is an investment fund.
Tag and Drag Rights	Tag-along and drag-along rights in the event that any group of stockholders collectively owning 50% or more of the voting power of the Company sell their shares to a third party. To the extent the drag-along right is sought to be exercised in connection with a sale by a stockholder to an affiliate of such stockholder, the drag-along will not be effective unless and until approved by a majority of the disinterested Directors acting in accordance with their fiduciary duties.
Affiliate Transactions	Affiliate transactions must be on arms-length terms and approved by a majority of disinterested Directors (i.e., not having an interest in the proposed transaction).
Opt out of Section 203	Company will not be governed by Section 203 of Delaware General Corporation Law (freeze out provisions do not apply).
Officers	
Appointment of Officers	Officers shall be appointed by the Board.
Amendments to Organizational Documents	
Amendment to charter	Amendments to charter will require stockholder approval to amend as required by applicable law.
Amendments to by-laws	The Board shall have authority to amend the by-laws.

Registration Rights Agreement

Topic	Provision
Registration	
Demand Registration Rights after the Company is public	Upon receipt of a demand by stockholders holding at least **[15]**% of the outstanding stock, subject to mutually agreed restrictions regarding the aggregate number of demand rights and customary time limitations, the Company will provide a notice to all stockholders to allow participation in a registration as selling stockholders. Amounts sold by selling stockholders will be pro rata based on the number of shares to be sold as advised by the underwriters, in all cases subject to normal blackout provisions.
Piggy-Back Registration Rights after the Company is public	If the Company plans to file a registration statement (other than for an initial public offering in which no stockholders are selling), it will provide a notice to all stockholders to offer participation in the registration as selling stockholders. The

Topic	Provision
	Company will have the right to sell as many shares as it wants and participating selling stockholders will participate on a pro rata basis based on the number of shares to be sold as advised by the underwriters, in all cases subject to normal blackout provisions. Any lock-ups shall apply only to selling stockholders or stockholders holding more than 5% of the Common Stock.
Amendments	Amendments to registration rights agreement require consent of holders of a majority of registrable securities; provided that no amendment may adversely affect a stockholder relative to other stockholders without such stockholder's consent.

Stockholders Agreement

Topic	Provision
Board Rights	
Voting for Directors / Board Appointees	Stockholders agree to reelect the Management Director to the Board so long as such person is nominated by the Board and to elect / reelect the Representative Directors.
Transfer Restrictions	
Restrictions on Transfer	Potential purchasers must certify that they are not a direct competitor, excluding investment funds and similar entities that own a competitor so long as information is not shared with management of the competing portfolio company and appropriate protections are in place to ensure that such information is not shared with such management.
Other Rights	
Information Requirements	Company to provide (a) annual audited financial statements within 120 days of first fiscal year end and within 90 days of fiscal year end thereafter, and (b) quarterly unaudited financial statements within 60 days of quarter end for the first two quarters ending after the Effective Date and within 45 days of quarter end thereafter. Information to be subject to confidentiality requirements. Recipients of materials must certify that they are not a direct competitor. Company will hold quarterly conference calls.

Topic	Provision
Sharing Information with Transferees	Stockholders may share information with potential transferees of Common Stock, subject to such transferee executing a non-disclosure agreement in a form approved by the Board.
Voting for Directors	Stockholders agree to reelect Representative Directors at any election.
Amendments	Amendments to stockholder agreement require consent of holders of a majority of the Common Stock; provided that no amendment may adversely affect a stockholder relative to other stockholders without such stockholder's consent. Upon an IPO, the stockholders' agreement and other governance arrangements (other than the registration rights agreement) will terminate.

EXHIBIT I TO THE DISCLOSURE STATEMENT

EXIT ABL FACILITY TERM SHEET

SUMMARY OF INDICATIVE TERMS OF THE EXIT ABL FACILITY[1]	
Borrowers	Existing Borrower and all other subsidiaries designated as borrowers which contribute assets to the borrowing base
Guarantors	Existing Guarantors
Facility Size	Up $50,000,000
Letters of Credit Sublimit	Up to $20,000,000
Maturity Date	The earlier of (i) 5 years of (ii) 91 days prior to the maturity of the Exit Term Loan Facility
Borrowing Base	Usual and customary for facilities of this type; to include 85% of eligible receivables and the lesser of (x) 65% of the net book value and (y) 85% of the net orderly liquidation value of eligible inventory and to be subject to customary reserves
Collateral	• First lien on accounts receivable and inventory (as well as deposit accounts/cash) • Second lien on all other assets (e.g., equipment, real estate, interests in subsidiaries, etc.)
Cash Dominion	"Springing" based on an excess availability threshold to be agreed
Financial Covenants	A "springing" fixed charge coverage ratio based on an excess availability threshold to be agreed
Covenants and Reporting	Usual and customary for facilities of this type
Conditions Precedent	Usual and customary for facilities of this type; to include a minimum liquidity requirement

[1] These terms are illustrative only and may differ materially based on the ultimate terms agreed to by the Debtors and the eventual lender(s) under the Exit ABL Facility.

EXHIBIT J TO THE DISCLOSURE STATEMENT

EXIT TERM LOAN FACILITY TERM SHEET

KEY TERMS OF THE EXIT TERM LOAN FACILITY	
Borrower	Existing Borrower
Guarantors	Existing Guarantors
Facilities	• Commitment to provide secured term loans consisting of the Converted DIP Commitments (as defined in the Restructuring Term Sheet) ("Exit Term Loans"; the holders of the Exit Term Loans, the "Exit Term Loan Lenders"). • The respective administrative agents under the Exit Term Loan Facility and Exit ABL Facility (as defined in the Restructuring Term Sheet) shall be subject to an intercreditor agreement customary for such facilities (the "Intercreditor Agreement"). • Participation in the Exit Term Loan Facility will be offered to all First Lien Lenders holding greater than $5 million of the loans under the First Lien Credit Agreement.
Letters of Credit	The Existing L/Cs or the Converted L/Cs and Additional L/Cs that remain undrawn as of the Effective Date (as defined in the Restructuring Term Sheet) will be converted into letters of credit under the Exit ABL Facility.
Maturity Date	Five (5) year anniversary of the Plan Effective Date.
Interest Rate	• L+ 800 bps in cash, stepping down to L+ 700 bps in cash if EBITDA for the most recently completed period of four fiscal quarters for which financial statements have been delivered ("Four Quarter EBITDA") is greater than $50 million. "EBITDA" shall have the meaning specified in Annex I to this Exhibit J. • 500 bps of interest paid in kind, stepping down to 100 bps if Four Quarter EBITDA is at least $25 million but less than or equal to $50 million, and to 0 bps if Four Quarter EBITDA is greater than $50 million. • LIBOR floor of 1.0%. • Four Quarter EBITDA shall be tested on a quarterly basis and determine the cash amount and PIK amount (if any) of the next possible interest payment.
Upfront Fee	A payment equal to 1.50% of the amount of the Exit Term Loans, which shall be payable in cash on the Plan Effective Date.
Collateral	Exit Loans to be secured by first-priority liens on all of the Loan Parties' assets other than the assets securing the Exit ABL Facility and second-priority liens on all of the Loan Parties' assets securing the Exit ABL Facility on a first priority basis, in each case, subject to permitted liens and the Intercreditor Agreement.
Call Protection	Not prepayable prior to the first anniversary of the Plan Effective Date. Prepayable at any time after the first anniversary of the Plan Effective Date at 102.0% of par plus accrued interest in year 2, and 101.0% of par plus accrued interest in year 3; thereafter, prepayable at par plus accrued interest.
Amortization	Fixed amortization of 1.0% per year based on beginning balance, paid quarterly

Mandatory Prepayment	Customary mandatory prepayments in connection with asset sales, casualty events and debt incurrences, in each case, subject to customary thresholds, exceptions and reinvestment rights.
Financial Covenants	TBD.
Covenants	TBD.
Reporting	Quarterly and annual financial reporting consistent with existing First Lien Credit Agreement and monthly financial statements.
Backstop Payment	A payment equal to 2.50% of the amount of the Exit Term Loans, which shall be payable in cash to the Backstop Parties on the Plan Effective Date.
Backstop Parties	The members of the Ad Hoc First Lien Group.

Annex I to Exhibit J

"EBITDA" shall mean, with respect to the Borrower and its [Restricted][1] Subsidiaries on a consolidated basis for any period, the Consolidated Net Income of the Borrower and its [Restricted] Subsidiaries for such period plus (a) the sum of (in each case without duplication and to the extent the respective amounts described in subclauses (i) through (xiii) of this clause (a) reduced such Consolidated Net Income for the respective period for which EBITDA is being determined):

(i) provision for Taxes based on income, profits, losses or capital of the Borrower and its [Restricted] Subsidiaries for such period to the extent that such provision for taxes was deducted in calculating Consolidated Net Income; adjusted for the tax effect of all adjustments made to Consolidated Net Income),

(ii) Interest Expense of the Borrower and its [Restricted] Subsidiaries for such period (net of interest income of the Borrower and its [Restricted] Subsidiaries for such period) and to the extent not reflected in Interest Expense, costs of surety bonds in connection with financing activities,

(iii) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash expenses (including, without limitation write-downs and impairment of property, plant, equipment, goodwill and intangibles and other long-lived assets and the impact of purchase accounting on the Borrower and its [Restricted] Subsidiaries for such period),

(iv) the amount of any restructuring charges (which, for the avoidance of doubt, shall include retention, severance, systems establishment cost or excess pension, other post-employment benefits, curtailment or other excess charges), when aggregated with the amounts in clauses (a)(ix) and (a)(x) below not to exceed $10,000,000 per Fiscal Year; provided that with respect to each such restructuring charge, the Borrower shall have delivered to the Administrative Agent an officers' certificate specifying and quantifying such expense or charge and stating that such expense or charge is a restructuring charge,

(v) any other non-cash charges,

(vi) equity earnings or losses in Affiliates unless funds have been disbursed to such Affiliates by the Borrower or any [Restricted] Subsidiary of the Borrower,

(vii) the minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary that is a [Restricted] Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on Equity Interests held by third parties,

[1] NTD: Ability of company to designate Unrestricted Subsidiaries in the Exit Term Loan Agreement to be determined.

(viii) accretion of asset retirement obligations in accordance with SFAS No. 143, Accounting for Asset Retirement Obligations, and any similar accounting in prior periods;

(ix) extraordinary losses and unusual or non-recurring cash charges, severance, relocation costs and curtailments or modifications to pension and post-retirement employee benefit plans, when aggregated with the amounts in clauses (a)(iv) and (a)(x) not to exceed $10,000,000 per Fiscal Year; provided that with respect to each such charge, the Borrower shall have delivered to the Administrative Agent an officers' certificate specifying and quantifying such charge and stating that such charge is a non-recurring charge,

(x) restructuring costs related to (A) acquisitions after the Closing Date permitted under the terms hereof and (B) closure or consolidation of facilities, when aggregated with the amounts in clauses (a)(iv) and (a)(ix) not to exceed $10,000,000 per Fiscal Year,

(xi) any charge or expense in respect of any earn-out payments in connection with the Borrower's acquisition of Managed Pressure Operations International Ltd. from MHWirth AS pursuant to that certain Share Purchase Agreement dated July 13, 2016,

(xii) restructuring costs and any consulting or professional fees incurred in connection with the [Bankruptcy Cases] without duplication of any amounts included in clauses (a)(iv), (a)(ix) and (a)(x) above, and

(xiii) non-recurring costs of reporting and compliance requirements pursuant to the Sarbanes Oxley Act of 2002,

minus (b) the sum of (in each case without duplication) and to the extent the respective amounts described in subclauses (i) through (iii) of this clause (b) increased such Consolidated Net Income for the respective period for which EBITDA is being determined):

(i) non-cash items increasing Consolidated Net Income of the Borrower and its [Restricted] Subsidiaries for such period (but excluding any such items which represent the reversal in such period of any accrual of, or cash reserve for, anticipated cash charges in any prior period where such accrual or reserve is no longer required),

(ii) extraordinary gains and unusual or non-recurring cash income, and income arising from modifications to pension and post-retirement employee benefit plans, and

(iii) items of income or gain relating to the [Bankruptcy Cases].

Notwithstanding anything to the contrary, for purposes of determining EBITDA for any period that includes any of the fiscal quarters ended [_____], [_____], [_____] and [_____], EBITDA for such fiscal quarters shall be $[_____], $[_____], $[_____] and $[_____], respectively, in each case, as may be subject to any adjustment on a Pro Forma Basis for the applicable Test Period with respect to any Asset Acquisitions or Asset Dispositions occurring after the Closing Date.

EXHIBIT K TO THE DISCLOSURE STATEMENT

MIP TERM SHEET

REORGANIZED HOLDINGS

MANAGEMENT INCENTIVE PLAN TERM SHEET

The following summarizes certain terms of a Management Incentive Plan to be sponsored by Reorganized Holdings and of grants to be made thereunder to certain employee of Reorganized Holdings and its subsidiaries.

Overview:	Incentive Equity Pool. Reorganized Holdings will reserve exclusively for management employees (such reserve, the "MIP Pool") a pool of shares of Common Stock of Reorganized Holdings ("Common Stock") representing no less than 10% of Reorganized Holdings' Common Stock, determined on a fully diluted and fully distributed basis (i.e., assuming conversion of all outstanding convertible securities and full distribution of the MIP Pool) as of the Effective Date. Emergence Grants. No less than 50% of the MIP Pool will be granted upon the adoption of the Management Incentive Plan in accordance with this Term Sheet ("Emergence Grants" and, along with any other grant made under the MIP, an "Award"). Awards may be granted as stock options, shares of restricted stock, restricted stock units or a combination thereof. Awards will be granted to certain employees as determined by the New Board in consultation with the Chief Executive Officer.
Vesting:	Awards will vest over a five year period, subject to continued employment and based on a combination of time based vesting criteria and performance based vesting criteria set by the New Board.
Joinder to the Stockholders Agreement:	Each employee receiving an Award will execute a joinder to a Stockholders Agreement ("Stockholders Agreement"), which will contain customary security holder rights and obligations for management employees.
Taxes:	Participants may satisfy taxes required to be withheld upon exercise/settlement through net share settlement, subject to continued employment and the terms of any debt documents of the Reorganized Debtors.
Final Documentation:	The terms set forth above shall be reflected in the final documentation related to the Emergence Grants (including the Stockholders Agreement).