Solicitation Version

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. 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. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

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

In re:	)	Chapter 11
CONVERGEONE HOLDINGS, INC., *et al.*,[1]	)	Case No. 24-90194 (CML)
Debtors.	)	(Joint Administration Requested)

DISCLOSURE STATEMENT FOR THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF CONVERGEONE HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

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Proposed Counsel to the Debtors and Debtors in Possession

Dated: April 3, 2024
Houston, Texas

[1] The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: AAA Network Solutions, Inc. (7602); ConvergeOne Dedicated Services, LLC (3323); ConvergeOne Government Solutions, LLC (7538); ConvergeOne Holdings, Inc. (9427); ConvergeOne Managed Services, LLC (6277); ConvergeOne Systems Integration, Inc. (9098); ConvergeOne Technology Utilities, Inc. (6466); ConvergeOne Texas, LLC (5063); ConvergeOne Unified Technology Solutions, Inc. (2412); ConvergeOne, Inc. (3228); Integration Partners Corporation (7289); NetSource Communications Inc. (6228); NuAge Experts LLC (8150); Providea Conferencing, LLC (7448); PVKG Intermediate Holdings Inc. (4875); Silent IT, LLC (7730); and WrightCore, Inc. (3654). The Debtors' mailing address is 10900 Nesbitt Avenue South, Bloomington, Minnesota 55437.

DISCLOSURE STATEMENT, DATED APRIL 3, 2024

SOLICITATION OF VOTES ON THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION FOR CONVERGEONE HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE FROM HOLDERS OF CLAIMS IN THE FOLLOWING CLASSES:

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 DISCLOSURE STATEMENT, THE PLAN, AND OTHER ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN.

THIS SOLICITATION (THE "SOLICITATION") IS BEING CONDUCTED TO OBTAIN SUFFICIENT VOTES TO ACCEPT THE JOINT PREPACKAGED CHAPTER 11 PLAN OF CONVERGEONE HOLDINGS, INC. AND ITS DEBTOR AFFILIATES IN THE ABOVE-CAPTIONED CHAPTER 11 CASES (COLLECTIVELY, THE "DEBTORS"), ATTACHED HERETO AS EXHIBIT A (THE "PLAN").

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 4:00 P.M. (PREVAILING CENTRAL TIME) ON APRIL 17, 2024, UNLESS EXTENDED BY THE DEBTORS IN WRITING.

THE RECORD DATE FOR DETERMINING WHICH HOLDERS OF CLAIMS MAY VOTE ON THE PLAN IS APRIL 1, 2024 (THE "RECORD DATE").

BALLOTS SUBMISSION

BALLOTS MUST BE SUBMITTED VIA ONE OF THE METHODS BELOW:

BY FIRST CLASS MAIL AT:	BY REGULAR MAIL, HAND DELIVERY OR OVERNIGHT AT:	ELECTRONICALLY VIA:
ConvergeOne c/o Epiq Ballot Processing P.O. Box 4422 Beaverton, OR 97076-4422	ConvergeOne c/o Epiq Ballot Processing 10300 SW Allen Boulevard Beaverton, OR 97005	https://dm.epiq11.com/C1 USING THE UNIQUE E-BALLOT ID# ON YOUR BALLOT

BALLOTS SUBMITTED VIA ANY METHOD OTHER THAN THOSE SPECIFIED ABOVE, INCLUDING VIA FACSIMILE OR EMAIL, MAY NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURE FOR VOTING ON THE PLAN, PLEASE CONTACT THE CLAIMS AND NOTICING AGENT AT:

BY E-MAIL TO: C1-INFO@EPIQGLOBAL.COM

BY TELEPHONE: (877) 295-6914 (US AND CANADA) OR +1 (971) 290-2761 (INTERNATIONAL)

AND REQUEST TO HAVE A MEMBER OF THE SOLICITATION TEAM CONTACT YOU.

RECOMMENDATION BY THE DEBTORS

EACH DEBTOR BELIEVES THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF EACH DEBTOR'S ESTATE, PROVIDE THE BEST RECOVERY AVAILABLE TO HOLDERS OF CLAIMS, AND 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 CLAIMS AND NOTICING AGENT NO LATER THAN APRIL 17, 2024, AT 4:00 P.M. (PREVAILING CENTRAL TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND ON THE BALLOT.

BALLOTS RECEIVED AFTER THE VOTING DEADLINE MAY NOT BE COUNTED.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT OR REJECT THEIR PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST 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 THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY.

PLEASE READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. A COPY OF THE PLAN IS ATTACHED HERETO AS EXHIBIT A. THIS DISCLOSURE STATEMENT SUMMARIZES THE MATERIAL TERMS OF THE PLAN, BUT SUCH SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE ACTUAL TERMS AND PROVISIONS OF THE PLAN. ACCORDINGLY, IF THERE ARE ANY INCONSISTENCIES BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.

SECURITIES LAW NOTICES: UPON CONFIRMATION OF THE PLAN, CERTAIN OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "SECURITIES ACT"), OR SIMILAR FEDERAL, STATE, OR LOCAL LAW, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. THE SECURITIES ISSUED UNDER THE PLAN IN RELIANCE UPON SECTION 1145 OF THE BANKRUPTCY CODE ARE EXEMPT FROM, AMONG OTHER THINGS, THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT AND ANY OTHER APPLICABLE FEDERAL, STATE, OR LOCAL LAW REQUIRING REGISTRATION PRIOR TO THE OFFERING, ISSUANCE, DISTRIBUTION, OR SALE OF SECURITIES.

OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS FROM REGISTRATION UNDER THE FEDERAL SECURITIES LAWS. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR APPLICABLE FEDERAL SECURITIES LAW DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION OR UPON REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES ISSUED PURSUANT TO THE PLAN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING STATEMENTS INCORPORATED BY REFERENCE AND FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

READERS ARE FURTHER CAUTIONED THAT MANY OF THE ASSUMPTIONS, RISKS, AND UNCERTAINTIES RELATING TO THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, INCLUDING THE IMPLEMENTATION OF THE PLAN, ARE BEYOND THE CONTROL OF THE DEBTORS. IMPORTANT ASSUMPTIONS AND OTHER IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY INCLUDE, BUT ARE NOT LIMITED TO, THOSE FACTORS, RISKS, AND UNCERTAINTIES DESCRIBED IN MORE DETAIL UNDER THE HEADING "RISK FACTORS" IN ARTICLE X OF THIS DISCLOSURE STATEMENT AS WELL AS OTHER RISKS INHERENT TO THE DEBTORS. PARTIES ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE, ARE BASED ON THE DEBTORS' CURRENT BELIEFS, INTENTIONS, AND EXPECTATIONS, AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS. THE DEBTORS AND REORGANIZED DEBTORS, AS APPLICABLE, DO NOT INTEND TO, AND UNDERTAKE NO OBLIGATION TO, UPDATE OR OTHERWISE REVISE ANY FORWARD-LOOKING STATEMENTS, INCLUDING ANY PROJECTIONS CONTAINED HEREIN, TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE LIQUIDATION ANALYSIS HEREIN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED.

IF THE BANKRUPTCY COURT CONFIRMS THE PLAN AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AND INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS AND INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

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EXHIBITS

EXHIBIT A	Joint Prepackaged Chapter 11 Plan of Reorganization
EXHIBIT B	Restructuring Support Agreement
EXHIBIT C	Financial Projections
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EXHIBIT F	Organizational Structure Chart

ConvergeOne Holdings, Inc. ("**C1 Holdings**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors,**" and together with their non-Debtor affiliates, "**C1**" or the "**Company**"), submit this disclosure statement (this "**Disclosure Statement**"), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against the Debtors in connection with the solicitation of votes for acceptance of the *Joint Prepackaged Chapter 11 Plan of Reorganization of ConvergeOne Holdings, Inc. and Its Debtor Affiliates* (the "**Plan**"). A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

I. EXECUTIVE SUMMARY

C1 is a leading global information technology ("**IT**") services company. C1 provides connected human experiences by working with its channel partners, delivering IT services, and developing and commercializing its own technology products. C1 invites its customers to reimagine customer interactions, enables the future of work and collaboration, and builds cyber-resilient enterprises in an ever-evolving IT landscape. The Company designs, implements, and supports thousands of state-of-the-art IT solutions across its core technology markets: pure and hybrid cloud solutions, business applications, customer experiences, contact center design and enablement, modern workplace infrastructure, cyber security, and enterprise networking. C1 is supported by a dynamic global workforce of more than 3,000 employees and independent contractors. C1 serves more than 6,000 private and public sector customers worldwide across a range of industries, including education, energy, financial services, government, healthcare, manufacturing, media and communications, retail, and transportation. C1's customers include many of the companies listed on the Fortune 100, some of the largest school districts in the country, other large municipal entities, the federal government, the largest healthcare providers in the country, and a variety of leading global companies.

C1's industry-leading ability to deliver sophisticated IT solutions and rapidly respond to its customers' needs in a complex, cloud-enabled, and artificial intelligence-supported environment is reflected in its unparalleled customer satisfaction metrics, long-term partnerships with industry leading suppliers, and strong business fundamentals. Recently, however, the Company has faced liquidity challenges due to a highly leveraged capital structure that has become unsustainable in the current interest rate environment. The significant interest expense on the Company's funded debt—which increased by approximately $55 million on an annual basis from 2022 to 2023—combined with increased working capital needs over the same time period, has depleted the Company's liquidity and impaired its ability to operate in the ordinary course. In particular, the Company was unable to secure amendments to its first and second lien term loan agreements that would have transitioned the LIBOR benchmark rate to the Secured Overnight Financing Rate ("**SOFR**"), resulting in the conversion of the benchmark interest rates on these facilities from LIBOR to prime interest rates and a corresponding significant increase in the Company's interest expense. C1 has also faced ongoing customer delays, resulting in shorter contract lengths and staggered and diversified purchasing of product and software, due to the financial challenges of one of the Company's largest technology partners and an overall industry-wide slow-down in capital spending due to recessionary concerns, which have further exacerbated the Company's liquidity challenges. These issues, in turn, have fueled rating agency downgrades, and led to supplier pressures including credit reductions and other restrictive trade terms that have resulted in a further drain on the Company's liquidity.

The Company's management team and restructuring advisors, including White & Case LLP ("**White & Case**"), Evercore Inc. ("**Evercore**"), and AlixPartners, LLP ("**Alix**" and, collectively with White & Case and Evercore, the "**Advisors**") have worked diligently to develop a comprehensive strategy that will allow the Company to access necessary funding and restructure its funded debt, enabling the Company to de-lever its balance sheet and position itself for future growth.

The Debtors commenced these Chapter 11 Cases on a prepackaged basis with the support, pursuant to the terms of a Restructuring Support Agreement (the "**RSA**"), of creditors holding approximately 81% of the Debtors' first lien claims and 81% of the Debtors' second lien term loan debt (the "**Consenting**

Lenders"). The RSA contemplates the equitization or cancellation of approximately $1.6 billion of the Debtors' funded debt. The Debtors have also secured commitments for two debtor-in-possession financing facilities, and the consensual use of cash collateral, which will permit the Debtors to continue accessing their prepetition revolving credit facility with maximum availability of $250 million and draw on a $215 million new money multi-draw term loan facility during these Chapter 11 Cases. The Debtors are also negotiating the terms of an exit revolving credit facility to fund the Debtors' post-chapter 11 operations and obligations, which exit facility will be provided either by the Debtors' existing asset-based revolving lender or a third-party financing provider.

The terms of the transactions developed in connection with the RSA are contemplated under the Plan. Key terms of the RSA, which are reflected in the Plan, include the following:

- The Company will (i) conduct a $159.25 million fully-backstopped equity rights offering and (ii) receive a $85.75 million direct investment commitment from the backstop parties for the new equity interests in reorganized C1 (both subject to increase with the consent of the Debtors and the Required Consenting Lenders). As part of these transactions, 95.625% of the new equity interests will be distributed to holders of first lien claims and the backstop parties. As part of the equity rights offering, 65% of the 95.625% of new equity interests will be offered to all holders of first lien claims on a pro rata basis, subject to a 10% put option premium owed to the backstop parties and subject to dilution by the management incentive plan. As part of the direct investment commitment, the backstop parties have committed to purchase 35% of the 95.625% of new equity interests, subject to a 10% put option premium owed to the backstop parties and subject to dilution by the management incentive plan. The proceeds of the equity rights offering and direct equity investment will be used to repay the debtor-in-possession term loan facility and provide reorganized C1 with working capital.
- Holders of certain first lien claims may elect to receive (a) takeback term loans issued under an exit term loan facility in a principal amount equal to such holders' first lien claims multiplied by 20%, or (b) takeback term loans in a principal amount equal to such holders' first lien claims multiplied by 15% and rights to purchase, through the rights offering, new equity interests in reorganized C1, subject to dilution, including on account of the management incentive plan and fees owed to the backstop parties. As set forth in the RSA, these elections will be adjusted on a pro rata basis, based on oversubscription, so that participation in each option is capped at 50% of the first lien claims eligible to participate.
- Holders of second lien claims will receive 4.375% of the new equity interests in reorganized C1, also subject to dilution by a management incentive plan.
- General unsecured creditors will receive either reinstatement of their general unsecured claims pursuant to section 1124 of the Bankruptcy Code, or payment in full in cash either on the Effective Date or the date due in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to the unsecured claim.
- All prepetition equity interests in the Debtors will be cancelled and no distributions will be made on account of such interests.
- Pursuant to a global settlement of all disputes related to the allowance of claims arising from the Prepetition PVKG Note Purchase Agreement (as defined below), PVKG Lender (as defined below), the other Consenting Lenders, and the Debtors have agreed that PVKG Lender's claims on account of the Prepetition PVKG Notes will be allowed in the amount of $213 million.[1]

[1] PVKG Lender is a non-Debtor affiliate controlled by the Debtors' private equity sponsor.

It is imperative that C1 proceeds swiftly to confirmation of the Plan and emerges from the Chapter 11 Cases as soon as practicable in order to mitigate potential uncertainty among employees, customers, and vendors, minimize disruptions to the Company's business, and minimize professional fees and the administrative costs of these cases. Expeditious confirmation of a Plan and consummation of the restructuring transactions is in the best interests of the Debtors, their estates, and their stakeholders. Critically, the Debtors expect to continue operating in the ordinary course throughout the Chapter 11 Cases and will remain focused on serving their customers with continued exceptional and dedicated service.

Under the RSA milestones, C1 must obtain confirmation of the Plan within forty-five (45) days of the Petition Date. Accordingly, the Company has proposed the following key case dates, subject to Court approval and availability:

Event	Date
Voting Record Date	April 1, 2024
Rights Offering Record Date	April 1, 2024
Solicitation Commencement Date	April 3, 2024
Election/Subscription Commencement Date	April 3, 2024
Mailing of (i) Combined Hearing Notice, (ii) Non-Voting Status Notice, and (iii) Opt-Out Form	April 8, 2024
Publication Deadline	April 8, 2024
Voting Deadline	April 17, 2024, at 4:00 p.m. prevailing Central Time
Election/Subscription Expiration Date	April 26, 2024, at 4:00 p.m. prevailing Central Time
Opt-Out Deadline (Non-Voting Classes)	April 30, 2024, at 4:00 p.m. prevailing Central Time
Plan and Disclosure Statement Objection Deadline	May 7, 2024, at 4:00 p.m., prevailing Central Time
Deadline to File Plan Supplement and proposed Confirmation Order	May 10, 2024
Deadline for Filing Voting Report	May 14, 2024
Confirmation Brief Deadline	May 14, 2024
Combined Hearing	May 17, 2024, or such other date as the Court may direct

II. SUMMARY OF PLAN CLASSIFICATION AND TREATMENT

A. Classified Claims and Interests

1. Classified Claims and Interest Summary

Article III of the Plan classifies Claims and Interests and sets forth the treatment for each Class. The following chart provides a summary of the anticipated recovery to Holders of Allowed Claims and Allowed Interests under the Plan.

Your ability to receive distributions under the Plan depends upon the ability of the Debtors to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND, THEREFORE, ARE SUBJECT TO CHANGE. REFERENCE

SHOULD BE MADE TO THE ENTIRE PLAN FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.[2]

Except to the extent that the Debtors and a Holder of an Allowed Claim or Interest, as applicable, agree to a less favorable treatment, such Holder shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Holder's Allowed Claim or Interest. Unless otherwise indicated, each Holder of an Allowed Claim or Interest, as applicable, shall receive such treatment on the Effective Date (or, if payment is not then due, in accordance with its terms in the ordinary course) or as soon as reasonably practicable thereafter, the timing of which shall be subject to the reasonable discretion of the Debtor.

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

Class	Claims and Interests	Treatment of Claims and Interests	Projected Amount of Claims (in millions)	Projected Recovery Under the Plan
1	Other Secured Claims	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, in the discretion of the Reorganized Debtors: (i) payment in full in Cash of its Allowed Other Secured Claim; (ii) the Collateral securing its Allowed Other Secured Claim; (iii) Reinstatement of its Allowed Other Secured Claim; or (iv) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.	$2.5	100.0%
2	Other Priority Claims	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive payment in full in Cash of such Allowed Other Priority Claim on or as soon as reasonably practicable after the last to occur of (i) the Effective Date, (ii) the date such Other Priority Claim becomes an Allowed Claim, (iii) the date on which such Allowed Other Priority Claim is due to be paid in the ordinary course of business of the Debtors or Reorganized Debtors, if applicable, and (iv) the date on which the Holder of such Allowed Other Priority Claim and the Debtors or Reorganized Debtors shall otherwise agree in writing.	$21.7	100.0%

[2] The recoveries set forth in the chart are, in some cases, based on the estimated going concern value of the Reorganized Debtors, and may change based upon changes in the amount of Claims that are Allowed as well as other factors related to the Debtors' business assets and general economic conditions.

3	First Lien Claims	Except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each Allowed First Lien Claim, each Holder of an Allowed First Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive on the Effective Date its elected Pro Rata share of (which elections shall be adjusted on a Pro Rata basis (in accordance with the Adjustment (as defined in the Backstop Agreement) as calculated pursuant to the Backstop Agreement)) as necessary, so that participation in each recovery option is equal to 50% of the First Lien Claims) (x) the Takeback Term Loan Recovery Option, or (y) the Rights Offering Rights and Takeback Term Loan Recovery Option. In the event that a Holder of a First Lien Claim fails to timely elect its recovery option, it shall be deemed to have elected the Rights Offering Rights and Takeback Term Loan Recovery Option.	$1,387	20.0-27.4%[3]
4	Second Lien Claims	Except to the extent that a Holder of an Allowed Second Lien Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each Allowed Second Lien Claim, on the Effective Date each Holder of an Allowed Second Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive its Pro Rata share of the Second Lien Recovery.	$287	6.6%
5	General Unsecured Claims	Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim and in exchange for each Allowed General Unsecured Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed General Unsecured Claim shall receive, either (i) Reinstatement of such Allowed General Unsecured Claim pursuant to section 1124 of the Bankruptcy Code; or (ii) payment in full in Cash on (A) the Effective or (B) the date due in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed General Unsecured Claim.	$121[4]	100.0%
6	Intercompany Claims	On the Effective Date, or as soon as reasonably practicable thereafter, Allowed Intercompany Claims shall be, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), Reinstated, converted to	N/A	0.0-100.0%

[3] Recoveries shown include value in respect of participation in the Takeback Term Loan Recovery Option and Rights Offering Rights and Takeback Term Loan Recovery Option. The low end of the recovery range assumes the Holder of a First Lien Claim fully participating in the Takeback Term Loan Recovery Option, whereas the high end of the range of recovery assumes the Holder of a First Lien Claim fully participates in the Rights Offering Rights and Takeback Term Loan Recovery Option.

[4] This class of claims also includes certain litigation claims. None of these claims have been liquidated.

		equity, or otherwise set off, settled, distributed, contributed, canceled, or released to the extent reasonably determined to be appropriate by the Debtors or Reorganized Debtors and the Required Consenting Lenders, as applicable.		
7	Section 510 Claims	On the Effective Date, all Section 510 Claims (including all claims on account of the Employee Partnership Sale Units) shall be canceled, released, discharged, and extinguished and shall be of no further force or effect, and Holders of Section 510 Claims shall not receive any distribution on account of such Section 510 Claims.	$0.8	0.0%
8	Intercompany Interests	On the Effective Date, Intercompany Interests shall, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), be (i) Reinstated or (ii) set off, settled, addressed, distributed, contributed, merged, cancelled, or released.	N/A	0.0-100.0%
9	Existing C1 Interests	On the Effective Date, Existing C1 Interests shall be cancelled, released, and extinguished and shall be of no further force and effect, and Holders of Existing C1 Interests shall not receive any distribution on account thereof.	N/A	0.0%

III. SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement, which is accompanied by a ballot or ballots (the "**Ballot**" or "**Ballots**") to be used for voting on the Plan, is being distributed to the Holders of Claims in those Classes that are entitled to vote to accept or reject the Plan.

A. Voting Rights Summary

The following chart provides a summary of the status and voting rights of Holders of Allowed Claims or Allowed Interests under the Plan.

Class	Claims and Interests	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
2	Other Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
3	First Lien Claims	Impaired	Entitled to Vote
4	Second Lien Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
6	Intercompany Claims	Impaired/Unimpaired	Deemed to Accept / Deemed to Reject; Not Entitled to Vote
7	Section 510 Claims	Impaired	Deemed to Reject; Not Entitled to Vote
8	Intercompany Interests	Impaired/Unimpaired	Deemed to Accept / Deemed to Reject; Not Entitled to Vote
9	Existing C1 Interests	Impaired	Deemed to Reject; Not Entitled to Vote

As set forth above, the Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 3 and 4 (the "**Voting Classes**").

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 in the Ballot(s). Please only use the Ballot(s) that accompany this

Disclosure Statement or the Ballot(s) that the Debtors, or Claims and Noticing Agent on behalf of the Debtors, otherwise provide 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 Class.

The Debtors are ***not*** soliciting votes from Holders of Claims or Interests in Classes 1, 2, 5, 6, 7, 8, and 9.[5]

B. Votes Required for Acceptance by a Class of Claims

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims is determined by calculating the amount and the number of claims voting to accept, as a percentage of the allowed claims 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.

C. Voting Record Date

The Voting Record Date is April 1, 2024. The Voting Record Date is the date that determined when certain entities or persons were Holders of Claims for voting purposes under the Plan. 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.

D. Solicitation Procedures

1. Claims and Noticing Agent

The Debtors have retained Epiq Corporate Restructuring, LLC to act as, among other things, the Claims and Noticing Agent in connection with the solicitation of votes to accept or reject the Plan.

2. Solicitation Package

The following materials constitute the solicitation package distributed to Holders of Claims in the Voting Classes (collectively, the "**Solicitation Package**"): (a) the Disclosure Statement (including all exhibits thereto); (b) the cover letter substantially in form attached to the Combined Disclosure Statement Motion as Exhibit 7; (c) the Combined Hearing Notice, substantially in the form attached to the Combined Disclosure Statement Motion as Exhibit 2; (d) the appropriate Ballot in the form attached to the Combined Disclosure Statement Motion as Exhibits 6A and 6B; and (e) for Holders of Claims in Class 3, the Election and Rights Offering Materials, substantially attached to the Combined Disclosure Statement Motion as Exhibit 8A, 8B, and 8C.

3. Distribution of the Solicitation Package and Plan Supplement

The Debtors caused the Claims and Noticing Agent to commence distribution of the Solicitation Package to Holders of Claims in the Voting Classes on April 3, 2024, which is fourteen (14) days before the Voting Deadline *(i.e.,* 4:00 p.m. (prevailing Central Time) on April 17, 2024). The Claims and Noticing Agent commenced solicitation of votes by transmitting, via electronic mail, copies of the Solicitation Packages. Hard copy mailings of the Solicitation Packages can be made by request.

The Solicitation Package (except the Ballot) may also be obtained from the Claims and Noticing Agent by: (a) calling the Debtors' restructuring hotline at 877-295-6914 (US and Canada) or 1-971-290-2761 (international), (b) emailing C1-Info@epiqglobal.com, and/or (c) writing to the Claims and Noticing

[5] As defined in the *Debtors' Emergency Motion for Entry of an Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing; (II) Conditionally Approving the Disclosure Statement; (III) Approving the Confirmation Timeline, Solicitation Procedures, Solicitation Package, Notices, the Election and Rights Offering Materials and Election/Subscription Timeline; (IV) Waiving the Requirement to Hold the Creditors' Meeting and File SOFAs, Schedules, and 2015.3 Reports; and (V) Granting Related Relief* (the "**Combined Disclosure Statement Motion**").

Agent at ConvergeOne, c/o Epiq Ballot Processing, 10300 SW Boulevard, Beaverton, OR 97005. You may also obtain copies of any pleadings Filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, https://dm.epiq11.com/C1 (free of charge), or for a fee via PACER at https://www.pacer.gov/.

The Debtors shall file the Plan Supplement, to the extent reasonably practicable, with the Bankruptcy Court no later than seven (7) days before the Confirmation Hearing. If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website.

E. Voting on the Plan

The Voting Deadline is April 17, 2024, at 4:00 p.m., prevailing Central Time. Holders of Claims in the Voting Classes are able to return their Ballots in hard copy or submit it electronically on the Debtors' online balloting portal. Ballots must be (1) properly completed, executed, and delivered timely via (a) the enclosed pre-paid, pre-addressed return envelope, (b) overnight courier, or hand delivery to the Claims and Noticing Agent at ConvergeOne, c/o Epiq Ballot Processing, 10300 SW Allen Boulevard, Beaverton, OR 97076-4422, or (c) first-class mail to the Claims and Noticing Agent at ConvergeOne, c/o Epiq Ballot Processing, P.O. Box 4422, Beaverton, OR 97005 or (2) submitted timely on the online balloting portal at https://dm.epiq11.com/C1.

Holders of Claims entitled to vote that cast a Ballot using the Claims and Noticing Agent's online portal should NOT also submit a paper Ballot. The Claims and Noticing Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. **Ballots submitted via facsimile, email, or other means of electronic transmission will not be counted**.

The Debtors reserve the right, at any time or from time to time, to extend the period of time (on a daily basis, if necessary) during which Ballots will be accepted for any reason, including determining whether or not the requisite number of acceptances have been received, by making a public announcement of such extension no later than the first Business Day next succeeding the previously announced Voting Deadline. The Debtors will give notice of any such extension in a manner deemed reasonable to the Debtors in their discretion. There can be no assurance that the Debtors will exercise its right to extend the Voting Deadline.

F. Ballots Not Counted

No ballot will be counted toward Confirmation if, among other things: (1) it partially rejects and partially accepts the Plan, (2) it both accepts and rejects the Plan, (3) it is sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent), any indenture trustee, or the Advisors, (4) it is sent via facsimile or any electronic means other than via the online balloting portal, (5) it is illegible or contains insufficient information to permit the identification of the holder of the Claim, (6) it is cast by an Entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot, (7) submitted by a holder not entitled to vote pursuant to the Plan, (8) it is unsigned, (9) it is non-original Ballot (excluding those Ballots submitted via the online balloting portal), and (10) not marked to accept or reject the Plan.

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

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS 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 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, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN. IF A HOLDER CASTS MULTIPLE BALLOTS WITH

RESPECT TO THE SAME CLASS OF CLAIMS 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 CLASS FOLLOWS THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT. NO BALLOT VOTING TO ACCEPT THE PLAN MAY BE WITHDRAWN OR MODIFIED AFTER THE VOTING DEADLINE WITHOUT THE DEBTORS' PRIOR CONSENT OR PERMISSION OF THE BANKRUPTCY COURT.

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

A. Overview of the Debtor's Business

C1 designs and supports customer experience, infrastructure and networking, and security technology services and solutions for corporate enterprises and public sector entities spanning a wide variety of industries. C1 utilizes its own engineering and design expertise, proprietary intellectual property, and partnerships with leading suppliers and original equipment manufacturers ("**OEMs**") to produce and implement custom-built IT designs and solutions for its customers, including pure and hybrid cloud solutions, business applications, customer experiences, contact center design and enablement, modern workplace infrastructure, cyber security, and enterprise networking.

B. Corporate History

C1 was founded in Minnesota in 1993, initially specializing in communications hardware and software design, integration, and refurbishing. C1 was among the first IT service providers to offer hosted voice and messaging services and high-speed Internet access in the mid-1990s. From there, through several acquisitions and mergers, C1 expanded to serve global clients ranging from sole proprietors to Fortune 100 companies and local, state, and federal governmental units and other public sector entities. C1 expanded its operations over the next two decades, building out its customer base and developing innovative technology solutions to meet the ever-evolving needs of its customers.

In June 2014, affiliates of Clearlake Capital Group, L.P. ("**Clearlake**"), a private investment firm, acquired C1. In December 2017, C1 and Clearlake entered into a merger agreement with Forum Merger Corporation, a special purpose acquisition company, that took ConvergeOne Holdings Inc. ("**C1 Holdings**") public in February 2018 (NASDAQ: CVONW). Following the closing of that transaction, Clearlake remained the largest shareholder of C1.

In January 2019, affiliates of CVC Capital Partners ("**CVC**"), a global private equity and investment advisory firm with more than €118 billion in assets under management, completed an acquisition of C1 that took the Company private through an all-cash tender offer for all outstanding shares of C1 Holdings valued at approximately $1.8 billion.

Following the CVC acquisition, C1 has completed several strategic acquisitions and investments to expand its technical capabilities and add customer and vendor relationships. The following chart illustrates C1's material acquisitions from 2019 to the present and the capabilities of each acquired company:

Date	Target	Capabilities
January 2019	Venture Technologies	IT solutions provider to private and public organizations
August 2020	Altivon	Premier contact center solutions
March 2021	AAA Network Solutions, Inc.	Innovative education solutions provider to public sector customers

June 2021	NuAge	Service provider to Salesforce
November 2021	WrightCore, Inc.	Managed and professional services capabilities
December 2021	Prime TSR	Cloud-focused software and data platforms capabilities
January 2022	Integration Partners Corporation	Collaboration and digital infrastructure solutions in New England and the Midwest

C. Business Operations

C1's suite of innovative product and service solutions are supported by more than 1,000 engineers who collectively hold thousands of industry certifications and can rapidly deploy to provide support for C1's thousands of customers all over the globe.

To design and implement IT solutions for its customers, C1 maintains partnerships with more than 140 global technology leaders, including software publishers, wholesale distributors, and OEMs such as Avaya, AWS, Cisco, Dell Technologies, Genesys, IBM, Juniper, Microsoft, Palo Alto, Extreme Networks and Google Cloud. C1 purchases a variety of hardware and software for resale from these technology partners and utilizes their products in the IT designs and solutions it provides to its customers. C1 is product agnostic and can act as a conduit between its customers and global partners, providing one point of contact to deliver optimal product and service solutions to its customers, optimizing IT investments and minimizing the cost, complexity, and time to implement solutions.

The Company reported revenues of approximately $1.525 billion for the twelve months ended December 31, 2023, compared to approximately $1.456 billion in revenues for the twelve months ended December 31, 2022.

C1's operations are divided into two distinct revenue segments: (a) the "**Services Segment**" and (b) the "**Product Segment**." The Services Segment contains three offerings: "**Professional Services**," "**Managed Services**," and "**Resale Services**." Each of these offerings can be sold separately or bundled together to form various holistic offerings based on each customer's specific needs and desired outcomes. The Services Segment accounted for approximately 45% of the Company's total revenues in 2023.

1. The Services Segment

(a) Professional Services Segment

The Professional Services offering provides customers with consultation, design, integration and implementation, application development, program management, and maintenance services for customized collaboration, enterprise networking, data center, cloud, and security offerings. Customers retain C1's engineers to create custom-designed, complex IT solutions which are then produced, sold, and implemented as standalone offerings or combined with OEM products and software and C1's own intellectual property to facilitate bespoke solutions for C1's customers.

(b) Managed Services Segment

Through the Managed Services offering, C1 administers and maintains customers' mission critical IT infrastructure, typically over long-term contracts with high renewal rates. Through C1's relationships with leading and next-generation technology partners, and through the utilization of C1's own proprietary intellectual property, C1's engineers maintain and enhance customers' existing IT infrastructure. The engineers monitor performance and troubleshoot and support rapid resolutions for their customers' IT data center portfolios. Additionally, they provide IT helpdesk support, maintenance services, and technological infrastructure enhancements, including upgrades or modifications to software.

(c) Resale Segment

The Resale Services offering consists of selling products and software subscriptions developed by C1's third-party OEM partners. C1 actively markets products purchased from leading technology vendors in response to its customers' specifications. C1's engineers utilize these products and software subscriptions to develop bespoke solutions to support the customers' IT infrastructure requirements and to augment their capabilities.

2. The Product Segment

The Product Segment procures hardware products and software services from C1's OEM and distribution partners and sells those products to C1's customers. Sales through the Product Segment may consist of standalone products, including products improved by C1's proprietary intellectual property, or may be included in a more holistic technology solution that is combined with C1's Professional Services expertise. The Product Segment accounted for approximately 55% of the Company's total revenues in 2023.

D. The Debtors' Prepetition Corporate and Capital Structure

1. Corporate Structure

As set forth on the organizational structure chart attached as **Exhibit F**, non-debtor ConvergeOne Investment LP, a Delaware limited partnership controlled by CVC, is C1's ultimate parent through its indirect 100% ownership of Debtor PVKG Intermediate Holdings Inc. ("**PVKG Intermediate**"), a Delaware corporation.

PVKG Intermediate is the direct or indirect parent of each of the other Debtors, including C1 Holdings and C1 Inc. ConvergeOne Texas, LLC, which is directly wholly-owned by C1 Inc., was formed under the laws of the State of Texas on January 12, 2024.

In addition to various domestic subsidiaries, which are Debtors in these Chapter 11 Cases, C1 also has two international non-debtor subsidiaries.[6]

2. Capital Structure

(a) The Debtors' Prepetition Indebtedness

As of the Petition Date, the Debtors have approximately $21.4 million in cash on hand, and $1,821 million in aggregate outstanding principal amount of funded debt obligations, detailed below.

[6] Non-Debtor SPS – Providea Limited's parent, Debtor Providea Conferencing, LLC, has pledged 65% of SPS – Providea Limited's equity as collateral under the Debtors' prepetition funded debt obligations. SPS – Providea Limited is not otherwise an obligor or guarantor under those facilities. Non-Debtor C1 India's parent, Debtor C1 Inc., has pledged 65% of C1 India's equity as collateral under the Debtors' prepetition funded debt obligations. C1 India is not otherwise an obligor or guarantor under those facilities.

Funded Debt	Maturity	Principal Amount Outstanding ($ millions)
Prepetition ABL Credit Agreement	April 2025	$190
Prepetition First Lien Term Loan Credit Agreement	January 2026	$1,061
Prepetition KL Note Purchase Agreement	January 2026	$75
Prepetition PVKG Note Purchase Agreement	June 2028	$220
Prepetition Second Lien Term Loan Credit Agreement	January 2027	$275
TOTAL		**$1,821**

(i) Prepetition ABL Facility

Under its Amended and Restated ABL Credit Agreement dated as of January 4, 2019 (as amended by Amendment No. 1 dated as of July 10, 2022, Amendment No. 2 dated as of September 14, 2022, Amendment No. 3 dated as of January 23, 2023, and Amendment No. 4 dated as of August 29, 2023, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, the "**Prepetition ABL Credit Agreement**") by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, Wells Fargo Commercial Distribution Finance, LLC, as administrative agent, collateral agent, and floorplan funding agent (in such capacities, the "**Prepetition ABL Agent**"), and as swing line lender, and the lenders from time to time party thereto (together with the Prepetition ABL Agent and other secured parties under the Prepetition ABL Credit Agreement, the "**Prepetition ABL Secured Parties**"), the Prepetition ABL Secured Parties agreed to provide C1 Holdings with a secured revolving credit loan with aggregate availability of $250 million, subject to compliance with a borrowing base, various sublimits applicable to swingline loans, letters of credit, and floorplan advances otherwise authorized under the Prepetition ABL Credit Agreement, and various reserves that may be established in accordance with the Prepetition ABL Credit Agreement (the "**Prepetition ABL Facility**").

As of the Petition Date, an aggregate balance of approximately $190 million, including revolving loans, floorplan obligations, and accrued and unpaid interest, remains outstanding under the Prepetition ABL Facility. The Company is unable to access the remaining availability under the Prepetition ABL facility due to the Prepetition ABL Credit Agreement's borrowing base limitations, reserves and sublimits, and minimum availability requirements. The obligations under the Prepetition ABL Facility are secured by a first priority security interest in substantially all of the Debtors' assets, subject to the intercreditor agreements described below. The Prepetition ABL Facility matures in April 2025.

(ii) Prepetition First Lien Term Loan Credit Agreement

Under the terms of a certain First Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by Amendment No. 1 dated as of March 14, 2019 and Amendment No. 2 dated as of December 17, 2021, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, the "**Prepetition First Lien Term Loan Credit Agreement**") by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, Deutsche Bank AG New York Branch, as administrative agent and collateral agent (in such capacities, the "**Prepetition First Lien Term Loan**

Agent"), and certain lenders from time to time party thereto (together with the First Lien Term Loan Agent, the "**Prepetition First Lien Term Loan Secured Parties**"), the Prepetition First Lien Term Loan Secured Parties agreed to provide C1 Holdings with initial term loans in the principal amount of $960 million and incremental term loans in the principal amount of $150 million, resulting in aggregate borrowings under the Prepetition First Lien Term Loan Credit Agreement of $1.110 billion in principal (the "**Prepetition First Lien Term Loan Facility**").

As of the Petition Date, approximately $1.1 billion of obligations, including accrued and unpaid interest and OID, are outstanding under the Prepetition First Lien Term Loan Facility. C1 Holdings' obligations under the Prepetition First Lien Term Loan Facility are guaranteed by each of its Debtor subsidiaries and PVKG Intermediate. The Debtors' obligations under the Prepetition First Lien Term Loan Facility are secured by a first priority security interest in substantially all assets of the Debtors, subject to the intercreditor agreements described below. The Prepetition First Lien Term Loan Facility matures in January 2026.

(iii) Prepetition KL Note Purchase Agreement

Under the terms of a First Lien Secured Note Purchase Agreement dated as of July 10, 2020 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, the "**Prepetition KL Note Purchase Agreement**") by and among C1 Holdings, as issuer, PVKG Intermediate, as holdings, Deutsche Bank Trust Company, as administrative agent and collateral agent (the "**Prepetition KL Notes Agent**"), certain affiliates of Kennedy Lewis Investment Management LLC as holders party thereto ("**Kennedy Lewis**"), and any other holder from time to time party thereto (together with the Prepetition KL Notes Agent, the "**Prepetition KL Notes Secured Parties**"), C1 Holdings issued senior secured notes to Kennedy Lewis in the aggregate principal amount of $75 million (the "**Prepetition KL Notes**").

As of the Petition Date, approximately $78.8 million of obligations, including accrued and unpaid interest and OID, are outstanding under the Prepetition KL Notes. C1 Holdings' obligations under the Prepetition KL Notes are guaranteed by each of its Debtor subsidiaries and PVKG Intermediate. The obligations under the Prepetition KL Notes are secured by a first priority security interest in substantially all of the Debtors' assets, subject to the intercreditor agreements described below. The Prepetition KL Notes mature in January 2026.

(iv) Prepetition PVKG Note Purchase Agreement

Under the terms of the Third Amendment and Restatement to Promissory Note and Purchase and Cashless Exchange Agreement dated as of July 6, 2023 (the "**Prepetition PVKG Note Purchase Agreement**")[7] by and among parties including C1 Holdings, as issuer, and PVKG Investment Holdings Inc. (an entity controlled by CVC), as holder (in such capacity, "**PVKG Lender**") and as administrative agent and collateral agent (in such capacities, the "**Prepetition PVKG Notes Agent,**" and in its capacities as holder, administrative agent, and collateral agent, the "**Prepetition PVKG Notes Secured Parties**"), C1 Holdings issued senior secured notes to PVKG Lender in the principal amount of approximately $160 million, and rolled up approximately $33 million of notes previously issued to PVKG Lender, resulting in a total principal balance of approximately $193 million (the "**Prepetition PVKG Notes**"). The Prepetition PVKG Notes Secured Parties, together with the Prepetition First Lien Term Loan Secured Parties and the Prepetition KL Note Secured Parties are referred to as the "**Prepetition First Lien Secured Parties**."

As of the Petition Date, pursuant to a settlement of claims related to the Prepetition PVKG Notes, the parties thereto have agreed that $213 million of obligations, including paid-in-kind interest added to principal and amortized OID, but excluding prepayment premiums and unamortized OID, remain

[7] The Prepetition PVKG Note Purchase Agreement is further discussed in Part V below.

outstanding under the Prepetition PVKG Notes. C1 Holdings' obligations under the Prepetition PVKG Notes are guaranteed by each of its Debtor subsidiaries and PVKG Intermediate. The obligations under the Prepetition PVKG Notes are secured by a first priority security interest in substantially all of the Debtors' assets, subject to the intercreditor agreements described below. The Prepetition PVKG Notes mature in June 2028.

(v) Prepetition Second Lien Term Loan Credit Agreement

Under the terms of a Second Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by Amendment No. 1 dated as of July 10, 2022, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, the "**Prepetition Second Lien Credit Agreement**") by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, UBS AG, Stamford Branch, as administrative agent and collateral agent (in such capacities, the "**Prepetition Second Lien Agent**"), and certain lenders from time to time party thereto (together with the Prepetition Second Lien Agent, the "**Prepetition Second Lien Secured Parties**"), the Prepetition Second Lien Secured Parties provided C1 Holdings with a single-draw secured term loan in the aggregate principal amount of $275 million (the "**Prepetition Second Lien Facility**").

As of the Petition Date, approximately $287 million of obligations, including accrued and unpaid interest but excluding unamortized OID, are outstanding under the Prepetition Second Lien Facility. C1 Holdings' obligations under the Prepetition Second Lien Facility are guaranteed by each of its Debtor subsidiaries and PVKG Intermediate. The obligations under the Prepetition Second Lien Facility are secured by a second priority security interest in substantially all assets of the Debtors. The Prepetition Second Lien Facility matures in January 2027.

(vi) Prepetition Intercreditor Agreements

A series of intercreditor agreements govern the relative lien and payment priorities of the Prepetition ABL Secured Parties, the Prepetition First Lien Secured Parties, and the Prepetition Second Lien Secured Parties (together, the "**Prepetition Secured Parties**").

Under an ABL Intercreditor Agreement dated as of January 4, 2019 (as amended by that certain ABL Intercreditor Agreement Joinder dated as of May 15, 2023 and as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, the "**Prepetition ABL Intercreditor Agreement**") by and among the Prepetition ABL Agent, the Prepetition First Lien Term Loan Agent, Prepetition KL Notes Agent, and the Prepetition PVKG Notes Agent, the liens held by the Prepetition ABL Secured Parties on specified collateral, including the Debtors' cash, accounts receivable, and inventory, have priority over the liens held by the Prepetition First Lien Secured Parties on that collateral. Conversely, the liens held by the Prepetition First Lien Secured Parties on certain collateral other than the Debtors' cash, accounts receivable, and inventory have priority over the liens on that collateral held by the Prepetition ABL Secured Parties.

Under the terms of a First Lien Pari Passu Intercreditor Agreement dated as of January 10, 2020 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among the Prepetition First Lien Term Loan Agent, Prepetition KL Notes Agent, and the Prepetition PVKG Notes Agent, the parties agreed that they would be *pari passu* with respect to the priority of their liens on common collateral and that any payments in respect of their common collateral would be made Pro Rata, subject to the provisions of the Prepetition ABL Intercreditor Agreement.

Finally, under the terms of a certain Intercreditor Agreement dated as of January 4, 2019 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date) governing the respective rights, interest, obligations, priority, and positions of the Prepetition First Lien Secured Parties and the Prepetition Second Lien Secured Parties, the liens securing the Prepetition ABL

Credit Facility, Prepetition First Lien Term Loan Facility, Prepetition KL Notes, and Prepetition PVKG Notes have priority over the liens securing the Prepetition Second Lien Facility.

(vii) Prepetition Unsecured Trade Debt

As of the Petition Date, the Debtors estimate that their unsecured trade debt totals approximately $155 million. The Debtors have filed a motion seeking the authority to pay the undisputed prepetition claims of certain critical vendors, foreign vendors, lien claimants, and vendors holding claims entitled to priority under section 503(b)(9) of the Bankruptcy Code, in order to preserve the Debtors' partnerships with these vendors and the Debtors' ability to continue operating in the ordinary course during the pendency of these Chapter 11 Cases. Because C1 Inc. is the Company's main operating entity, a substantial majority of the Debtors' total prepetition trade debt is owed by C1 Inc.

V. EVENTS LEADING TO THE CHAPTER 11 FILINGS

A. Prepetition Challenges Faced by the Company

C1 has a long history of generating significant cash flows and working in conjunction with its channel partners to deliver IT services and bring its own technology products to market. C1's core business model, operating as an innovative, global IT services company, remains sound. However, three recent challenges have created an immediate need for additional liquidity: (i) the Company's highly leveraged capital structure has resulted in significantly higher cash interest costs in the current interest rate environment, (ii) the Company faced customer delays resulting from the financial distress of one of its leading technology partners in the second half of 2022 and the first half of 2023, resulting in staggered and diversified customer contracts and product and software purchasing patterns, and (iii) downgrades of the Company's credit rating have resulted in supplier pressures, including credit reductions and other restrictive trade terms. These challenges, along with other macroeconomic headwinds, have impacted C1's operations and its liquidity position.

The Company has been forced to divert an increasing amount of cash for rising interest payments on its funded debt. The Federal Reserve increased interest rates by approximately 5.00% between March 2022 and August 2023, resulting in the interest costs on C1's funded debt increasing by approximately $55 million on an annualized basis.

Also beginning in 2022, concerns over the financial health of one of the Company's leading OEM partners began to grow and accelerated with the OEM's latest bankruptcy filing in February 2023. This led to customers staggering their contract renewals and purchasing throughout C1's services and product operating segments. The OEM's liquidity issues also slowed the development of its next generation of products and solutions, limiting what C1 could sell to its customers and requiring the Company to try to source other solutions from its partners. As a result, this substantially depressed C1's 2022 and 2023 earnings, due to the OEM's position as one of C1's top global partners. With the OEM's bankruptcy filing now twelve months behind, market confidence in its products and services is on the rise.

Simultaneously, lower than forecasted revenues in 2023 required the Company to stretch payment terms with its vendors, driving up its accounts payable balance. Although the Company ultimately returned its vendors to normal payment terms after raising additional capital in July 2023, a downgrade by the rating agencies caused some vendors to impose more onerous payment and credit terms, which further strained the Company's liquidity.

B. Prepetition Initiatives Pursued by the Company

C1 launched several operational and other strategic efforts over the last year to counteract these challenges and stabilize its business.

1. Operational Initiatives

C1 pursued various operational initiatives designed to improve operating efficiency and performance, reduce costs, increase liquidity, and improve the Company's overall balance sheet profile.

(a) Cost-Cutting Initiatives

In the first quarter of 2023, the Company began implementing cost-cutting measures primarily impacting the Company's headcount, sales expenses, general and administrative expenses, and discretionary spending. By the fourth quarter of 2023, these initiatives had already generated approximately $86 million in run-rate savings for the Company and are expected to total more than $100 million in savings when all initiatives are fully executed.

These cost-saving measures included the following initiatives, among others: (a) reducing the Company's employee headcount and its use of domestic independent contractors by moving certain positions to C1 India and finding more cost-effective third-party alternatives for certain in-house departments; (b) automating various employee functions, including customer payment, contract renewal, and work order scheduling processes; (c) exiting unnecessary third-party IT, software maintenance, and support contracts; (d) delayering sales management teams; (e) unifying its presales and sales engineering groups that were unnecessarily spread across the business; (f) simplifying the review and approval processes for new sales and customer contracts; (g) streamlining the sales function by consolidating seventeen separate sales regions into four sales segments; (h) exiting various real estate leases and decreasing discretionary maintenance spending; (i) reducing advertising and marketing spending by emphasizing the Company's own talent in-house and working directly with vendors on paid and sponsored media; and (j) minimizing redundant third-party spending, as well as travel and entertainment expenses. The Company will continue to evaluate its cost-saving initiatives during the Chapter 11 Cases and may implement additional measures that are consistent with its go-forward business plan.

(b) New Management Team

In January 2023, the Company appointed Jeffrey S. Russell to serve as its Chief Executive Officer. Mr. Russell has over 35 years of technology services and business advisory experience, including most recently serving as the President and Chief Executive Officer of Accenture Canada. During his tenure as Chief Executive Officer of Accenture Canada, Mr. Russell led the company through three years of strong cross-industry market share growth and significantly increased top-line revenue and profitability.

In addition, the Company filled four other key executive leadership positions beginning in late 2022. In January 2023, Mr. Salvatore Lombardi was appointed Chief Financial Officer. Mr. Lombardi has over 20 years of experience in global finance and operations, including his most recent experience as Chief Financial Officer and Managing Director of cxLoyalty, a leading provider of loyalty and travel solutions that was recently acquired by JPMorgan Chase. In June 2023, Amrit Chaudhuri was appointed Chief Growth Officer. Mr. Chaudhuri has over 15 years of technology marketing experience and most recently served as Executive Vice President and Chief Marketing Officer at 8x8 and RingCentral. In August 2023, Meghan Keough was appointed Chief Marketing Officer. Ms. Keough has more than 20 years of experience in corporate and product marketing, product management, alliances, and business development, and most recently served as Senior Vice President at 8x8. Finally, in September 2023, John DeLozier was appointed Chief Revenue Officer. Mr. DeLozier has over 30 years of experience as an executive in the technology industry, including serving as President of Intelisys and Senior Vice President at 8x8 and CenturyLink.

2. Strategic Initiatives

In addition to the operational efforts detailed above, C1 undertook various strategic initiatives to address the challenges facing the Company. These measures included: raising liquidity through the Prepetition PVKG Notes, appointing two independent and disinterested directors to the boards of PVKG Intermediate and C1 Holdings, creating a special committee of those boards (the "**Special Committee**") to

consider strategic alternatives (including potential financing or recapitalization transactions), and engaging with key creditor constituencies regarding the terms of potential comprehensive restructuring transactions. In connection with these measures, C1 engaged the Advisors.

(a) Prepetition PVKG Note Purchase Agreement and Out-of-Court Restructuring Efforts

By March 2023, the Company's liquidity was becoming strained as its working capital declined and its accounts payable balance grew. To help address these liquidity pressures, on March 24, 2023, PVKG Lender (an entity controlled by CVC) advanced approximately $30 million to C1 Inc. under an unsecured promissory note (the "**Original PVKG Lender Note**"). The Company used the loan proceeds to pay down its accounts payable balance.

On May 14, 2023, the Original PVKG Lender Note was assigned to C1 Holdings from C1 Inc. under the terms of an Issuer Assignment and Assumption Agreement. On May 15, 2023, PVKG Lender and C1 Holdings, along with various of its affiliates, agreed to amend and secure the Original PVKG Lender Note on a first lien basis in exchange for a reduction in the interest rate on the Original PVKG Lender Note. As part of this amendment, PVKG Intermediate, C1 Holdings, and their domestic subsidiaries executed the First Lien Promissory Note Guarantee and Collateral Agreement.

Meanwhile, despite the much-needed liquidity provided by the Original PVKG Lender Note, the Company's accounts payable balance had continued to climb in April and May 2023. On June 1, 2023, PVKG Lender advanced an additional approximately $3.2 million to the Company through an increase to the Original PVKG Lender Note. The Company again used the proceeds to address its growing accounts payable balance.

Unfortunately, the Company's liquidity then continued to worsen through June 2023 and the Company projected an approximately $160 million liquidity need to address outstanding accounts payable and interest costs by July 2023. To address this shortfall, the Company and its advisors considered various potential financing and other strategic alternatives that might be available to the Company.

In April and May, the Company, with the assistance of its advisors, explored several potential options. Then, beginning in May 2023, the Company initiated discussions with an ad hoc group of Holders of First Lien Claims (the "**First Lien Ad Hoc Group**") and an ad hoc group of Holders of Second Lien Claims (the "**Second Lien Ad Hoc Group**") regarding the terms of a potential financing transaction. In June 2023, the Company engaged in discussions with CVC regarding a potential alternative financing transaction. The Company engaged in several rounds of negotiations with these parties on the terms of various proposals, and management and directors met regularly and extensively, including with the Company's advisors, to discuss the proposals and the Company's funding needs.

Ultimately, after exploring various options and repeatedly pressing for the best available terms, the Company decided to move forward with a financing transaction with PVKG Lender, determining that it provided the most favorable terms for the Company, including greater access to liquidity, lowest execution risk, and the quickest timing to close. By this time, the Company was on the brink of failure and immediate access to capital was crucial. On July 6, 2023, after multiple rounds of negotiations with PVKG Lender, the disinterested directors of ConvergeOne Investment LP and C1 Holdings approved the terms of the transaction.

Under the terms of the Prepetition PVKG Note Purchase Agreement, PVKG Lender rolled up the Original PVKG Lender Note and provided approximately $160 million in face value of new money financing to the Company in three payments of approximately: (a) $32 million on July 6, 2023, (b) $84 million on July 13, 2023, and (c) $44 million on August 30, 2023. As a result, the total principal amount of the Prepetition PVKG Notes includes both the amounts under the Original PVKG Lender Note and the new money investment. The PVKG Lender Amended Notes provide for an interest rate of 21.75% per

annum payable in kind, were issued with a 7.0% OID on the new money portion, and include a "Prepayment Premium" provision, triggered by, among other events, a chapter 11 filing.

Although the proceeds of the Prepetition PVKG Notes immediately eased the Company's liquidity needs, they did not ultimately solve fundamental issues facing the Company, including rising interest rates and the fact that some vendors, even after receiving payment from the Company, refused to extend credit terms to the Company going forward. Among other challenges, the Company was unable to secure consents to replace the LIBOR benchmark rate with the SOFR rate following the discontinuation of LIBOR. The Company had approached the First Lien Ad Hoc Group and Second Lien Ad Hoc Group seeking to amend the Prepetition First Lien Term Loan Credit Agreement and the Prepetition Second Lien Term Loan Credit Agreement and proposed certain SOFR transition provisions, but ultimately the Company did not reach agreement with the First Lien Ad Hoc Group and the Second Lien Ad Hoc Group. By November 2023, the Company began re-engaging with its advisors to evaluate additional alternatives and assist with contingency planning efforts.

(b) Enhanced Corporate Governance Measures and Discussions of a Comprehensive In-Court Restructuring

In connection with its contingency planning efforts, Larry J. Nyhan and Sherman K. Edmiston III were appointed to the boards of directors for PVKG Intermediate and C1 Holdings as independent and disinterested directors. Then, in January 2024, the Special Committee was formed to review, evaluate, and approve strategic and financial alternatives, including the possibility of seeking additional financing or undertaking a recapitalization transaction or other reorganization or restructuring. The Special Committee is comprised of Mr. Russell, Mr. Nyhan, and Mr. Edmiston. Mr. Nyhan has served on the boards of several distressed companies and has extensive experience in corporate restructuring having served as co-chairman of Sidley Austin LLP's corporate restructuring and bankruptcy group. Mr. Edmiston currently serves on the boards of several companies and as a managing member of HI CapM Advisors, a consulting group that provides advisory services to corporations, hedge funds, and asset managers.

In January 2024, the Debtors engaged with the First Lien Ad Hoc Group, PVKG Lender (in its capacities as both a secured lender and equity holder), and the Prepetition ABL Secured Parties to discuss the terms of a potential in-court restructuring. In February 2024, the Debtors likewise engaged with the Second Lien Ad Hoc Group to discuss the terms of a comprehensive restructuring transaction. As a result of these negotiations, the Special Committee concluded that the restructuring transactions contemplated by the RSA would provide the Debtors with immediate access to much-needed liquidity and a path to delever their capital structure in a meaningful way that would not be possible out of court.

(c) Entry into RSA

Following extended arm's-length negotiations between the Debtors, the First Lien Ad Hoc Group, the Prepetition ABL Secured Parties, PVKG Lender, and the Second Lien Ad Hoc Group regarding the optimal path forward, on April 3, 2024, the Debtors entered into the RSA, a copy of which is attached hereto as **Exhibit B**. The RSA provides that members of the First Lien Ad Hoc Group and PVKG Lender holding more than 81% of the first lien claims, as well as members of the Second Lien Ad Hoc Group holding 81% of the second lien term loan claims, will support and vote in favor of a Plan that will implement a significant deleveraging of the Debtors' balance sheet. In addition, pursuant to the RSA, the claims of PVKG Lender are deemed allowed under the Plan at $213 million, and the parties to the RSA (including the First Lien Ad Hoc Group whose claims are *pari passu* with PVKG Lender) have agreed to such allowance.

Following careful consideration, including an investigation into surrounding circumstances, on April 2, 2024, the Special Committee approved the Debtors' entry into the RSA and the filing of the Chapter 11 Cases. The Debtors believe that the comprehensive restructuring contemplated by the RSA provides the

Company with a value-maximizing path forward and will right-size the Company's capital structure in a manner that will ensure the viability of the Company's business as a going concern.

C. Debtor-in-Possession Financing and Use of Cash Collateral

During these Chapter 11 Cases, the Debtors will use the cash generated from their operations, in addition to current cash on hand of $21.4 million, to (a) satisfy payroll obligations, (b) honor postpetition obligations owed to customers and vendors, (c) maintain insurance coverage, (d) pay taxes, and (e) make any other payments essential to the continued management, operation, and preservation of the Debtors' business. The Debtors and their Advisors have reviewed the Debtors' liquidity needs during these Chapter 11 Cases and prepared a 13-week cash flow forecast (the "**DIP Budget**") that projects the Debtors' weekly cash receipts, cash disbursements, and liquidity. The Debtors and their Advisors continued to update the DIP Budget leading up to the Petition Date to account for changes in the Debtors' funding needs resulting from, among other things, the estimated timing of the commencement of these Chapter 11 Cases and ongoing discussions with the Debtors' largest vendors regarding their open accounts payable balances.

Based upon the DIP Budget, the Debtors and their Advisors do not believe the Debtors will have sufficient liquidity to manage their estates solely by using cash generated from operations and cash on hand as of the Petition Date. Accordingly, the Debtors will seek access to further liquidity and financial accommodations provided by two debtor-in-possession financing facilities during the Chapter 11 Cases.

First, the Debtors will seek approval of the "**ABL DIP Facility**." The ABL DIP Facility is a superpriority secured first lien asset-based debtor-in-possession lending facility in the aggregate principal amount of $250 million that will allow continued access to the Debtors' prepetition revolving credit facility, subject to certain modifications set forth in the DIP Orders. The ABL DIP Facility will preserve the Debtors' access to their prepetition revolving credit line that they will use for daily working capital needs. The ABL DIP Facility will also contain a specific feature that is critical to the Debtors' continued ordinary course operations during these Chapter 11 Cases: a floorplan facility, which will allow the Debtors to rapidly finance the purchase of products, software, and services from certain of the Debtors' leading global technology partners and vendors. Under the floorplan facility, the Debtors will be authorized to submit purchase orders to the Prepetition ABL Agent, who is then obligated to advance amounts due to the applicable vendor under those purchase orders promptly upon shipment. As a result, the floorplan facility will expedite payments to vendors and, in turn, expedite shipments of products, software, and services to the Debtors and their customers. Any floorplan obligations then will become revolving obligations under the Prepetition ABL Facility, allowing the Debtors to immediately purchase products, software, and services from vendors and delay payment until the Debtors determine to pay down their outstanding obligations under the Prepetition ABL Facility.

The Prepetition ABL Agent is requiring all amounts outstanding under the floorplan facility be converted into postpetition obligations of the Debtors as a condition to entering into the ABL DIP Facility, which permits continued access to the floorplan postpetition. Losing access to the floorplan facility will have an immediate, severe, and negative impact on the Debtors' continued operations by, among other things, causing the cancellation of all pending floorplan orders, delaying future shipments, and impairing the Debtors' ability to service their customers. There are currently pending floorplan orders of $10 million waiting to be shipped that, if cancelled under the floorplan facility, would have to be immediately financed by the Debtors from available cash, rather than through the floorplan. Based on the DIP Budget, the Debtors will not have sufficient liquidity to make those payments directly, and the failure to immediately pay the amounts due on the corresponding purchase orders will interrupt the Debtors' delivery of goods and services to their customers.

In addition, the floorplan facility cannot simply be replaced by a third-party revolving credit provider. The Prepetition ABL Agent is able to offer the floorplan facility because of its existing relationships with the Debtors' top vendors who are authorized to receive floorplan financing under the Prepetition ABL Facility. There is no assurance that any third-party financing provider has these same

relationships, or that the Debtors' vendors would accept replacement financing from a third-party provider. And, even if a third-party could replace the floorplan facility, all existing orders would need to be cancelled and then re-submitted to the new third-party financing provider's floorplan facility—which would still cause material delay in the Debtors' ordinary course operations, obstruct the Debtors' delivery of goods and services to their customers, and impede the Debtors' seamless transition into these Chapter 11 Cases.

The Debtors presently lack availability under the Prepetition ABL Facility to incur new floorplan obligations. In order for the Debtors to continue using the floorplan facility during the Chapter 11 Cases, the Debtors also must pay down existing amounts owed under the Prepetition ABL Facility in order to create new availability for postpetition floorplan orders and obligations in the ordinary course of business.

As a result, to ensure continued access to the floorplan facility and preserve the ability to incur new floorplan obligations, the ABL DIP Facility contemplates the "**ABL Roll-Up**." The ABL Roll-Up will provide for the following: (i) upon entry of the Interim DIP Order, all existing floorplan obligations owed under the floorplan facility will immediately convert on a cashless basis into obligations under the ABL DIP Facility; (ii) upon entry of the Interim DIP Order, the Debtors will be authorized to pay down amounts owing under the Prepetition ABL Facility with proceeds from the Debtors' term loan debtor-in-possession financing facility (discussed below), which will result in a corresponding increase in availability under the ABL DIP Facility for postpetition obligations, including floorplan obligations; and (iii) upon entry of the Final DIP Order, any remaining outstanding Prepetition ABL Facility obligations will convert on an automatic, cashless basis into obligations under the ABL DIP Facility.

Without the ABL Roll-Up, among other terms in the ABL DIP Facility and proposed DIP Orders, the Prepetition ABL Agent would not be willing to enter into the ABL DIP Facility, including the floorplan facility, or consent to the use of cash collateral. The Debtors therefore have agreed to terms of the ABL DIP Facility, including the ABL Roll-Up, in order to preserve access to their revolving credit line and floorplan facility, and to avoid material interruptions to their ordinary course options.

Second, in addition to the ABL DIP Facility, the Debtors will seek approval of the "**Term DIP Facility**." The Term DIP Facility is a super-senior multi-draw term loan facility of $215 million, with an initial draw of $145 million and a second draw of $70 million. Proceeds from the first draw will be used to pay down the Prepetition ABL Facility (increasing availability for postpetition floorplan obligations), to fund critical vendor payments and other relief requested in the Debtors' first day motions (if approved by the Court), and for general corporate purposes. Both draws will be funded upon entry of the Interim DIP Order. While the second draw will be immediately funded, it will be held in escrow pending entry of the Final DIP Order. Under the restructuring transactions contemplated by the RSA, obligations under the Term DIP Facility will be repaid in full at emergence from the proceeds of an equity rights offering for the reorganized Debtors. The Term DIP Lenders would not allow borrowing under the Term DIP Facility or the use of cash collateral except on the terms set forth in the Term DIP Documents (as defined in the DIP Motion discussed below).

As laid out more fully in the *Declaration of Evan Levine in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Claims, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* (the "**DIP Declaration**" in support of the "**DIP Motion**"), the ABL DIP Facility and the Term Loan DIP Facility are the product of extensive, arm's-length prepetition negotiations between the Debtors, the Prepetition ABL Agent, and the Consenting Lenders, and are the best proposals that the Debtors received for that financing.

The terms of the ABL DIP Facility, the ABL DIP Facility Documents, the Term Loan DIP Facility, and the Term Loan DIP Facility Documents, including the DIP Budget, and the form and amount of adequate protection to be provided to the Prepetition Secured Parties, are fair and appropriate under the circumstances and in the best interests of the Debtors' estates. The transactions set forth in the RSA and

the Plan, which contemplate the Debtors' entry into the ABL DIP Facility and Term Loan DIP Facility, will ensure that the Debtors' customers and vendors have a financially strong business partner during these Chapter 11 Cases, provide a viable path forward to maximize value for creditors and other parties in interest, and will position the Debtors for long-term success.

VI. ANTICIPATED EVENTS IN THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases

In accordance with the RSA, the Debtors anticipate filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code on or about April 3, 2024. The filing of the petitions will commence these Chapter 11 Cases at which time the Debtors will be afforded benefits under and become subject to the limitations of the Bankruptcy Code.

The Debtors intend to continue their operations in the ordinary course during the pendency of these Chapter 11 Cases. To facilitate the efficient and expeditious implementation of the Plan through these Chapter 11 Cases, and to minimize disruptions to the Debtors' operations on the Petition Date, the Debtors intend to seek to have these Chapter 11 Cases assigned to the same bankruptcy judge and administered jointly and to file various motions seeking important and urgent relief from the Bankruptcy Court. Such relief, if granted, will assist in the administration of these Chapter 11 Cases; however, there can be no assurance that the requested relief will be granted by the Bankruptcy Court.

B. First Day Motions

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "**Petitions**"), the Debtors intend to file several motions (the "**First Day Motions**") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations. The Debtors intend to seek the following relief on the Petition Date to maintain their operations in the ordinary course, amongst other relief:

- continue paying employee wages and benefits;
- continue the use of the Debtors' cash management system, bank accounts, and business forms;
- continue insurance programs and surety bond program;
- pay certain prepetition taxes, fees, and assessments;
- pay all trade claims;
- establish procedures for utility companies to request adequate assurance of payment and to prohibit utility companies from altering or discontinuing service;
- continue shared service arrangements with non-debtor entities in the ordinary course of business; and
- use cash collateral and obtain approval for debtor-in-possession financing.

The First Day Motions, and all orders for relief entered in the Chapter 11 Cases, can be viewed free of charge at https://dm.epiq11.com/C1 once they are filed.

C. Procedural Motions

The Debtors intend to file various motions that common to chapter 11 proceedings of similar size and complexity as these Chapter 11 Cases, including applications to retain various processionals to assist the Debtors in these Chapter 11 Cases.

D. Timetable for These Chapter 11 Cases

In accordance with the RSA, the Debtors have agreed to proceed with the implementation of the Plan through these Chapter 11 Cases. Among the milestones contained in the RSA is the requirement that the Debtors shall have filed the Plan and Disclosure Statement with the Bankruptcy Court within one (1) calendar day after the Petition Date. The RSA requires that the Bankruptcy Court enter an order provisionally approving the adequacy of the Disclosure Statement no later than three (3) calendar days after the Petition Date. The RSA also requires that the Bankruptcy Court enter an order confirming the Plan within sixty (60) calendar days after the Petition Date. The Debtors believe they can achieve the various milestones under the RSA, the occurrence of which is crucial to reorganizing the Debtors successfully.

VII. OTHER KEY ASPECTS OF THE PLAN

This section of this Disclosure Statement summarizes some of the significant elements of the Plan. This summary is qualified in its entirety by reference to the Plan. The Debtors encourage all Holders of Claims entitled to vote on the Plan to review the Plan closely.

A. Unclassified Claims

1. Unclassified Claims Summary

Administrative Claims, DIP Claims, Professional Fee Claims, Restructuring Expenses, 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. The treatment of unclassified Claims is set forth in Article II of the Plan. The Claim treatment for such unclassified Claims is set forth below:

(a) Administrative Claims

On the Effective Date, except to the extent that a Holder of an Allowed Administrative Claim agrees to different treatment, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Claim, payment in full in Cash.

(b) DIP Claims

(i) ABL DIP Facility Claims

On the Effective Date, in full and final satisfaction of the Allowed ABL DIP Facility Claims, (a) ABL DIP Facility Claims that are being converted to Exit ABL Facility Loans or other outstandings thereunder (such as letters of credit and floorplan advances, as provided below) shall be refinanced by the Exit ABL Facility in the amount of the remaining ABL DIP Facility Claims after such pay down by means of a cashless settlement, (b) ABL DIP Facility Claims that are not being converted to Exit ABL Facility Loans shall be indefeasibly paid in full in Cash, and (c) accrued interest and fees under the ABL DIP Facility shall be paid in full in Cash immediately prior to the conversion of ABL DIP Loans to Exit ABL Facility Loans. With respect to the amount of the ABL DIP Facility refinanced by means of a cashless settlement, (i) all principal amount of ABL DIP Loans (as defined in the ABL DIP Credit Agreement) (including Swingline Loans and floorplan advances) shall be on a one-to-one basis automatically converted to and deemed to be Exit ABL Facility Loans, (ii) the Letters of Credit (as defined in the ABL DIP Credit Agreement) issued and outstanding under the ABL DIP Credit Agreement shall automatically be converted to letters of credit deemed to be issued and outstanding under the Exit ABL Facility Documents, and (iii) all Collateral that secures the Obligations (each as defined in the ABL DIP Credit Agreement) under the ABL DIP Credit Agreement that shall also secure the Exit ABL Facility shall be reaffirmed, ratified, and shall automatically secure all Obligations under the Exit ABL Facility Documents, subject to the priorities of Liens set forth in the Exit ABL Facility Documents and the Exit Intercreditor Agreement.

For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses related to the ABL DIP Facility shall be paid in full in Cash in accordance with the terms of the DIP Orders and the Plan, as applicable.

(ii) Term DIP Facility Claims

On the Effective Date, in full and final satisfaction of the Allowed Term DIP Facility Claims, each Holder of a Term DIP Facility Claim shall receive its Pro Rata portion of Cash on account of any principal, interest, fees, and expenses outstanding with respect to such Holder's Term DIP Facility Claim as of the Effective Date; *provided*, *however*, that any Holder of a Term DIP Facility Claim can, in lieu of such Cash payment, exercise such Holder's Term DIP Loan Rights on the terms set forth in the Term DIP Term Sheet and pursuant to the terms of the Rights Offering Documents.

For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses related to the Term DIP Facility shall be paid in full in Cash accordance with the terms of the DIP Orders and the Plan, as applicable.

(c) Professional Fee Claims

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than forty-five (45) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Reorganized Debtors shall pay Professional Fee Claims in Cash in the amount the Bankruptcy Court allows, from the Professional Fee Escrow Account as soon as practicable after such Professional Fee Claims are Allowed.

On the Effective Date, the Reorganized Debtors shall fund the Professional Fee Escrow Account with an amount of Cash equal to the Professional Fee Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. When all Allowed Professional Fee Claims have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court.

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the 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.

(d) Restructuring Expenses

The Restructuring Expenses incurred, or estimated to be incurred, up to and including the Effective Date (or, with respect to necessary post-Effective Date matters, after the Effective Date), shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to, the terms set forth herein and in the RSA, without any requirement to File a fee application with the Bankruptcy Court, without the need for itemized time detail, or without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least three (3) Business Days before the anticipated Effective Date; *provided, however*, that such estimates shall not be considered an admission or limitation with respect to such

Restructuring Expenses. On the Effective Date, invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. After the Effective Date, the Debtors and Reorganized Debtors (as applicable) shall continue to pay when due and payable in the ordinary course of their business any unpaid Restructuring Expenses that were incurred on, before, or after the Effective Date.

(e) 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 receive Cash equal to the full amount of its Claim or such other treatment in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

B. Means for Implementation of the Plan

1. General Settlement of Claims and Interests

As discussed in detail in the Plan and as otherwise provided herein, pursuant to section 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 (including the PVKG Note Claims Settlement) resolved pursuant to the Plan, including any challenge to the amount, validity, perfection, enforceability, priority, or extent of the First Lien Claims, whether under any provision of chapter 5 of the Bankruptcy Code, based on any equitable theory, or otherwise. The Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims in any Class are intended to be and shall be final.

2. PVKG Note Claims Settlement

The allowance and treatment of the PVKG Note Claims under the Plan, together with the other terms and conditions set forth in the Plan and the Confirmation Order (including the releases of and by the PVKG Lender set forth herein and in the Confirmation Order), reflects the proposed compromise and settlement of the PVKG Note Claims pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code. The PVKG Note Claims Settlement is incorporated into the Plan and includes the following material terms and conditions:

1. The PVKG Note Claims shall be Allowed on the Effective Date against the Debtors in the amount of $213,000,000.00.

2. The PVKG Note Claims shall receive the treatment as those in Class 3 First Lien Claims. For the avoidance of doubt, the PVKG Lender shall waive any Claims other than the PVKG Note Claims that it may have, including any General Unsecured Claims, if any; *provided* that the foregoing shall not limit the payment or reimbursement of the Restructuring Expenses by the Debtors or the Reorganized Debtors.

3. PVKG Lender, as the Holder of the PVKG Note Claims, shall support Confirmation of the Plan and shall timely submit a ballot accepting the Plan, in each case in accordance with the terms and conditions of the RSA.

The Plan shall be deemed a motion to approve the good faith compromise and settlement of the PVKG Note Claims Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, within the range of reasonableness, and in the best interests of the Debtors and their Estates.

3. Restructuring Transactions

Before, on, and after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall consummate the Restructuring Transactions (which, for the avoidance of doubt, shall be in form and substance acceptable to the Required Consenting Lenders and consistent with the RSA) and may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan that are consistent with and pursuant to the terms and conditions of the Plan, including all actions set forth in Article IV.C of the Plan. Specifically, the Debtors or Reorganized Debtors, as applicable, shall: (1) execute and deliver the Exit Facilities Documents and enter into the Exit Facilities; (2) implement the Rights Offering, the distribution of the Rights to the Eligible Offerees, issue the New Equity Interests in connection therewith, execute and implement the Backstop Agreement in connection therewith; (3) issue the Term DIP Loan Rights and the New Equity Interests in connection therewith; (4) issue and distribute the New Equity Interests as set forth in the Plan; and (5) reserve the Management Incentive Plan Pool.

The Confirmation Order shall and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan.

C. The Reorganized Debtors

On the Effective Date, the New Board shall be established in accordance with the terms of the Governance Term Sheet, and each Reorganized Debtor shall adopt its Governance Documents. The Reorganized Debtors shall be authorized to adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary to consummate the Plan.

The New Board shall be the board of directors or similar Governing Body of New C1 and shall consist of members as designated in accordance with the Governance Term Sheet.

D. Sources of Consideration for Plan Distributions

Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain Securities in connection with the Plan, including the New Equity Interests will be exempt from SEC registration, as described more fully in Article IV.M of the Plan.

1. Exit Facilities

On the Effective Date, the Reorganized Debtors shall enter into the Exit Facilities, the terms of which will be set forth in the Exit Facilities Documents. Confirmation of the Plan shall be deemed final approval of the Exit Facilities and the Exit 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, expenses, and other payments provided for therein and authorization of the Reorganized Debtors to enter into and execute the Exit Facilities Documents and such other documents as may be required to effectuate

the treatment afforded by the Exit Facilities. Execution of the Exit Term Loan Credit Agreement by the Exit Term Loan Agent shall be deemed to bind all Holders of First Lien Claims and all Exit Term Loan Facility Lenders as if each such Holder or Exit Term Loan Facility Lender had executed the Exit Term Loan Credit Agreement with appropriate authorization.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit 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 Facilities Documents, (c) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit 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.

2. Rights Offering

The Debtors shall distribute the Rights to the Eligible Offerees as set forth in the Plan and the Rights Offering Documents, including the Rights Offering Term Sheet, which is attached as Exhibit 4 to the Restructuring Term Sheet, which is attached as Exhibit B to the RSA. Pursuant to the Rights Offering Documents, the Rights Offering shall be open to all Eligible Offerees, and Eligible Offerees shall be entitled to participate in the Rights Offering up to a maximum amount of each such Eligible Offeree's Pro Rata portion (calculated based on the aggregate principal amount of First Lien Claims held by such Eligible Offeree relative to the aggregate principal amount of all First Lien Claims held by Eligible Offerees that exercised, or are deemed to have validly exercised, the Rights Offering Rights and Takeback Term Loan Recovery Option) of the Rights. Each Eligible Offeree (other than Eligible Offerees that are also Investors, who must exercise all of their Rights) may exercise either all, a portion of, or none of its Rights in exchange for Cash (or, if such Eligible Offeree is also a DIP Lender, such Eligible Offeree's Term DIP Loan Rights). The Rights are not separately transferrable or detachable from the First Lien Claims and may only be transferred together with the First Lien Claims.

New C1 shall be authorized to issue the New Equity Interests issuable pursuant to such exercise on the Effective Date pursuant to the terms of the Plan and the Rights Offering Documents.

The Rights Offering will be fully backstopped, severally and not jointly, by the Investors' Backstop Commitment pursuant to the Backstop Agreement. In addition, the Investors will be allocated, and shall purchase and subscribe for, the Direct Investment pursuant to the terms of the Backstop Agreement and Backstop Order. The Reorganized Debtors will issue the Put Option Premium to the Investors on the Effective Date in accordance with the terms and conditions set forth in the Backstop Agreement, the Backstop Order, and the Plan, in respect of their respective Backstop Commitments and Direct Investment Commitments. Pursuant to the terms of the Rights Offering, each Investor may, at its sole option, exercise its Term DIP Loan Rights in satisfaction of its commitments under the Rights Offering and Backstop Agreement.

New Equity Interests issued pursuant to the Rights Offering and the Direct Investment shall be offered (and the Put Option Premium shall be issued) at the Plan Discount.

Entry of the Backstop Order and Confirmation Order shall constitute Bankruptcy Court approval of the Rights Offering, the Direct Investment, the Backstop Commitment, the Direct Investment Commitment, the Put Option Premium, and the Backstop Agreement (including the transactions contemplated thereby, and all actions to be undertaken, undertakings to be made, and obligations to be incurred by New C1 in connection therewith). On the Effective Date, the rights and obligations of the Debtors under the Backstop Agreement shall vest in the Reorganized Debtors, as applicable.

The proceeds of the Rights Offering may be used by the Reorganized Debtors to make distributions pursuant to the Plan and fund general corporate purposes.

When the issuance of New Equity Interests pursuant to the Plan and the Rights Offering Documents would otherwise result in the issuance of a number of shares of New Equity Interests that is not a whole number, the actual issuance of shares of New Equity Interests shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Equity Interests shall be adjusted as necessary to account for the foregoing rounding.

3. New Equity Interests

New C1 shall be authorized to issue a certain number of shares of New Equity Interests pursuant to its Governance Documents. The issuance of the New Equity Interests shall be authorized without the need for any further corporate action. On the Effective Date, the New Equity Interests shall be issued and distributed as provided for in the Description of Transaction Steps to the Entities entitled to receive the New Equity Interests pursuant to, and in accordance with, the Plan.

All of the shares of New Equity Interests issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, including the Governance Documents, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Equity Interests shall be deemed as its agreement to the Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their terms. The New Equity Interests will not be registered under the Securities Act or listed on any exchange as of the Effective Date and are not expected to meet the eligibility requirements of the DTC.

4. Use of Cash

The Debtors or Reorganized Debtors, as applicable, shall use Cash on hand and proceeds of the Rights Offering to fund distributions to certain Holders of Allowed Claims, consistent with the terms of the Plan.

E. Corporate Existence

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be and as contemplated by the Description of Transaction Steps (as defined in the Plan), with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which such Debtor is incorporated or formed and pursuant to the certificate of incorporation and by-laws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

The Reorganized Debtors shall be authorized to dissolve the Debtors or the Reorganized Debtors in accordance with applicable law or otherwise, in each case as contemplated by the Description of Transaction Steps, including, for the avoidance of doubt, any conversion of any of the Debtors or the Reorganized Debtors pursuant to applicable law, and to the extent any such Entity is dissolved, such Entity shall be deemed dissolved pursuant to the Plan and shall require no further action or approval (other than any requisite filings required under applicable state or federal law).

F. Cancellation of Existing Agreements and Interests

On the Effective Date, except with respect to the Exit Facilities, or to the extent otherwise provided in the Plan, including in Article V.A of the Plan, the Confirmation Order, or any other Definitive Document, all notes, instruments, certificates, and other documents evidencing Claims or Interests, including credit agreements and indentures, shall be cancelled and the obligations of the Debtors and any non-Debtor Affiliate thereunder or in any way related thereto shall be deemed satisfied in full, cancelled, discharged, and of no force or effect; *provided*, *however*, that notwithstanding anything to the contrary contained herein, any agreement that governs the rights of the DIP Agents shall continue in effect solely for purposes of allowing the DIP Agents to (i) enforce their rights against any Person other than any of the Released Parties, pursuant and subject to the terms of the DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, (ii) receive distributions under the Plan and to distribute them to the Holders of the Allowed ABL DIP Facility Claims and Allowed Term DIP Facility Claims, in accordance with the terms of DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, (iii) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of Allowed ABL DIP Facility Claims and Allowed Term DIP Facility Claims, in accordance with the terms of DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, and (iv) appear and be heard in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court, including to enforce any obligation owed to the DIP Agents, or Holders of the ABL DIP Facility Claims and Term DIP Facility Claims under the Plan, as applicable. Holders of or parties to such cancelled instruments, securities, and other documentation will have no rights arising from or relating to such instruments, securities, and other documentation, or the cancellation thereof, except the rights, distributions, and treatment provided for pursuant to the Plan.

Notwithstanding the preceding paragraph, any credit agreement or other instrument that governs the rights, claims, and remedies of the Holder of a Claim shall continue in full force and effect for the limited purposes of allowing Holders of Allowed Claims to receive distributions under the Plan and permitting the Reorganized Debtors and any other Distribution Agent, as applicable, to make distributions on account of the applicable Claims.

On the Effective Date, each holder of a certificate or instrument evidencing a Claim or Interest that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture or agreement that governs the rights of such holder of such Claim or Interest. Such surrendered certificate or instrument shall be deemed canceled as set forth in, and subject to the exceptions set forth in, Article IV.H of the Plan.

G. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan shall be deemed authorized and approved in all respects, including: (1) adoption or assumption, as applicable, of the Employment Obligations; (2) selection of the directors, officers, or managers for the Reorganized Debtors in accordance with the Governance Term Sheet; (3) the issuance and distribution of the New Equity Interests; (4) implementation of the Restructuring Transactions, including the Rights Offering; (5) entry into the Exit ABL Facility Documents; (6) entry into the Exit Term Loan Facility Documents; (7) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date); (8) adoption of the Governance Documents; (9) the assumption or assumption and assignment, as applicable, of Executory

Contracts and Unexpired Leases that are not rejected; (10) reservation of the Management Incentive Plan Pool; and (11) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtor, as applicable, 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, officers, or managers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, including the New Equity Interests, the Governance Documents, the Exit ABL Facility, the Exit Term Loan Facility, the Exit ABL Facility Documents, and the Exit Term Loan Facility Documents, any other Definitive Documents, and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by Article IV.I of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

H. Governance Documents

On or immediately prior to the Effective Date, the Governance Documents shall be adopted or amended in a manner consistent with the terms and conditions set forth in the Governance Term Sheet (attached as Exhibit 5 to the Restructuring Term Sheet, which is attached as Exhibit B to the RSA), as may be necessary to effectuate the transactions contemplated by the Plan. Each of the Reorganized Debtors will file its Governance Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation to the extent such filing is required for each such document. The Governance Documents shall prohibit the issuance of non-voting Equity Securities to the extent required under section 1123(a)(6) of the Bankruptcy Code. For the avoidance of doubt, the Governance Documents shall be included as exhibits to the Plan Supplement. After the Effective Date, each Reorganized Debtor may amend and restate its constituent and governing documents as permitted by the laws of its jurisdiction of formation and the terms of such documents.

On the Effective Date, New C1 shall enter into and deliver the New Equityholders' Agreement to each Holder of New Equity Interests, which shall become effective and binding in accordance with their terms and conditions upon the parties thereto without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Entity. On the Effective Date, Holders of New Equity Interests shall be deemed to have executed the New Equityholders' Agreement and be parties thereto, without the need to deliver signature pages thereto.

I. Directors and Officers of the Reorganized Debtors

As of the Effective Date, the term of the current members of the board of directors or other Governing Body of C1 Holdings and PVKG Intermediate shall expire, and the members for the initial term of the New Board shall be appointed in accordance with the Governance Documents. The New Board shall consist of members as designated in accordance with the Governance Term Sheet. The Chief Executive Officer of New C1 shall serve on the board of directors of New C1; all other initial directors shall be appointed by the Required Consenting Lenders, with representation being proportionate to post-emergence equity ownership and subject to agreed-upon sunsets. For the avoidance of doubt, each Initial First Lien Ad Hoc Group Member and the PVKG Lender shall each be entitled to appoint one director to serve on the New Board, so long as such entity is contemplated to receive no less than 10% of the fully diluted New Equity Interests (excluding New Equity Interests reserved for the post-Effective Date Management

Incentive Plan). The identities of directors on the New Board shall be set forth in the Plan Supplement to the extent known at the time of filing. Each such member and officer of the Reorganized Debtors shall serve from and after the Effective Date pursuant to the terms of the Governance Documents and other constituent documents of the Reorganized Debtors.

The Subsequent First Lien Ad Hoc Group Members and the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative as a non-voting observer to the New Board; *provided* that such entitlement shall expire if such holders, at any time, cease to hold in excess of 12.5% of the New Equity Interests in the aggregate.

In addition, the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative to receive materials that were presented to the New Board at any board meeting; *provided, however*, that such representative shall sign a customary non-disclosure agreement (which shall provide that such representative may share such materials with Required Consenting Initial Second Lien Ad Hoc Group Members that are subject to confidentiality restrictions and whose individual holdings exceed 1% of the New Equity Interests), and New C1 shall be entitled to not include any privileged or competitively sensitive information, and such entitlement shall expire if such holders, at any time, cease to hold in excess of 1.0% of the New Equity Interests in the aggregate.

J. Employment Obligations

Unless otherwise provided herein or the Confirmation Order, specifically rejected pursuant to a separate order of the Bankruptcy Court, specifically designated as a contract or lease to be rejected on the Rejected Executory Contract and Unexpired Lease List, or the subject of a separate rejection motion Filed by the Debtors, and subject to Article V of the Plan, all written employment, confidentiality, non-competition agreements, bonus, gainshare and incentive programs (other than awards of stock options, restricted stock units, and other equity awards), discretionary bonus plans or variable incentive plans regarding payment of a percentage of annual salary based on performance goals and financial targets for certain employees, vacation, holiday pay, severance, retirement, retention, supplemental retirement, executive retirement, pension, deferred compensation, indemnification, other similar employee-related agreements or arrangements, retirement income plans, medical, dental, vision, life and disability insurance, flexible spending account, and other health and welfare benefit plans, programs and arrangements that are in effect immediately prior to the Effective Date with the Debtors, (a) shall be assumed by the Debtors and shall remain in place as of the Effective Date, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans as of the Effective Date, or (b) solely with the consent of the Required Consenting Lenders, the Reorganized Debtors shall enter into new agreements with such employees on terms and conditions acceptable to the Reorganized Debtors and such employee; *provided, however*, that the Debtors shall not enter into new agreements with insider employees absent the consent of the Required Consenting Lenders.

Notwithstanding the foregoing, and unless otherwise provided in the Plan Supplement, all plans or programs calling for stock grants, stock issuances, stock reserves, or stock options shall be deemed rejected with regard to such issuances, grants, reserves, and options. The Debtors shall not assume any agreements or obligations relating to the Employee Partnership Sale Units, which shall be cancelled as of the Effective Date and shall receive no payment on account thereof from the Debtors or the Reorganized Debtors. For the avoidance of doubt, no provision in any agreement, plan, or arrangement to be assumed pursuant to the foregoing paragraph relating to the award of equity or equity-like compensation shall be binding on, or honored by, the Reorganized Debtors. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. For the avoidance of doubt, pursuant to section 1129(a)(13) of

the Bankruptcy Code, as of 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.

K. Management Incentive Plan

On the Effective Date, the Management Incentive Plan Pool shall be reserved for management, key employees, and directors of the Reorganized Debtors. Following the Effective Date, the New Board will adopt the Management Incentive Plan, the terms of which, including with respect to participants, form, allocation, structure, and vesting, shall be determined by the New Board. Following the implementation of the Management Incentive Plan, the issuance of the New Equity Interests and any equity reserved for issuance under the Management Incentive Plan (to the extent applicable) shall be authorized without the need for any further corporate action and without any further action by the Debtor and the Reorganized Debtors or any of their equity holders, as applicable.

L. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject to the PVKG Note Claims Settlement and Article VIII of the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the PVKG Note Claims Settlement and the releases and exculpations contained in the Plan, including in Article VIII of the Plan.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **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 it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it. 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, including the PVKG Note Claims Settlement and Article VIII of the Plan**. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court 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.

The Reorganized Debtors reserve and shall retain such Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the corresponding Reorganized Debtor, except as otherwise expressly provided in the Plan, including the PVKG Note Claims Settlement and Article VIII of the Plan. The Reorganized Debtors, through their 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 and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

M. Provisions Regarding Treatment of Executory Contracts and Unexpired Leases

Article V of the Plan contains additional detailed provisions regarding the treatment of Executory Contracts and Unexpired Leases, including, among other things, (i) the procedures for assumption or rejection of Executory Contracts and Unexpired Leases, (ii) the cure of defaults for assumed Executory Contracts and Unexpired Leases, and (iii) the treatment of Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases.

N. Provisions Governing Distributions

Article VI of the Plan contains additional provisions governing Plan distributions, including provisions regarding, among other things, (i) compliance with tax requirements, (ii) undeliverable distributions and unclaimed property, and (iii) Claims paid or payable by third parties.

O. Provisions Governing Disputed Claims and Interests

Article VII of the Plan contains provisions regarding the procedures for resolving Disputed Claims.

P. Settlement, Release, Injunction, and Related Provisions

1. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the Confirmation Order, or in any contract, instrument, or other agreement or document created or entered into pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims or Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

2. Release of Liens

Except as otherwise provided in the Exit Facilities Documents, the Plan, the Confirmation Order, or 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, except for Other Secured Claims that the Debtors elect to Reinstate in accordance with Article III.C.1 of the Plan, 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. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed, at the sole cost and expense of the Reorganized Debtors, to release any collateral or

other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

3. Releases by the Debtors

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Definitive Documents, and the obligations contemplated by the Restructuring Transactions or as otherwise provided in any order of the Bankruptcy Court, and except as expressly provided in the Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged, by and on behalf of the Debtors and the Estates, in each case on behalf of itself and its respective successors, assigns, and representatives and any and all other Persons that may purport to assert any Cause of Action derivatively, by or through the foregoing Persons, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of the Debtors or the Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that the Debtors, the Estates, or their Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or the Estates, the Chapter 11 Cases, the Restructuring Transactions, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated under the Plan, the business or contractual arrangements or interactions between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or an Affiliate of a Debtor, the PVKG Notes Purchase Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the negotiation, formulation, preparation, consummation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan Supplement, the Plan and related agreements, instruments, and other documents, the solicitation of votes with respect to the Plan, the Exit Facilities Documents, the Governance Documents, and all other Definitive Documents, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding the foregoing, nothing in Article VIII.C of the Plan shall or shall be deemed to prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action or liabilities they may have against any Person or Entity that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors.

Notwithstanding anything to the contrary in the foregoing, the releases set forth in the preceding paragraph shall not release any Released Party from any Claim or Cause of Action arising

from an act or omission that is determined by a Final Order to have constituted fraud, willful misconduct, or gross negligence.

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) essential to Confirmation of the Plan; (2) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the Restructuring and implementing the Plan; (3) a good faith settlement and compromise of the Claims released by the Debtor Release; (4) in the best interests of the Debtors and all Holders of Claims and Interests; (5) fair, equitable, and reasonable; (6) given and made after due notice and opportunity for hearing; and (7) 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.

4. Releases by Third Parties

Except as otherwise expressly set forth in the Plan or the Confirmation Order, and except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Definitive Documents, and the obligations contemplated by the Restructuring Transactions or as otherwise provided in any order of the Bankruptcy Court, on and after the Effective Date, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged, by the Releasing Parties, in each case on behalf of itself and its respective successors, assigns, and representatives and any and all other Persons that may purport to assert any Cause of Action derivatively, by or through the foregoing Persons, in each case solely to the extent of the Releasing Parties' authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of the Debtors or the Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that such Holders or their estates, Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or the Estates, the Chapter 11 Cases, the Restructuring Transactions, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated under the Plan, the business or contractual arrangements or interactions between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or an Affiliate of a Debtor, the PVKG Notes Purchase Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the negotiation, formulation, preparation, consummation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan Supplement, the Plan and related agreements, instruments, and other documents, the solicitation of votes with respect to the Plan, the Exit Facilities Documents, the Governance Documents, and all other Definitive Documents, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the releases set forth in the preceding paragraph shall not release any Released Party (other than a Released Party that is a Reorganized Debtor, Debtor, or a director, officer, or employee of any Debtor as of the Petition Date), from any claim or Cause of Action arising from an act or omission that is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

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.

5. Exculpation

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action or Claim whether direct or derivate related to any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases from the Petition Date to the Effective Date, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan, the Plan Supplement, or any transaction related to the Restructuring, any contract, instrument, release, or other agreement or document created or entered into before or during the Chapter 11 Cases in connection with the Restructuring Transactions, any preference, fraudulent transfer, or other avoidance Claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Filing of the Chapter 11 Cases, the solicitation of votes for the Plan, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, 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 any of the foregoing, except for Claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, but in all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan and the Confirmation Order.

The Exculpated Parties set forth above have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with applicable law with respect to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not and 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.

6. Injunction

Upon entry of the Confirmation Order, all Holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and Affiliates, and each of their successors and assigns, shall be enjoined from taking any

actions to interfere with the implementation or Consummation of the Plan in relation to any Claim or Interest that is extinguished, discharged, or released pursuant to the Plan.

Except as otherwise expressly provided in the Plan, the Definitive Documents, or the Confirmation Order, or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, or Causes of Action that have been released, discharged, or are subject to exculpation pursuant to Article VIII of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Exculpated Parties, and/or the Released Parties:

(i) commencing, conducting, 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, Interests, or Causes of Action;

(ii) enforcing, levying, 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, Interests, or Causes of Action;

(iii) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property or the Estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action;

(iv) except as otherwise provided under the Plan, 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, Interests, or Causes of Action unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and

(v) 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, Interests, or Causes of Action released or settled pursuant to the Plan or the Confirmation Order.

No Person or Entity may commence or pursue a Claim or Cause of Action of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action related to the Chapter 11 Cases prior to the Effective Date, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan, the Plan Supplement, the PVKG Notes Purchase Agreement, or any transaction related to the Restructuring, any contract, instrument, release, or other agreement or document created or entered into before or during the Chapter 11 Cases in connection with the Restructuring Transactions, any preference, fraudulent transfer, or other avoidance Claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the

Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, 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 any of the foregoing, without regard to whether such Person or Entity is a Releasing Party, without the Bankruptcy Court (1) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim of any kind and (2) specifically authorizing such Person or Entity to bring such Claim or Cause of Action against any such Debtor, Reorganized Debtor, Exculpated Party, or Released Party.

The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action. The injunction in the Plan shall extend to any successors and assigns of the Debtors and the Reorganized Debtors and their respective property and interests in property.

Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under the Plan, the Confirmation Order, or under any other Definitive Document or other document, instrument, or agreement (including those attached to the Disclosure Statement or included in the Plan Supplement) executed to implement the Plan and the Confirmation Order from bringing an action to enforce the terms of the Plan, the Confirmation Order, the Definitive Documents, or such document, instrument, or agreement (including those attached to the Disclosure Statement or included in the Plan Supplement) executed to implement the Plan and the Confirmation Order.

Q. Conditions Precedent to Confirmation and Consummation of the Plan

1. Conditions Precedent to the Effective Date

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

1. The RSA shall not have been terminated as to the Required Consenting Lenders and shall be in full force and effect;

2. The Bankruptcy Court shall have entered the Interim DIP Order and the Final DIP Order, the latter of which shall be in full force and effect;

3. The Bankruptcy Court shall have entered the Confirmation Order in form and substance consistent with and subject to the consent rights set forth in the RSA, and the Confirmation Order shall be in full force and effect;

4. The 9019 settlements embodied in the Plan shall have been approved by the Bankruptcy Court and incorporated in the Confirmation Order;

5. The Backstop Agreement shall have been approved by the Bankruptcy Court (which may be pursuant to the Confirmation Order), and shall be in full force and effect;

6. The Debtors shall have received a commitment for the Exit ABL Facility, which shall refinance the ABL DIP Facility on the Effective Date and the terms and conditions of which shall be reasonably satisfactory to the Debtors and the Required Consenting Lenders;

7. The Rights Offering and the Direct Investment (including the Rights Offering Documents) shall have been approved by the Bankruptcy Court and shall have been consummated in accordance with their terms;

8. The Exit ABL Facility Documents and Exit Term Loan Facility Documents shall have been executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived (with the consent of the Debtors and the Required Consenting Lenders), other than such conditions that relate to the effectiveness of the Plan and related transactions;

9. The New Equity Interests shall have been issued;

10. All Restructuring Expenses shall have been paid in full in Cash;

11. The Definitive Documents shall (a) be consistent with the RSA and otherwise approved by the applicable parties thereto consistent with their respective consent and approval rights as set forth in the RSA, (b) have been executed or deemed executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived by the applicable party or parties, and (c) shall be adopted on terms consistent with the RSA and the Restructuring Term Sheet; and

12. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, actions, documents, and other agreements that are necessary to implement and effectuate the Plan and each of the other Restructuring Transactions.

2. Waiver of Conditions

The conditions to the Effective Date set forth in Article IX of the Plan may be waived, in whole or in part, by the Debtors only with the prior written consent of the Required Consenting Lenders (email shall suffice), and, solely with respect to the condition set forth in Article IX.A of the Plan (1) (solely with respect to the Required Consenting Second Lien Lenders), (9), (10), (11), and (12), the Required Consenting Second Lien Lenders (email shall suffice), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

3. Effect of Failure of Conditions

If Consummation does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan, the Disclosure Statement, or the RSA shall: (1) constitute a waiver or release of any Claims by the Debtors, Claims, or Interests; (2) prejudice in any manner the rights of the Debtors, any Holders of Claims or Interests, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity, respectively; *provided* that all provisions of the RSA that survive termination thereof shall remain in effect in accordance with the terms thereof.

VIII. PROJECTED FINANCIAL INFORMATION

Attached hereto as **Exhibit C** is a projected consolidated income statement, which includes consolidated, projected, unaudited, financial statement information of the Reorganized Debtors (collectively, the "**Financial Projections**") for the period beginning June 1, 2024 and continuing through 2028. The Financial Projections are based on an assumed Effective Date of May 31, 2024.

Creditors, equity holders, and other interested parties should see the "Risk Factors" set forth in **Article X** below for a discussion of, among other things, certain factors that may affect the future financial performance of the Reorganized Debtors.

IX. CONFIRMATION OF THE PLAN

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. The Confirmation Hearing may be continued or adjourned from time to time without further notice to parties in interest 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. Subject to section 1127 of the Bankruptcy Code and the RSA, 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 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. The Objection Deadline is May 7, 2024, at 4:00 p.m. (prevailing Central Time).

B. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of Holders of Claims or Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

C. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors, with the assistance of their Advisors, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared their Financial Projections. Creditors and other interested parties should review **Article X** of this Disclosure Statement, entitled "Risk Factors," for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

The Financial Projections are attached hereto as **Exhibit C** and incorporated herein by reference. Based upon the Financial Projections, the Debtors believe that the Plan will meet the feasibility requirements of the Bankruptcy Code.

D. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is

not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[8]

Pursuant to Article III.F of the Plan, if a Class contains Claims is eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

E. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided* that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank *(e.g.,* classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100 percent of the amount of Allowed Claims or Interests in that Class. The Debtors believe

[8] A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

F. Valuation Analysis

The Plan provides for the distribution of the New Equity Interests upon consummation of the rights offering and backstop commitment contemplated by the Plan. Accordingly, Evercore performed an analysis of the estimated implied equity value of the Debtors as of an assumed Effective Date (the "**Valuation Analysis**") at the Debtors' request. Based on the Valuation Analysis, which is attached hereto as **Exhibit D**, the Reorganized Debtors will have an implied equity value at emergence of approximately $434 million.

Creditors, equity holders, and other interested parties should see the "Risk Factors" set forth in **Article X** below for a discussion of, among other things, the Valuation Analysis, including the procedures followed, assumptions made, qualifications, and limitations on review undertaken. Evercore makes no representations as to changes to such data and information that may have occurred since the date of the Valuation Analysis.

G. Liquidation Analysis

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

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the "**Liquidation Analysis**") prepared by the Debtors with the assistance of the Advisors and reliance upon the valuation methodologies utilized by the Advisors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Claims or Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code.

X. RISK FACTORS

BEFORE TAKING ANY ACTION WITH RESPECT TO THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD CAREFULLY READ AND CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO, OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT, INCLUDING OTHER DOCUMENTS FILED WITH THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES. THE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES OR THE RESTRUCTURING AND CONSUMMATION OF THE PLAN. EACH OF THE RISK FACTORS DISCUSSED IN THIS DISCLOSURE STATEMENT MAY APPLY EQUALLY TO THE DEBTORS AND THE REORGANIZED DEBTORS, AS APPLICABLE AND AS CONTEXT REQUIRES.

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 entitled to vote on the Plan should read and carefully consider the factors set forth below,

as well as other information set forth or otherwise referenced or incorporated by reference in this Disclosure Statement.

B. Bankruptcy Law and Chapter 11 Case Considerations

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

1. The Debtors Will Consider All Available Restructuring Alternatives if the Restructuring Transactions are Not Implemented, and Such Alternatives May Result in Lower Recoveries for Holders of Claims Against and Interests in the Debtors

Subject to the terms of the RSA, if the Restructuring Transactions are not implemented, the Debtors will consider all available restructuring alternatives, including filing an alternative chapter 11 plan, converting to a chapter 7 plan, commencing section 363 sales of the Debtors' assets and any other transaction that would maximize the value of the Debtors' estates. The terms of any alternative restructuring proposal may be less favorable to Holders of Claims against and Interests in the Debtors than the terms of the Plan as described in this Disclosure Statement.

Any material delay in the confirmation of the Plan, 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.

The uncertainty surrounding a prolonged restructuring would have other adverse effects on the Debtors. For example, it could adversely affect some or all of:

- the Debtors' ability to raise additional capital;
- the Debtors' liquidity;
- how the Debtors' business is viewed by regulators, investors, lenders, and credit ratings agencies;
- the Debtors' enterprise value; and
- the Debtors' business relationship with customers and vendors.

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

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. Here, it is possible that parties may object to confirmation of the Debtors' Plan on grounds related to how the Claims and Interests are classified in the Plan. In that case, the cost of the Chapter 11 Cases and time needed to confirm could increase. This is particularly the case if the Bankruptcy Court concludes that the classification of Claims and/or Interests under the Plan do not comply with the Bankruptcy Code's requirements. Under such circumstances, the Plan might need to be modified. Such modification could require the Debtors to re-solicit votes on the Plan before the Plan can be confirmed.

Nevertheless, the Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. The Bankruptcy Court May Not Approve the Debtors' Use of Cash Collateral, the ABL DIP Facility or the Term 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 DIP Lenders in accordance with the terms of the ABL DIP Documents and Term Loan DIP Documents. Such access to postpetition financing and cash collateral will provide the Debtors with needed liquidity during the pendency of the Chapter 11 Cases. There can be no assurance that the Bankruptcy Court will approve the debtor-in-possession financing 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 and/or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' businesses may be impaired materially.

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

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

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

5. The RSA and the Backstop Agreement May Be Terminated

As more fully set forth in the RSA and the Backstop Agreement, the RSA and Backstop Agreement may be terminated upon the occurrence of certain events, including, among others, the Debtors' failure to meet specified milestones relating to the filing, confirmation, and consummation of the Plan, and breaches by the Debtors, the Consenting Stakeholders, and/or the Consenting Second Lien Lenders of their respective obligations under the documents. In addition, the termination of the RSA constitutes an event of default under the Debtors' Term DIP Credit Agreement. In the event that the RSA or Backstop Agreement is terminated, the Debtors may seek a non-consensual restructuring alternative, including a potential liquidation of their assets.

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

As more fully set forth in Article IX of the Plan, the Confirmation and Effective Date of the Plan are subject to a number of conditions precedent. If such conditions precedent are not waived or not met, the Confirmation and Effective Date of the Plan will not take place. In the event that the Effective Date does not occur, the Debtors may seek confirmation of a new plan. If the Debtors do not secure sufficient working capital to continue their operations or if the new plan is not confirmed, the Debtors may be forced to liquidate their assets.

7. The Debtors May Fail to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that the Plan is not accepted by one or more voting classes, the Debtors may need to seek to confirm an alternative chapter 11 plan or transaction, subject to the terms of the RSA. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Claims as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

8. 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 section 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 under the circumstances.

In addition, Bankruptcy Rule 3018(v) 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. 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.

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

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

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the

Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Claims against them would ultimately receive.

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

10. The Debtors May Not Be Able to Secure Nonconsensual Confirmation Over Certain Impaired Non-Accepting Classes

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. If the exclusive right expires or the Bankruptcy Court terminates that right, however, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan.

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

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

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

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

13. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date should occur quickly after the Confirmation Date, and have agreed to a milestone in the RSA in furtherance such quick consummation, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

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

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

The releases provided to the Released Parties and the exculpation provided to the Exculpated Parties is necessary to the success of the Debtors' reorganization because the Released Parties and Exculpated Parties have made significant contributions to the Debtors' reorganizational efforts and have agreed to make further contributions, but only if they receive the full benefit of the Plan's release and exculpation provisions. The Plan's release and exculpation provisions are an inextricable component of the RSA and Plan and the significant deleveraging and financial benefits that they embody.

15. The RSA Is Subject to Significant Conditions and Milestones

There are certain material conditions that must be satisfied under the RSA, including the timely satisfaction of milestones in the Chapter 11 Cases. The ability to timely complete such milestones is subject to risks and uncertainties, certain of which are beyond the Debtors' control.

C. Risks Related to Recoveries Under the Plan

1. Contingencies Could 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 or 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.

2. The Reorganized Debtors May Not Be Able to Achieve Their Projected Financial Results

The Financial Projections set forth in this Disclosure Statement represent the Debtors' management team's best estimate of the Debtors' future financial performance as of the date of this Disclosure Statement, which is necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations, as well as the United States and world economies in general, and the industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will

be realized and, therefore, the Debtors actual results may differ materially from the Financial Projections. If the Debtors do not achieve their projected financial results, the value of the New Equity Interests may be negatively affected, and the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

3. The Debtors Will Likely Be Controlled by Significant Holders

The Investors under the Backstop Agreement will receive the majority of New Equity Interests issued pursuant to the Plan (subject to dilution on account of the Management Incentive Plan and any other shares issued after the Effective Date not pursuant to the Plan). If the holders of a significant portion of the New Equity Interests were to act as a group, such holders would be in a position to control the outcome of the Reorganized Debtors' actions requiring shareholder approval.

4. Estimated Valuations of the Debtors, the Exit Facilities, and the New Equity Interests, and Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent Potential Market Values

The estimated recoveries to Holders of Allowed Claims pursuant to the Plan are not intended to represent the market value of the New Equity Interests or Exit Term Loans. The estimated recoveries are based on numerous assumptions (the realization of many of which will beyond the control of the Debtors), including: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Debtors' ability to maintain adequate liquidity to fund operations; (e) the assumption that capital and equity markets remain consistent with current conditions; and (f) the Debtors' ability to maintain critical existing customer relationships, including customer relationships with key customers.

5. The Terms of the Governance Documents Are Subject to Change Based on Negotiation and the Approval of the Bankruptcy Court

The terms of the Governance Documents are subject to change based on negotiations between the Debtors, the Consenting Stakeholders and Consenting Second Lien Lenders pursuant to the terms and conditions of the RSA and Governance Term Sheet attached thereto. Holders of Claims that are not the Consenting Stakeholders or Consenting Second Lien Lenders will likely not participate in these negotiations and the results of such negotiations may affect the rights of equityholders in New C1 following the Effective Date.

6. The New Equity Interests are Subject to Dilution

The ownership percentage represented by the New Equity Interests distributed on the Effective Date under the Plan will be subject to dilution from any New Equity Interests issued by the Reorganized Debtors after the consummation of the Plan, including pursuant to the Management Incentive Plan.

7. The Terms of the Exit Facilities Documents Are Subject to Change Based on Negotiation and the Approval of the Bankruptcy Court

The terms of the Exit Facilities Documents have not been finalized and are subject to change. The results of such ongoing negotiations may affect the holders of the New Equity Interests following the Effective Date. As a result, the final terms of the Exit Facilities Documents may be less favorable to Holders of Claims and Interests than as described herein and in the Plan.

8. Certain Tax Implications of the Plan May Increase the Tax Liability of the Reorganized Debtors

Holders of Allowed Claims should carefully review **Article XII** of this Disclosure Statement, entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Reorganized Debtors and Holders of certain Claims.

D. Risks Related to the Company's and the Reorganized Debtors' Businesses

1. Operating in Bankruptcy for a Long Period of Time May Harm the Company's Businesses

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

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The chapter 11 proceedings also require the Debtors to seek debtor-in-possession financing to fund operations. If the Debtors are unable to obtain final approval of such financing on favorable terms or at all, or if the Debtors are unable to fully draw on the availability under the ABL DIP Facility, the chances of successfully reorganizing the Company's businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate or sell their assets may be increased, and, as a result, creditor recoveries may be significantly impaired.

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

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

The Financial Projections attached hereto as **Exhibit C** 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 Company, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Company 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 Company's operations. There can be no assurance that the projected results will be realized or that actual results will not be subject to significant variations. These variations may be material and may adversely affect the value of the New Equity Interests, the Company's financial position and the ability of the Company to make payments with respect to its 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.

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 Company 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 Company's consolidated balance sheets. The Company's financial results after the application of fresh start accounting also may be different from historical trends.

3. C1's Business Is Subject to Various Laws and Regulations That Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business

C1's operations are subject to various federal, state and local laws and regulations, including occupational health and safety laws. The Company may be required to make large expenditures to comply with such regulations. Failure to comply with these laws and regulations may result in the suspension or termination of operations and subject the Company to administrative, civil and criminal penalties, which could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Reorganized Debtors.

4. The Reorganized Debtors May Not Be Able to Generate or Receive Sufficient Cash to Service Their Debt and May Be Forced to Take Other Actions to Satisfy their Obligations, Which May Not Be Successful

The Reorganized Debtors' ability to make scheduled payments on their debt obligations depends on their financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors, many of which are beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to maintain a level of cash flow sufficient to permit them to pay the principal, premium, if any, and interest on the Exit Facilities.

If cash flows and capital resources are insufficient to fund the Reorganized Debtors' debt obligations, they could face substantial liquidity problems and might be forced to reduce or delay investments and capital expenditures, or to dispose of assets or operations, seek additional capital or restructure or refinance such debt. These alternative measures may not be available, may not be completed on economically attractive terms, or may not be adequate to satisfy their debt obligations when due.

Further, if the Reorganized Debtors suffer or appear to suffer from a lack of available liquidity, the evaluation of their creditworthiness by counterparties and rating agencies and the willingness of third parties to do business with them could be adversely affected.

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

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

E. Risks Related to the Offer and Issuance of Securities Under the Plan

1. The Debtors Do Not Intend to Register the New Equity Interests under the Securities Act and Certain Holders of New Equity Interests May Be Restricted in Their Ability to Transfer or Sell Their Securities

As summarized in **Article XI** of this Disclosure Statement, entitled "Certain Securities Laws Matters," certain of the New Equity Interests may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act and applicable state securities laws. The Debtors do not currently intend to register the New Equity Interests under the Securities Act. As a result, certain of the New Equity Interests may be transferred only in transactions exempt from the registration requirements of the Securities Act and applicable state laws.

The Debtors believe that all shares of New Equity Interests (other than any New Equity Interests issued pursuant to the Management Incentive Plan, the Holdback and the unsubscribed New Equity Interests and the Put Option Premium issued to the Investors pursuant to the Backstop Agreement) issued after the Petition Date in exchange for the Claims described above will satisfy the requirements of section 1145(a) of the Bankruptcy Code. Accordingly, the Debtors believe that such New Equity Interests (i) will not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) will be freely tradeable and transferable without registration under the Securities Act in the United States by the recipients thereof that are not, and have not been within three months of such transfer, an "affiliate" of the Debtors as defined in Rule 144(a)(1) under the Securities Act, subject to the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 1145(b) of the Bankruptcy Code, and compliance with applicable securities laws and any rules and regulations of the United States Securities and Exchange Commission or state or local securities laws, if any, applicable at the time of any future transfer of such securities or instruments, subject to any restrictions on the transferability of such New Equity Interests in the New Organizational Documents.

The New Equity Interests, including New Equity Interests issued pursuant to the Management Incentive Plan, the Holdback and the unsubscribed New Equity Interests and Put Option Premium issued to the Investors pursuant to the Backstop Agreement, in each case, that may be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration will be considered "restricted securities," and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom and pursuant to applicable state securities laws. Holders of such restricted securities may not be entitled to have their restricted securities registered and are not permitted to resell them except in accordance with an available exemption from registration under the Securities Act. Generally, Rule 144 of the Securities Act would permit the resale of securities received by a Person after a one-year holding period if current information regarding the issuer is publicly available and, under certain circumstances, volume limitations, manner of sale requirements and certain other conditions are met. These conditions vary depending on whether the issuer is a reporting issuer and whether the holder of the restricted securities is an "affiliate" of the issuer. A non-affiliate who has not been an affiliate of the issuer during the three months preceding a sale may resell restricted securities of an issuer that does not file reports with the United States Securities and Exchange Commission pursuant to Rule 144 after a one-year holding period. An affiliate may resell restricted securities of an issuer that does not file reports with the United States Securities and Exchange Commission under Rule 144 after such one-year holding period, as well as other securities without a holding period, but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. The Debtors do not intend to make publicly available the requisite information regarding the Debtors, and, as a result, even after the holding period, Rule 144 will not be available for resales of such New Equity Interests by affiliates of the issuer. Restricted securities (as well as other securities held by affiliates) may be resold without holding

periods under other exemptions from registration, including Rule 144A under the Securities Act and Regulation S under the Securities Act, but only in compliance with the conditions of such exemptions from registration.

The Debtors make no representation regarding the right of any Holder of New Equity Interests to freely resell such securities. *See* **Article XI** of this Disclosure Statement, entitled "Certain Securities Law Matters."

2. A Liquid Trading Market for the Shares of New Equity Interests May Not Develop

There is currently no market for the New Equity Interests and there can be no assurance as to the development or liquidity of any market for such securities. The liquidity of any market for New Equity Interests will depend upon, among other things, the number of holders of shares of New Equity Interests, the Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Accordingly, there can be no assurance that an active trading market for the New Equity Interests will develop, nor can any assurance be given as to the liquidity or prices at which such securities might be traded. In the event an active trading market does not develop, the ability to transfer or sell New Equity Interests may be substantially limited.

In addition, the Reorganized Debtors do not expect to be subject to the reporting requirements of the Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder (the "**Exchange Act**"), and the Reorganized Debtors' equityholders will not be entitled to any information except as expressly required by the Governance Documents. As a result, the information which the Debtors are required to provide in order to issue the New Equity Interests may be less than the Debtors would be required to provide if the New Equity Interests were registered. Among other things, the Debtors may not be required to provide: (a) separate financial information for any subsidiary; (b) selected historical consolidated financial data of New C1; (c) selected quarterly financial data of New C1; (d) certain information about the Debtors' disclosure controls and procedures and their internal controls over financial reporting; and (e) certain information regarding the Debtors' executive compensation policies and practices and historical compensation information for their executive officers. This lack of information could impair your ability to evaluate your ownership and the marketability of the New Equity Interests.

3. Certain Securities will be Subject to Resale Restrictions

The New Equity Interests to be issued under the Plan will not be registered under the Securities Act, any state securities laws, or the laws of any other jurisdiction. Such securities are being issued and sold pursuant to an exemption from registration under the applicable securities laws. Accordingly, such securities will be subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to registration, or an applicable exemption from registration, under the Securities Act, and other applicable law. In addition, holders of New Equity Interests issued pursuant to section 1145(a) of the Bankruptcy Code who are deemed to be "underwriters" under section 1145(b) of the Bankruptcy Code will also be subject to resale restrictions. *See* **Article XI** of this Disclosure Statement for a further discussion of the transfer restrictions applicable to the securities.

4. The Debtors Could Modify the Rights Offering and Election Procedures

Subject to the consent of the certain Holders, the Debtors may modify the Rights Offering and Election Procedures to, among other things, include additional procedures, as needed, to effectuate the Rights Offering. Such modifications may adversely affect the rights of Eligible Offerees.

5. The Trading Price for the New Equity Interests May Be Depressed Following the Effective Date

Following the Effective Date of the Plan, certain shares of the New Equity Interests may be sold to satisfy withholding tax requirements, to the extent necessary to fund such requirements. In addition, Holders of Claims that receive the New Equity Interests may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of New Equity Interests available for trading could cause the trading price for the New Equity Interests to be depressed, particularly in the absence of an established trading market for the New Equity Interests.

XI. CERTAIN SECURITIES LAW MATTERS

A. New Equity Interests

As discussed herein, the Plan provides for the offer, issuance, sale, and distribution of New Equity Interests (i) pursuant to the terms of the Rights Offering and the Backstop Agreement and (ii) pursuant to the Management Incentive Plan Pool.

The Debtors believe that the New Equity Interests 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 Equity Interests pursuant to the Plan is, and subsequent transfers of the New Equity Interests by the holders thereof that are not "underwriters" (as defined in section 2(a)(11) of the Securities Act, which definition includes "**Controlling Persons**," and in the Bankruptcy Code) will be, exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code, and any applicable state Blue Sky Law as described in more detail below.

The Debtors believe the New Equity Interests issued pursuant to section 1145 of the Bankruptcy Code (i) will not be a "restricted security" as defined in Rule 144(a)(3) under the Securities Act and (ii) will be freely transferable under the Securities Act by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (b) the provisions of Rule 144 under the Securities Act with respect to a holder thereof that (x) is, or with three months of such transfer has been, an "affiliate" within the meaning of Rule 144(a)(1) or (y) has acquired the New Equity Interests from an "affiliate" in a transaction or chain of transactions not involving any public offering within one year of such transfer; and (c) any restrictions on the transferability of such New Equity Interests, as applicable.

Any New Equity Interests, including the New Equity Interests issued pursuant to the Management Incentive Plan, the Holdback and the unsubscribed New Equity Interests issued to the Investors pursuant to the Backstop Agreement, in each case, that may be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration will be considered "restricted securities," will bear customary legends and transfer restrictions, and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act.

The following discussion of the issuance and transferability of the New Equity Interests relates solely to matters arising under federal and state securities laws. The rights of holders of New Equity Interests, including the right to transfer such interests, will also be subject to any restrictions in the Governance Documents to the extent applicable.

Recipients of the New Equity Interests 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 Blue-Sky Laws.

B. Issuance and Resale of New Equity Interests under the Plan

1. Issuance under Section 1145 of the Bankruptcy Code; Private Placement Exemptions

The offering, issuance, and distribution of any Securities pursuant to the Plan, including the New Equity Interests, will be exempt from the registration requirements of section 5 of the Securities Act or any similar federal, state, or local law in reliance on (1) with respect to the New Equity Interests issued pursuant to the Rights Offering (other than the Holdback and the unsubscribed New Equity Interests issued to the Investors pursuant to the Backstop Agreement), section 1145(a) of the Bankruptcy Code, (2) with respect to the New Equity Interests issued pursuant to the Put Option Premium, section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, and (3) with respect to the New Equity Interests issued pursuant to the Holdback and the unsubscribed New Equity Interests issued to the Investors pursuant to the Backstop Agreement, section (4)(a)(2) of the Securities Act or Regulation D promulgated thereunder.

Section 1145 of the Bankruptcy Code provides, among other things, that section 5 of the Securities Act and any other applicable U.S. state or local law requirements for the issuance of a security do not apply to the offering, issuance, distribution or sale of stock, options, warrants or other securities by a debtor if (1) the offer or sale occurs under a plan of reorganization, (2) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor, and (3) the securities are issued in exchange for a claim against, interest in, or claim for an administrative expense against a debtor or are issued principally in such exchange or partly for cash and property. The Debtors believe that all shares of New Equity Interests (other than any New Equity Interests underlying the Holdback, the unsubscribed New Equity Interests issued to the Investors pursuant to the Backstop Agreement and New Equity Interests and Put Option Premium, each issued pursuant to the Management Incentive Plan) issued after the Petition Date in exchange for the Claims described above satisfy the requirements of section 1145(a) of the Bankruptcy Code.

The New Equity Interests underlying the Holdback, the unsubscribed New Equity Interests and Put Option Premium, each issued to the Investors pursuant to the Backstop Agreement and Management Incentive Plan Pool, in each case, may be offered, issued, and distributed pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration.

Accordingly, no registration statement will be filed under the Securities Act or any state securities laws with respect to the initial offer, issuance, and distribution of New Equity Interests. **Recipients of the New Equity Interests 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.

2. Resales of New Equity Interests; 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": (1) 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; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (a) with a view to distribution of such securities and (b) 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 (4) 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 Equity Interests pursuant to the Plan 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 such New Equity Interests who are deemed to be "underwriters" may be entitled to resell their New Equity Interests 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 resale of control securities received by such Person if the requirements for sales of such control securities under Rule 144 have been met, including that current information regarding the issuer is publicly available, and that 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 Equity Interests 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 such New Equity Interests and, in turn, whether any Person may freely trade such New Equity Interests. However, the Debtors do not intend to make publicly available the requisite information regarding the Debtors, and, as a result, Rule 144 will not be available for resales of such New Equity Interests by Persons deemed to be underwriters or otherwise.

IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A RECIPIENT OF SECURITIES MAY BE AN UNDERWRITER OR AN AFFILIATE OF THE REORGANIZED DEBTORS, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN SECURITIES TO BE DISTRIBUTED PURSUANT TO THE PLAN. ACCORDINGLY, THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF NEW EQUITY INTERESTS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

The New Equity Interests, including the New Equity Interests issued pursuant to the Management Incentive Plan, the Holdback, and the unsubscribed New Equity Interests and Put Option Premium issued to the Investors pursuant to the Backstop Agreement, in each case, that may be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration will be considered "restricted securities," and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act.

Generally, Rule 144 of the Securities Act provides a limited safe harbor for the public resale of restricted securities if certain conditions are met. These conditions vary depending on whether the issuer is a reporting issuer and whether the holder of the restricted securities is an "affiliate" of the issuer. Rule 144 defines an affiliate as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer." A non-affiliate who has not been an affiliate of the issuer during the three months preceding a sale may resell restricted securities of an issuer that does not file reports with the United States Securities and Exchange Commission pursuant to Rule 144 after a one-year holding period. An affiliate may resell restricted securities of an issuer that does not file reports with the United States Securities and Exchange Commission under Rule 144 after such one-year holding period, as well as other securities without a holding period, but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. The Debtors do not intend to make publicly available the requisite information regarding the Debtors, and, as a result, even after the holding period, Rule 144 may not be available for resales of such New Equity Interests by affiliates of the Debtors. Restricted securities (as well as other securities held by affiliates) may be resold without holding periods under other exemptions from registration, including Rule 144A under the Securities Act and Regulation S under the Securities Act, but only in compliance with the conditions of such exemptions from registration.

In addition, in connection with resales of any New Equity Interests offered, issued and distributed pursuant to Regulation S under the Securities Act: (i) the offer or sale, if made prior to the expiration of the one-year distribution compliance period (six months for a reporting issuer), may not be made to a U.S. person or for the account or benefit of a U.S. person (other than a distributor); and (ii) the offer or sale, if made prior to the expiration of the applicable one-year or six-month distribution compliance period, is made pursuant to the following conditions: (a) the purchaser (other than a distributor) certifies that it is not a U.S. person and is not acquiring the securities for the account or benefit of any U.S. person or is a U.S. person who purchased securities in a transaction that did not require registration under the Securities Act; and (b) the purchaser agrees to resell such securities only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act.

The New Equity Interests, including the New Equity Interests issued pursuant to the Management Incentive Plan and the Holdback, in each case, that may be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration, will bear a restrictive legend.

The Debtors will reserve the right to require certification, legal opinions, or other evidence of compliance with Rule 144 as a condition to the removal of such legend or to any resale of such New Equity Interests. The Debtors will also reserve the right to stop the transfer of any such New Equity Interests if such transfer is not registered in compliance with Rule 144, or in compliance with another applicable exemption from registration.

Notwithstanding anything to the contrary in this Disclosure Statement, no Entity shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by the Plan or this Disclosure Statement, including, for the avoidance of doubt, whether the New Equity Interests are exempt from the registration requirements of section 5 of the Securities Act.

In addition to the foregoing restrictions, the New Equity Interests will also be subject to any applicable transfer restrictions contained in the Governance Documents.

PERSONS WHO RECEIVE "RESTRICTED SECURITIES" UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER THE FEDERAL OR STATE SECURITIES LAWS AND

THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE ON SUCH LAWS.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE SECURITIES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, WE ENCOURAGE EACH RECIPIENT OF SECURITIES AND PARTY IN INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A SECURITY IS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE FEDERAL OR STATE SECURITIES LAWS OR WHETHER A PARTICULAR RECIPIENT OF NEW EQUITY INTERESTS MAY BE AN UNDERWRITER, WE MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE SECURITIES ISSUED UNDER THE PLAN.

XII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors, the Reorganized Debtors, and to certain Holders (which, solely for purposes of this discussion, means the beneficial owners for U.S. federal income tax purposes) of Claims. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**IRC**"), the U.S. Treasury Regulations promulgated thereunder (the "**Treasury Regulations**"), judicial decisions and authorities, published administrative rules, positions and pronouncements of the U.S. Internal Revenue Service (the "**IRS**"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling or determination from the IRS as to any of the tax consequences of the Plan discussed below. 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 discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or to certain Holders of Claims in light of their individual circumstances. This discussion does not address tax issues with respect to such Holders of Claims subject to special treatment under U.S. federal income tax laws (including, for example, banks, brokers dealers, mutual funds, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, small business investment companies, Persons who are related to the Debtors within the meaning of the IRC, Persons liable for alternative minimum tax, U.S. Holders whose functional currency is not the U.S. dollar, U.S. Holders who prepare "applicable financial statements" (as defined in section 451 of the IRC), Persons using a mark-to-market method of accounting, Holders of Claims who are themselves in bankruptcy, regulated investment companies, and those holding, or who will hold, any property described herein as part of a hedge, straddle, conversion, or other integrated transaction). No aspect of state, local, estate, gift, or non-U.S. taxation is addressed. Furthermore, this summary assumes that a Holder of a Claim holds only

Claims in a single Class and holds Claims as "capital assets" (within the meaning of section 1221 of the IRC). This summary also assumes that the various debt and other arrangements to which the Debtors and the Reorganized Debtors are or will be a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the IRC. This summary does not discuss differences in tax consequences to Holders of Claims that act or receive consideration in a capacity other than any other Holder of a Claim of the same Class or Classes, and the tax consequences for such Holders may differ materially from that described below. In particular, this summary does not discuss the tax consequences of the entitlements and obligations under the Backstop Agreement to which certain Holders are party. This summary does not address the U.S. federal income tax consequences to Holders of Claims (a) whose Claims are Unimpaired or otherwise entitled to payment in full in Cash under the Plan, (b) that are deemed to reject the Plan, or (c) that are otherwise not entitled to vote to accept or reject the Plan.

For purposes of this discussion, a "**U.S. Holder**" is a Holder of a Claim that for U.S. federal income tax purposes is: (1) an individual citizen or resident of the United States; (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 IRC) has 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" (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "**Non-U.S. Holder**" is any Holder of a Claim that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

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

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

B. Restructuring Transactions

The Debtors expect that New C1, the issuer of the Rights and New Equity Interests, will be PVKG Investment Holdings, Inc., and that PVKG Intermediate Holdings, Inc. will be the issuer of the Takeback Term Loans, even though the debt instruments underlying the First Lien Claims were issued by its subsidiary, ConvergeOne Holdings, Inc. In addition, because New C1 is also the PVKG Lender, the Debtors expect that, as the first step of the Restructuring Transactions, PVKG Lender will distribute the PVKG Note Claims to ConvergeOne Investment LP, the sole owner of PVKG Lender (and sole indirect owner of the Existing C1 Interests), in redemption of 100% of the equity of PVKG Lender (the "**Redemption**"). The Debtors further expect that PVKG Investment Holdings Inc. will contribute the Rights and New Equity Interests to PVKG Intermediate Holdings, Inc., and on the Effective Date, PVKG Intermediate Holdings, Inc. will transfer (i) the Rights, together with the Takeback Term Loans, to the

Holders of First Lien Claims in exchange for the First Lien Claims (the "**First Lien Exchange**"), and (ii) the New Equity Interests to the Holders of Second Lien Claims in exchange for the Second Lien Claims (the "**Second Lien Exchange**," and together with the First Lien Exchange, the "**Exchange**"), in each case pursuant to the Plan.

For U.S. federal income tax purposes, if the Restructuring Transactions are structured as described above and no other relevant elections are made or transactions undertaken, the Debtors intend to take the position that each of the Redemption and the Exchange is treated as a taxable transaction. There can be no assurance, however, that the IRS may not assert, or that a court may not sustain, a different position. The tax consequences to the Debtors, Reorganized Debtors and Holders of Claims described herein could be materially different in the event the U.S. federal tax characterization of the Redemption and the Exchange is not respected, or in the event that the Debtors consummate Restructuring Transactions that differ from the transactions described above. The remainder of this disclosure assumes that the Restructuring Transactions will be structured as described above and that each of the Redemption and Exchange will be treated as taxable transactions for U.S. federal income tax purposes.

The steps to be utilized to consummate the Plan, along with the go forward tax structure of New C1 and its subsidiaries, will be addressed in greater detail in the Description of Transaction Steps (as described in the Plan), and supplemental tax disclosure may be provided in connection therewith.

C. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors and the Reorganized Debtors

1. General

Each of the Debtors is organized in the United States and is either a member of an affiliated group of corporations that files consolidated federal income tax returns with PVKG Investment Holdings, Inc. as the common parent (such consolidated group, the "**C1 Group**") or is an entity disregarded as separate from its owner for U.S. federal income tax purposes whose business activities and operations are reflected on the consolidated U.S. federal income tax returns of the C1 Group. The Debtors estimate that, as of December 31, 2023, the C1 Group had a consolidated net operating loss ("**NOL**") of approximately $24.3 million, among other tax attributes, including tax basis in assets, and approximately $512.9 million of business interest expense deductions deferred under section 163(j) of the IRC ("**Section 163(j) Carryforwards**"). The amount of C1 Group NOLs, Section 163(j) Carryforwards and other tax attributes, as well as the application of any limitations thereon, remains subject to review and adjustment, including by the IRS. As discussed below, certain of the Debtors' tax attributes are expected to be significantly reduced or eliminated entirely upon implementation of the Plan as a result of the recognition of "cancellation of indebtedness income" ("**COD Income**"). The Debtors may also incur other income in connection with the implementation of the Plan, as discussed below. Furthermore, the Reorganized Debtors' use of remaining tax attributes following emergence (as described below) is expected to be subject to limitation under sections 382 and 383 of the IRC.

2. Cancellation of Debt and Reduction of Tax Attributes

In general, absent an exception, a taxpayer will realize and recognize COD Income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income to the Debtors, in general, will be the excess of (a) the adjusted issue price of the First Lien Claims, Second Lien Claims and General Unsecured Claims, in each case constituting indebtedness, that is satisfied, over (b) the sum of (i) the issue price of the Takeback Term Loans, and (ii) the fair market value of the Rights and New Equity Interests and any other consideration, in each case, given in satisfaction of such indebtedness at the time of the exchange.

Under section 108 of the IRC, a taxpayer will not, however, be required to include COD Income in gross income if the taxpayer 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 taxpayer-debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the IRC. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the Reorganized Debtors remain subject immediately after the discharge); (f) passive activity loss and credit carryovers; and (g) foreign tax credits carryovers. Section 163(j) Carryforwards are not subject to reduction under these rules. Except as discussed in "*—Other Income*" below, any excess COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact. 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 IRC.

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 each member of an affiliated group of corporations that is excluding COD Income is first subject to reduction. To the extent the 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.

In connection with the Restructuring Transactions, the Debtors expect to realize significant COD Income. The exact amount of any COD Income that will be realized by the Debtors will not be determinable until the consummation of the Plan because the amount of COD Income will depend, in part, on the issue price of the Takeback Term Loans and the fair market value of the Rights and New Equity Interests, and any other consideration, none of which can be determined until after the Plan is consummated. However, the Debtors expect that the amount of such COD Income will eliminate their NOLs and certain other carryforwards allocable to periods prior to the Effective Date, and may significantly reduce the Debtors' tax basis in their assets.

3. Other Income

The Debtors may incur other income for U.S. federal income tax purposes in connection with the Restructuring Transactions that, unlike COD Income, generally will not be excluded from the Debtors' U.S. federal taxable income. For example, if it is determined that an entity in the C1 Group recognizing CODI Income has a so-called "excess loss account"[9] with respect to its stock and recognizes COD Income that is excluded from gross income pursuant to section 108 of the IRC (as discussed above), the C1 Group will recognize taxable income to the extent its tax attributes are not otherwise reduced by such excluded COD Income. Although as part of the Restructuring Transactions the Debtors expect to eliminate any excess loss accounts existing prior to the Exchange, no assurance can be given that the IRS will respect the ordering of the steps pursuant to which such elimination takes place. In addition, the U.S. federal income tax considerations relating to the Plan are complex and subject to uncertainties. No assurance can be given that the IRS will agree with the Debtors' interpretations of the tax rules applicable to, or tax positions taken with respect to, the transactions undertaken to effect the Plan. If the IRS were to successfully challenge any such interpretation or position, the Debtors may recognize additional taxable income for U.S. federal

[9] Within a consolidated group, a corporation's basis in the stock of a subsidiary corporation generally is (i) increased by the income of such subsidiary and any contributions to such subsidiary and (ii) decreased by any losses of such subsidiary which are used by the group and by any distributions from such subsidiary. If total net reductions exceed the parent's initial basis in the subsidiary stock, the excess is called an "excess loss account" or "ELA" and is treated as negative basis. The consolidated group must include the ELA in income upon the occurrence of certain events, including to the extent the subsidiary has COD Income in excess of reduced tax attributes. In general, the subsidiary's tax attributes cannot be used to offset such income.

income tax purposes, and the Debtors may not have sufficient deductions, losses or other attributes for U.S. federal income tax purposes to fully offset such income.

4. Limitation on NOLs, 163(j) Deductions, and Other Tax Attributes

After giving effect to the reduction in tax attributes pursuant to excluded COD Income described above, the Reorganized Debtors' ability to use any remaining tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

Under sections 382 and 383 of the IRC, if the Debtors undergo an "ownership change," the amount of any remaining NOL carryforwards, tax credit carryforwards, Section 163(j) Carryforwards, and possibly certain other attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change and cost recovery deductions) of the Debtors allocable to periods prior to the Effective Date (collectively, "**Pre-Change Losses**") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000 or (b) 15 percent of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of section 382 of the IRC are complicated, but as a general matter, the Debtors anticipate that the issuance of the Rights (and subsequent subscription for New Equity Interests) and New Equity Interests pursuant to the Plan will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the IRC applies.

As a result of the attribute reductions described above, the Reorganized Debtors are not expected to have any meaningful tax attributes that would be subject to limitations under sections 382 or 383 of the IRC, except for Section 163(j) Carryforwards. However, due to the general limit on the usability of Section 163(j) Carryforwards (*i.e.*, 30% of EBIT), and the fact that interest deductions will be generated on the Takeback Term Loans following the Effective Date that will also subject to such limitation, any limitations under section 382 of the IRC are not expected to restrict the Reorganized Debtors ability to deduct the maximum allowable interest under the general limitation. In addition, the Reorganized Debtors do not expect to have a net unrealized built-in loss at the time of the ownership change. Accordingly, the rules regarding determining the limitations under section 382, including special rules that apply when a corporation undergoes an "ownership change" as a result of a bankruptcy proceeding, are not discussed further herein.

D. Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders of Claims Entitled to Vote on the Plan

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan, including the steps described above. U.S. Holders are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

1. Redemption of Equity of PVKG Lender

As noted above, prior to the exchange of consideration under the Plan for First Lien Claims, PVKG Investment Holdings Inc., as the Holder of the PVKG Note Claims, expects to distribute the PVKG Note Claims to ConvergeOne Investment LP, the sole owner of PVKG Lender (and the sole indirect owner of the Existing C1 Interests), in redemption of 100% of the equity of PVKG Lender. Other than the U.S.

federal income tax consequences of such transfer discussed below, the discussion herein does not discuss the U.S. federal income tax consequences of other transfer of any Claims (including subsequent transfers of the PVKG Note Claims).

The treatment of this transaction for U.S. federal income tax purposes generally will depend on whether the Redemption qualifies as a sale of the equity of PVKG Lender under section 302 of the IRC that is taxable as described below, or rather as a distribution that is taxable as described below under the heading "*— Dividends on New Equity Interests.*" Generally, whether a redemption qualifies for sale or distribution treatment will depend largely on the total number of shares held or treated as held by a holder immediately after the redemption relative to the total number of shares held or treated as held by the holder immediately before such redemption.

The Redemption generally will be treated as a sale of the equity of PVKG Lender (rather than as a distribution) if the Redemption (i) is "substantially disproportionate" with respect to ConvergeOne Investment LP, (ii) results in a "complete termination" of ConvergeOne Investment LP's interest in PVKG Investment Holdings, Inc. or (iii) is "not essentially equivalent to a dividend" with respect to ConvergeOne Investment LP.

The IRS has indicated in published rulings that in situations where a redemption is accompanied by an issuance of stock, and both steps are clearly part of an integrated plan to reduce a shareholder's interest in a redeeming corporation, effect will be given only to the overall result for purposes of determining whether any of the foregoing tests are satisfied. In addition, in determining whether any of the foregoing tests are satisfied, a shareholder generally takes into account not only stock actually owned by it, but also shares that are constructively owned by it. Accordingly, whether the Redemption will be treated as a sale of equity of PVKG Lender will depend on the ownership of PVKG Investment Holdings, Inc. following all of the Restructuring Steps and the consummation of the Plan. In particular, in measuring the total number of shares of PVKG Investment Holdings, Inc. held or treated as held by a ConvergeOne Investment LP immediately after the Redemption relative to the total number of shares in PVKG Investment Holdings, Inc. held or treated as held by ConvergeOne Investment LP immediately before such redemption, the issuance of New Equity Interests pursuant to the Holdback and the Second Lien Exchange, exercise of the Rights, and payment of the Put Option Premium (including to issuances to affiliates of ConvergeOne Investment LP under the constructive ownership rules) should be taken into account.

In order to meet the substantially disproportionate test, the percentage of outstanding voting stock of PVKG Investment Holdings, Inc. actually and constructively owned by ConvergeOne Investment LP immediately following the Redemption must, among other requirements, be less than 80% of such voting stock actually and constructively owned by ConvergeOne Investment LP immediately before the Redemption. The Redemption will not be essentially equivalent to a dividend if such Redemption results in a "meaningful reduction" of ConvergeOne Investment LP's interest in PVKG Investment Holdings, Inc. Whether this test will be satisfied will depend on the particular facts and circumstances. In particular, the IRS has indicated in a published ruling that the factors to be considered in this analysis include a reduction in a shareholder's right to (i) vote and exercise control, (ii) participate in current earnings and accumulated surplus, and (iii) share in net assets on liquidation. The reduction in the right to vote is of particular significance when a redemption causes a redeemed shareholder to lose the potential for controlling the redeeming corporation.

ConvergeOne Investment LP's interest in PVKG Investment Holdings, Inc. is not expected to result in a complete termination of its interest because ConvergeOne Investment LP and/or its Affiliates are expected to receive New Equity Interests pursuant to the Rights Offering and the Holdback. However, given that ConvergeOne Investment LP's ownership in PVKG Investment Holdings, Inc. (including through constructive ownership) following the Restructuring Transactions is expected to be less than 50%, it is expected that the Redemption will result in a "meaningful reduction," and, depending on the exact percentage of such ownership, will meet the substantially disproportionate test. If none of the foregoing

tests are satisfied, then the Redemption might be treated as a distribution and the tax effects will be as described below under "*—Dividends on New Equity Interests*."

Assuming the Redemption qualifies as a sale of the equity of PVKG Lender under section 302 of the IRC, ConvergeOne Investment, LP generally will recognize gain or loss in an amount equal to the (a) the fair market value of the PVKG Note Claims minus (b) ConvergeOne Investment LP's adjusted tax basis in its PVKG Lender equity. Any such capital gain or loss generally will be long-term capital gain or loss if ConvergeOne Investment, LP's holding period for the C1 Existing Interests exceeds one year. If ConvergeOne Investment, LP acquired equity of PVKG Lender on different dates or at different prices, it should consult with its tax advisor to determine how the above rules apply to it. Long-term capital gains recognized by non-corporate beneficial owners will be eligible to be taxed at reduced rates. The deductibility of capital losses is subject to limitations. ConvergeOne Investment, LP's initial basis in the PVKG Note Claims will equal its fair market value, and ConvergeOne Investment, LP's holding period with respect to the PVKG Note Claims would begin the day after the Redemption.

No assurance can be given that the IRS will agree with the Debtors' interpretations of the tax rules applicable to, or tax positions taken with respect to, the Redemption. In particular, it is possible that the Redemption, viewed together with the subsequent receipt of the Rights and Takeback Term Loan in respect of the PVKG Note Claims could be viewed as a partially tax-free recapitalization, in which case the U.S. federal income tax consequences could be materially different than as described above. The Holders of PVKG Note Claims are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the Redemption. The remainder of this discussion assumes that the Redemption will be respected as a sale of equity of PVKG Lender under section 302 of the IRC.

2. Treatment of Holders of First Lien Claims

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Claims, each U.S. Holder of an Allowed First Lien Claim will receive its Pro Rata share of (as adjusted pursuant to the Plan and Backstop Agreement) (a) the Takeback Term Loan Recovery Option, or (b) the Rights Offering Rights and Takeback Term Loan Recovery Option.

As described above, the Debtors and Reorganized Debtors currently intend to treat the distributions under the Plan to Holders of First Lien Claims as a fully taxable exchange of such Claims pursuant to section 1001 of the IRC. A U.S. Holder of a First Lien Claim who is subject to this treatment should recognize gain or loss equal to: (a) the sum of (i) the fair market value of the Rights received, if applicable, and (ii) the issue price of the Takeback Term Loans received (determined as discussed below), minus (b) the U.S. Holder's adjusted tax basis in its First Lien Claim. Such U.S. Holder should obtain a tax basis equal to the consideration's fair market value (or issue price, in the case of debt instruments) as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

The character of gain or loss arising from such exchange as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long-term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below. To the extent that a portion of the consideration received by a U.S. Holder in exchange for its Claim is allocable to accrued but untaxed interest or OID, or market discount, a U.S. Holder may recognize ordinary income. See the discussions of "Accrued Interest," "Market Discount" and "Limitations on Use of Capital Losses" below.

No assurance can be given that the IRS will agree with the Debtors' interpretations of the tax rules applicable to, or tax positions taken with respect to, the First Lien Exchange. In particular, it is possible

that the First Lien Claims could be treated as having been exchanged pursuant to a non-taxable transaction (including, for instance, in a transaction to which section 368 of the IRC applies) in which case the U.S. Holders would recognize gain only to the extent of the Rights received by them, and would not be entitled to claim any losses. U.S. Holders are urged to consult their own tax advisors regarding the tax treatment of the First Lien Exchange.

(a) Treatment of Holders of First Lien Claims of the Rights

The Reorganized Debtors intend to take the position that a U.S. Holder of a First Lien Claim that elects to exercise Rights received as part of its Plan distribution should be treated as purchasing, in exchange for its Rights and the amount of cash paid by the U.S. Holder to exercise such Rights, New Equity Interests. Such a purchase should generally be treated as the exercise of an option under general U.S. federal income 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 Rights.

A U.S. Holder's aggregate tax basis in the New Equity Interests purchased through the Rights Offering should equal the sum of (a) the amount of cash paid by the U.S. Holder to exercise the Rights, plus (b) such U.S. Holder's tax basis in the Rights immediately before exercise. A U.S. Holder's holding period for the Takeback Term Loans and the New Equity Interests received pursuant to such exercise should begin on the day following the Effective Date. Except as otherwise specifically provided here the remainder of this discussion assumes that the Rights will be so exercised by the Holders.

A U.S. Holder that elects not to exercise the Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise their Rights should consult with their own tax advisors as to the tax consequences of such decision.

(b) Accrued Interest

To the extent that any amount received by a U.S. Holder of a Claim under the Plan is attributable to accrued but untaxed interest (or original issue discount ("**OID**")) on the debt instruments constituting the exchanged Claim, the receipt of such amount should be taxable to the U.S. Holder as ordinary interest income. Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest (or OID) on the debt instruments constituting such Claim was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder is not sufficient to fully satisfy all principal and interest on its Claim, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Claims will be allocated first to the principal amount of the applicable Claim, 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. 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 U.S. Holder should be allocated in some way other than as provided in the Plan. U.S. Holders should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

(c) Market Discount

Under the "market discount" provisions of the IRC, 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 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 U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with OID, its adjusted issue price, by at least a *de minimis* amount (equal to 1/4th of 1 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the remaining number of complete years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim (determined as described above) that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). U.S. Holders should consult their own tax advisors concerning the application of the market discount rules to their Claims.

(d) Limitations 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 their use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus 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 to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder who has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

3. Treatment of Holders of Second Lien Claims

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Claims, each U.S. Holder of an Allowed Class 4 Second Lien Claim will, to the extent the Holders of Allowed Second Lien Claims vote as a class to accept the Plan, receive its Pro Rata share of the Second Lien Recovery.

As described above, the Debtors and Reorganized Debtors currently intent to treat the distributions under the Plan to Holders of Second Lien Claims as a fully taxable exchange of such Claims pursuant to section 1001 of the IRC. A U.S. Holder of a Second Lien Claim who is subject to this treatment should recognize gain or loss equal to: (a) the fair market value of the New Equity Interests received, minus (b) the U.S. Holder's adjusted tax basis in its Second Lien Claim. Such U.S. Holder should obtain a tax basis equal to the fair market value of the New Equity Interests as of the date such consideration is distributed to the U.S. Holder. The holding period for the New Equity Interests should begin on the day following the receipt of such consideration.

The character of gain or loss arising from such exchange will be determined pursuant to the same factors as discussed above with respect to Treatment of Holders of First Lien Claims. To the extent that a portion of the consideration received by a U.S. Holder in exchange for its Claim is allocable to accrued but untaxed interest or OID, or market discount, a U.S. Holder may recognize ordinary income. See the discussions of "Accrued Interest," "Market Discount" and "Limitations on Use of Capital Losses" above.

No assurance can be given that the IRS will agree with the Debtors' interpretations of the tax rules applicable to, or tax positions taken with respect to, the Second Lien Exchange. In particular, it is possible that the Second Lien Claims could be treated as having been exchanged pursuant to a non-taxable transaction (including, for instance, in a transaction to which section 351 of the IRC applies) in which case

the U.S. Holders would generally not recognize any gain or loss in connection with the transaction. U.S. Holders are urged to consult their own tax advisors regarding the tax treatment of the Second Lien Exchange.

4. U.S. Federal Income Tax Consequences to U.S. Holders of Ownership and Disposition of the Takeback Term Loans

(a) Payments of Qualified Stated Interest

Payments or accruals of "qualified stated interest" (as defined below) on the Takeback Term Loans will be includible in the U.S. Holder's gross income as ordinary interest income and taxable at the time that such payments are accrued or are received in accordance with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of the Takeback Term Loans, at a single fixed rate of interest, or, subject to certain conditions, based on one or more interest indices.

(b) Original Issue Discount

Where, as here, U.S. Holders of First Lien Claims receiving debt instruments are also receiving other property in exchange for their Claims (*i.e.*, the Rights), the "investment unit" rules may apply to the determination of the "issue price" for any debt instrument received in exchange for their First Lien Claims. In such case, the issue price of the Takeback Term Loans will depend, in part, on the issue price of the "investment unit" (*i.e.*, the Takeback Term Loans and the Rights), and the respective fair market values of the elements of consideration that comprise the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument. As a result, the issue price of the investment unit will depend on whether the investment unit is considered, for U.S. federal income tax purposes and applying rules similar to those applied to debt instruments, to be traded on an established market. In general, consideration can be treated as being traded on an established market for these purposes even if no trades actually occur and there are merely firm or indicative quotes available with respect to the items discussed below. Additionally, when determining fair market value under these rules, actual trades and firm quotes will generally be dispositive, while it may be possible to refute the application of mere "indicative" quotes if such indicative quotes "materially misrepresent the fair market value of the property" being valued.

If neither the investment unit nor the components thereof nor the surrendered First Lien Claims are publicly traded on an established market, then the issue price of the Takeback Term Loans would generally be determined under section 1273(b)(4) or 1274 of the IRC, as applicable. If neither the investment unit nor the components thereof are publicly traded on an established market, but the First Lien Claims are so traded, then the issue price of the investment unit will be determined by the fair market value of the First Lien Claims.

If the investment unit received in exchange for First Lien Claims is considered to be publicly traded on an established market, the issue price of the investment unit would be the fair market value of the investment unit. The law is somewhat unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. In the event that the Takeback Term Loans are publicly traded on an established market but the Rights are not treated as publicly traded on an established market, the determination of the issue price of the loans under the Takeback Term Loans is unclear. Such issue price could be based on (i) in the case where the First Lien Claims are also publicly traded on an established market, on the trading value of such First Lien Claims, allocated as described below, (ii) based on the demonstrated trading price of the Takeback Term Loans, or (iii) the stated redemption price at maturity of the Takeback Term Loans.

If an issue price is determined for the investment unit received in exchange for surrendered First Lien Claims under the above rules, then the issue price of an investment unit is allocated among the elements of consideration making up the investment unit based on their relative fair market values, with such allocation determining the issue price of the Takeback Term Loans.

As a general matter, debt instruments in a single "issue" will be treated as having the same adjusted issue price, even if they were acquired for differing amounts or kinds of consideration and even if the rules discussed above would, applied separately, result in different adjusted issue prices. The Debtors intend to take the position that the Takeback Term Loans issued in exchange for the PVKG Note Claims and the other First Lien Claims are part of a single "issue" for U.S. federal income tax purposes, and that, if the issue price of the Takeback Term Loans, or the investment unit of which the Takeback Term Loans are a component, is based on the trading value of the First Lien Claims, other than the PVKG Note Claims, such trading value would also be determinative of the issue price of the Takeback Term Loans issued in partial exchange of the PVKG Note Claims.

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

As discussed above, a debt instrument, such as the Takeback Term Loans, is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a *de minimis* amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. The interest on the Takeback Term Loans is expected to be unconditionally payable in cash at least annually. However, the Takeback Term Loans may be considered to be issued with OID to the extent the allocation rules described above result in the Takeback Term Loans having an issue price that is less than their stated redemption price at maturity.

For purposes of determining whether there is OID, the *de minimis* amount is generally equal to 1/4th of 1 percent of the principal amount of the Takeback Term Loans multiplied by the remaining number of complete years to maturity from their original issue date, or if the Takeback Term Loans provide for payments other than payments of qualified stated interest before maturity, multiplied by the weighted average maturity (as determined under applicable Treasury Regulations). If the Takeback Term Loans are issued with OID, a U.S. Holder generally (i) will be required to include the OID in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the Takeback Term Loans, in advance of the receipt of the cash attributable to such OID and regardless of the holder's method of accounting for U.S. federal income tax purposes, but (ii) will not be required to recognize additional income upon the receipt of any cash payment on the Takeback Term Loans that is attributable to previously accrued OID that has been included in its income. If the amount of OID on the Takeback Term Loans is *de minimis*, rather than being characterized as interest, any payment attributable to the *de minimis* OID will be treated as gain from the sale of the Takeback Term Loans, and a Pro Rata amount of such *de minimis* OID must be included in income as principal payments are received on the Takeback Term Loans].

(c) Sale, Taxable Exchange, or other Taxable Disposition

Upon the disposition of the Takeback Term Loans by sale, exchange, retirement, redemption or other taxable disposition, a U.S. Holder will generally recognize gain or loss equal to the difference, if any, between (i) the amount realized on the disposition (other than amounts attributable to accrued but unpaid interest or OID, which will be taxed as ordinary interest income to the extent not previously so taxed) and (ii) the U.S. Holder's adjusted tax basis in the Takeback Term Loans, as applicable (as discussed above). A U.S. Holder's adjusted tax basis will generally be increased by any accrued OID previously included in such U.S. Holder's gross income. A U.S. Holder's gain or loss will generally constitute capital gain or loss and will be long-term capital gain or loss if at the time of the taxable disposition, the U.S. Holder has held

the Takeback Term Loans for more than one year. Non-corporate taxpayers are generally subject to a reduced federal income tax rate on net long-term capital gains. The deductibility of capital losses is subject to certain limitations.

The treatment of the exchange to the extent a portion of the consideration received is allocable to market discount, which differs from the treatment described above, is discussed above.

5. U.S. Federal Income Tax Consequences to U.S. Holders of Owning and Disposing of New Equity Interests Received in the Second Lien Exchange and Following Subscription of Rights

(a) Dividends on New Equity Interests

Holders of First Lien Claims will have the option of selecting the Rights Offering Rights and Takeback Term Loan Recovery Option, under which the Holder will receive Rights to purchase New Equity Interests. Each Holder of a First Lien Claim that properly exercises its Rights to purchase New Equity Interests shall receive such New Equity Interests on the Effective Date. Any distributions made on account of such New Equity Interests and New Equity Interests received pursuant to the Second Lien Exchange will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of New C1 as determined under U.S. federal income tax principles. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions 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 of the New Equity Interests. Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as there are sufficient earnings and profits. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder'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.

(b) Sale, Redemption, or Repurchase of New Equity Interests

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 Equity Interests. Such capital gain will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder has held the New Equity Interests 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 as described below. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Equity Interests as ordinary income if such U.S. Holder took a bad debt deduction with respect to its First Lien Claims or recognized an ordinary loss on the exchange of its First Lien Claims for the Rights.

6. Medicare Tax

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8 percent tax on, among other things, 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 any consideration to be received under the Plan.

E. Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders of Claims Entitled to Vote on the Plan

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. This 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. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan to such Non-U.S. Holder and the receipt, ownership and disposition of the Takeback Term Loans, Rights and/or New Equity Interests, as applicable.

1. Gain Recognition

Any gain realized by a Non-U.S. Holder on the exchange of its Claims generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment 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 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder (except that the Medicare tax would generally not apply). In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Payments of Interest and of Owning and Disposing of Takeback Term Loans

(a) Payments of Interest (Including Interest Attributable to Accrued but Untaxed Interest)

Subject to the discussion of backup withholding and FATCA below, interest income (which, for purposes of this discussion of Non-U.S. Holders, includes OID and accrued but untaxed interest, including in each case any such amounts paid to a Non-U.S. Holder under the Plan) of a Non-U.S. Holder that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder may qualify for the so-called "portfolio interest exemption" and, therefore, will not be subject to U.S. federal income tax or withholding, provided that:

- the Non-U.S. Holder does not own, actually or constructively, a 10 percent or greater interest in the issuer of the applicable debt within the meaning of section 871(h)(3) of the IRC and Treasury Regulations thereunder;
- the Non-U.S. Holder is not a controlled foreign corporation related to the issuer of the applicable debt, actually or constructively through the ownership rules under section 864(d)(4) of the IRC;

- the Non-U.S. Holder is not a bank that is receiving the interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- the beneficial owner gives the applicable paying agent an appropriate IRS Form W-8 (or suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed establishing its status as a Non-U.S. Holder.

If not all of these conditions are met, interest on the Takeback Term Loans paid to a Non-U.S. Holder or interest paid to a Non-U.S. Holder pursuant to the Plan that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will generally be subject to U.S. federal income tax and withholding at a 30 percent rate, unless an applicable income tax treaty reduces or eliminates such withholding and the Non-U.S. Holder claims the benefit of that applicable income tax treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed.

If interest on the Takeback Term Loans or interest paid to a Non-U.S. Holder pursuant to the Plan is effectively connected with a trade or business in the United States ("**ECI**") carried on by the Non-U.S. Holder, the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30 percent withholding tax described above will not apply, provided the appropriate statement is provided to the applicable paying agent) unless an applicable income tax treaty provides otherwise. To claim an exemption from withholding, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor form or such other form as the IRS may prescribe). If a Non-U.S. Holder is eligible for the benefits of any applicable income tax treaty between the United States and its country of residence, any interest income that is ECI will be subject to U.S. federal income tax in the manner specified by the applicable income tax treaty if the Non-U.S. Holder claims the benefit of the applicable income tax treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed. In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional branch profits tax at a 30 percent rate, or, if applicable, a lower applicable income tax treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments).

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and, as applicable, must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

(b) Sale, Taxable Exchange, or Other Disposition of the Takeback Term Loans

A Non-U.S. Holder will generally not be subject to U.S. federal income tax on any gain realized on a sale, exchange, retirement, redemption or other taxable disposition of the Takeback Term Loans (other than any amount representing accrued but unpaid interest on the loan) unless:

- the gain is ECI (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment that such Non-U.S. Holder maintains in the United States); or

- in the case of a Non-U.S. Holder who is a nonresident alien individual, such Non-U.S. Holder is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met.

If a Non-U.S. Holder falls under the first of these exceptions, unless an applicable income tax treaty provides otherwise, the Non-U.S. Holder will generally be taxed on the net gain derived from the disposition of the Takeback Term Loans under the graduated U.S. federal income tax rates that are applicable to U.S. Holders and, if the Non-U.S. Holder is a foreign corporation, it may also be subject to the branch profits tax described above in "Payments of Interest (Including Interest Attributable to Accrued, Untaxed Interest)." To claim an exemption from withholding, such non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor form or such other form as the IRS may prescribe). If an individual Non-U.S. Holder falls under the second of these exceptions, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (unless a lower applicable income tax treaty rate applies) on the amount by which the gain derived from the disposition exceeds such Non-U.S. Holder's capital losses allocable to sources within the United States for the taxable year of the disposition.

3. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of New Equity Interests Received in the Second Lien Exchange and Following Subscription of Rights

(a) Dividends on New Equity Interests

Any distributions made with respect to New Equity Interests, received on account of properly subscribed Rights or in the Second Lien Exchange (other than certain distributions of stock of New C1) will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of New C1, as determined under U.S. federal income tax principles (and thereafter first as a return of capital which reduces basis and then, generally, capital gain). Except as described below, dividends paid with respect to New Equity Interests held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or, if an applicable income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or 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 an applicable income tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or such successor form as the IRS designates), upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower applicable income tax treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Equity Interests held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and, if an applicable income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If New C1 is considered a "U.S. real property holding corporation" (a "**USRPHC**"), distributions to a Non-U.S. Holder will generally be subject to withholding by New C1 at a rate of 15 percent to the extent they are not treated as dividends. In the event the New Equity Interests are regularly traded on an established securities market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent of the aggregate fair market value of the class of equity interests that includes New Equity Interests during a specified testing period. Exceptions to such withholding may also be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations. The Debtors do not believe they are, and do not believe that New C1 will be,

USRPHCs, in light of the nature of their assets and business operations, but no formal study has been or will be conducted in this regard.

(b) Sale, Redemption, or Repurchase of New Equity Interests

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Equity Interests of New C1 unless:

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

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

(iii) the issuer of such New Equity Interests is or has been during a specified testing period a "USRPHC" (as discussed below).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Equity Interests. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty). As discussed above, the Debtors do not believe they are, and do not believe New C1 will be, USRPHCs, in light of the nature of their assets and business operations.

4. FATCA

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

Withholding with respect to the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest has been eliminated under proposed Treasury Regulations, which can be relied on until final regulations become effective.

Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

F. Information Reporting and Back-Up Withholding

The Debtors and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns

reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments made to a Holder of a Claim under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, 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 subject to the Plan 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.

XIII. RECOMMENDATION

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

Dated: April 3, 2024

ConvergeOne Holdings, Inc.
on behalf of itself and all other Debtors

By: */s/ Jeffrey Russell*
ConvergeOne Holdings, Inc.

Exhibit A

Prepackaged Plan of Reorganization

Solicitation Version

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

In re:	)	Chapter 11
CONVERGEONE HOLDINGS, INC., *et al.*,[1]	)	Case No. 24-90194 (CML)
Debtors.	)	(Joint Administration Requested)

JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF CONVERGEONE HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

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.

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Proposed Counsel to the Debtors and Debtors in Possession

Dated: April 3, 2024

[1] The Debtors in these Chapter 11 Cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: AAA Network Solutions, Inc. (7602); ConvergeOne Dedicated Services, LLC (3323); ConvergeOne Government Solutions, LLC (7538); ConvergeOne Holdings, Inc. (9427); ConvergeOne Managed Services, LLC (6277); ConvergeOne Systems Integration, Inc. (9098); ConvergeOne Technology Utilities, Inc. (6466); ConvergeOne Texas, LLC (5063); ConvergeOne Unified Technology Solutions, Inc. (2412); ConvergeOne, Inc. (3228); Integration Partners Corporation (7289); NetSource Communications Inc. (6228); NuAge Experts LLC (8150); Providea Conferencing, LLC (7448); PVKG Intermediate Holdings Inc. (4875); Silent IT, LLC (7730); and WrightCore, Inc. (3654). The Debtors' mailing address is 10900 Nesbitt Avenue South, Bloomington, Minnesota 55437.

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INTRODUCTION

ConvergeOne Holdings, Inc. and the other above-captioned debtors and debtors in possession (collectively, the "Debtors") propose this Plan for the resolution of the outstanding Claims against and Interests in the Debtors pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in **Article I.A** of this Plan. Although proposed jointly for administrative purposes, this Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims and Interests pursuant to the Bankruptcy Code. Holders of Claims against or Interests in the Debtors may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and projections of future operations, as well as a summary and description of this Plan, the Restructuring Transactions, and certain related matters. The Debtors are the proponents of this Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THIS PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

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

A. Defined Terms.

As used in this Plan, capitalized terms have the meanings set forth below.

1. "ABL DIP Agent" means Wells Fargo Commercial Distribution Finance, LLC.

2. "ABL DIP Commitment Letter" means the commitment letter, as may be amended, supplemented, or otherwise modified from time to time in accordance with its terms, entered into between the Debtors, the ABL DIP Agent, and the ABL DIP Lenders, pursuant to which the ABL DIP Lenders committed to make available to the Debtors the ABL DIP Facility in accordance with the terms thereof and the ABL DIP Documents.

3. "ABL DIP Credit Agreement" means that certain Ratification and Amendment Agreement consistent with the ABL DIP Term Sheet and the Documentation Principles (as defined therein) and otherwise in form and substance satisfactory to the ABL DIP Agent, the ABL DIP Lenders, and the Required Consenting Lenders, ratifying and amending the Prepetition ABL Facility.

4. "ABL DIP Facility" means that certain postpetition senior secured superpriority priming debtor-in-possession asset-based revolving credit facility, in the aggregate principal amount of up to $250.0 million (subject to the Borrowing Base, as such term is defined in the ABL DIP Term Sheet), entered into on the terms and conditions set forth in the ABL DIP Documents and the DIP Orders.

5. "ABL DIP Facility Claim" means any Claim arising from, under, or in connection with the ABL DIP Credit Agreement or any other ABL DIP Documents, including Claims for the aggregate outstanding principal amount of, plus unpaid interests on, the ABL DIP Loans, and all fees, and other expenses related thereto and arising and payable under the ABL DIP Facility.

6. "ABL DIP Documents" means any documents governing the ABL DIP Facility that are entered into in accordance with the ABL DIP Term Sheet and the DIP Orders and any amendments,

modifications, and 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, including the ABL DIP Term Sheet and the ABL DIP Credit Agreement.

7. "ABL DIP Lenders" means the lenders party to the ABL DIP Credit Agreement from time to time.

8. "ABL DIP Loans" means the loans contemplated under and documented by the ABL DIP Documents.

9. "ABL DIP Term Sheet" means the term sheet attached as **Exhibit 1** to the Restructuring Term Sheet describing the terms of the ABL DIP Facility.

10. "Administrative Claim" means a Claim for costs and expenses of administration of the Estates under 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 of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; (c) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930; (d) Adequate Protection Claims (as defined in the DIP Orders); and (e) Restructuring Expenses.

11. "Affiliate" means, with respect to any Entity, all Entities that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code if such Entity was a debtor in a case under the Bankruptcy Code.

12. "Agents/Trustees" means, collectively, any administrative agent, collateral agent, indenture trustee, floorplan funding agent, or similar Entity under the Prepetition ABL Credit Agreement, the First Lien Term Loan Credit Agreement, the KL Note Purchase Agreement, the PVKG Note Purchase Agreement, the Second Lien Credit Agreement, the Prepetition Intercreditor Agreements, the ABL DIP Facility, the Term DIP Facility, or the Exit Facilities, including any successors thereto and, without limitation, the Prepetition ABL Agent, the First Lien Term Loan Agent, the DIP Agents, and the Exit Facilities Agents.

13. "Allocated Portion" means Term DIP Facility Claims in an amount equal to the Rights, Direct Investment, and Backstop Commitment that are allocated to an applicable Term DIP Lender under this Plan and the Backstop Agreement as either an Investor or Eligible Offeree.

14. "Allowed" means, with respect to any Claim or Interest, a Claim or an Interest expressly allowed under this Plan, under the Bankruptcy Code, or by a Final Order, as applicable. For the avoidance of doubt, (a) there is no requirement to File a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim under the Plan, and (b) the Debtors (with the consent of the Required Consenting Lenders, which shall not be unreasonably withheld, delayed, or conditioned) may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable nonbankruptcy law; *provided, however* that the Reorganized Debtors shall retain all claims and defenses with respect to Allowed Claims that are Reinstated or otherwise Unimpaired pursuant to the Plan.

15. "Backstop Agreement" means that certain Equity Backstop Commitment Agreement by and among PVKG Investment, C1 Holdings, PVKG Intermediate, and the Investors, as may be amended, supplemented, or modified from time to time in accordance with the terms thereof, setting forth the terms and conditions for, among other things, the Rights Offering, the Investors' backstop of the Rights Offering

Amount, the purchase of the Direct Investment, and the issuance of the Put Option Premium all at the Plan Discount, which agreement shall be set forth in the Plan Supplement.

16. "Backstop Commitment" means the Investors' commitments to purchase up to $159,250,000 of the New Equity Interests at the Plan Discount, pursuant to the terms of the Rights Offering and in accordance with the Backstop Agreement; *provided* that the Investors may fulfill their Backstop Commitment by exercising their Term DIP Loan Rights pursuant to the terms of and in accordance with the Rights Offering Documents.

17. "Backstop Order" means the Final Order authorizing, among other things, the Debtors' entry into and performance under the Backstop Agreement and approving any other documents related thereto and approving the payment of fees and expenses related thereto, which Final Order may be the Confirmation Order.

18. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

19. "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas.

20. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

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

22. "C1 Holdings" means ConvergeOne Holdings, Inc.

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

24. "Cash Collateral" has the meaning set forth in section 363(a) of the Bankruptcy Code.

25. "Cause of Action" means, without limitation, any Claim, Interest, claim, damage, remedy, cause of action, controversy, demand, right, right of setoff, action, cross claim, counterclaim, recoupment, claim for breach of duty imposed by Law or in equity, action, Lien, indemnity, contribution, reimbursement, guaranty, debt, suit, class action, third-party claim, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, or franchise of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, matured or unmatured, direct or indirect, choate or inchoate, liquidated or unliquidated, suspected or unsuspected, disputed or undisputed, secured or unsecured, assertable or existing directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, under the Bankruptcy Code or applicable non-bankruptcy law, or pursuant to any other theory of law. For the avoidance of doubt, Causes of Action include: (a) all rights of setoff, counterclaim, or recoupment and claims on 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, 545, 546, 547, 548, 549, 550, or 553 of the Bankruptcy Code or similar non-U.S. or state law; 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.

26. "Chapter 11 Cases" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when

used with reference to all the Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

27. "Claim" means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

28. "Claims and Noticing Agent" means Epiq Corporate Restructuring, LLC, the claims, noticing, and solicitation agent retained by the Debtors in the Chapter 11 Cases by Bankruptcy Court order.

29. "Claims Register" means the official register of Claims and Interests in the Debtors maintained by the Claims and Noticing Agent.

30. "Class" means a class of Claims or Interests as set forth in **Article III** hereof pursuant to section 1122(a) of the Bankruptcy Code.

31. "CM/ECF" means the Bankruptcy Court's Case Management and Electronic Case Filing system.

32. "Company Parties" means PVKG Intermediate, C1 Holdings, and each of their direct and indirect subsidiaries that are or become parties to the Restructuring Support Agreement, solely in their capacity as such.

33. "Confirmation" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases.

34. "Confirmation Date" means the date upon which the Bankruptcy Court confirms this Plan pursuant to section 1129 of the Bankruptcy Code.

35. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on the confirmation of this Plan, pursuant to Bankruptcy Rule 3020(b)(2) and sections 1128 and 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

36. "Confirmation Order" means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance acceptable to the Debtors and the Required Consenting Lenders and, subject to the consent rights set forth in the Restructuring Support Agreement, the Required Consenting Second Lien Lenders.

37. "Consenting Sponsors" means PVKG Lender, ConvergeOne Investment, LP, and PVKG Investment US LP and each of their affiliates other than the Debtors that have executed and delivered counterpart signature pages to the Restructuring Support Agreement, in their respective capacities as direct or indirect Holders of Existing C1 Interests.

38. "Consenting Stakeholders" means, collectively, the First Lien Consenting Lenders and the Consenting Sponsors.

39. "Consummation" means the occurrence of the Effective Date.

40. "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.

41. "D&O Liability Insurance Policies" means, collectively, all insurance policies (including any "tail policies" and all agreements, documents, or instruments related thereto) issued at any time to, or providing coverage to, any of the Debtors or any of the Debtors' current or former directors, members, managers, or officers for directors', managers', and officers' liability.

42. "Debtor Release" means the release set forth in **Article VIII.C** of this Plan.

43. "Definitive Documents" means, collectively, (a) this Plan; (b) the Disclosure Statement; (c) the Solicitation Materials; (d) the DIP Orders (and motion(s) seeking approval thereof); (e) the ABL DIP Commitment Letter; (f) the ABL DIP Documents; (g) the Term DIP Loan Documents; (h) the Exit ABL Facility Documents; (i) the Exit Term Loan Facility Documents; (j) the Backstop Agreement and any motion(s) seeking approval thereof; (k) the Rights Offering and Election Procedures; (l) the Rights Offering Documents; (m) the Governance Documents; (n) any order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials (and motion(s) seeking approval thereof); (o) the Confirmation Order; (p) the Plan Supplement; (q) all material pleadings and motions Filed by the Company Parties in connection with the Chapter 11 Cases (and related orders), including the First Day Pleadings, any "second day" pleadings, and all orders sought pursuant thereto; (r) such other agreements, instruments, and documentation that are necessary, or as may be agreed in writing (email sufficient) between the Company Parties, the Required Consenting Lenders, and, subject to the consent rights set forth in the Restructuring Support Agreement, the Required Consenting Second Lien Lenders, to document and consummate the Restructuring Transactions; and (s) any other material exhibits, schedules, amendments, modifications, supplements, appendices, or other documents, motions, pleadings, and/or agreements relating to any of the foregoing, which in each case shall be in form and substance acceptable to the Debtors, the Required Consenting Lenders, and, subject to the consent rights set forth in the Restructuring Support Agreement, the Required Consenting Second Lien Lenders.

44. "Description of Transaction Steps" means the description of steps to be carried out to effectuate the Restructuring Transactions in accordance with the Plan and as set forth in the Plan Supplement.

45. "DIP Agents" means, collectively, the ABL DIP Agent and the Term DIP Agent.

46. "DIP Claims" means all Claims held by the DIP Lenders or the DIP Agents on account of, arising under, or related to the ABL DIP Credit Facility and/or the Term DIP Facility, or the DIP Orders, including, without limitation, Claims for all principal amounts outstanding, and any and all fees, interest, expenses, indemnification obligations, reimbursement obligations, and other amounts due under the DIP Documents, which, for the avoidance of doubt, shall include all "DIP Obligations" as such term is defined in the DIP Orders.

47. "DIP Lenders" means, collectively, the ABL DIP Lenders and the Term DIP Lenders.

48. "DIP Orders" means, collectively, the Interim DIP Order and the Final DIP Order and any other Bankruptcy Court order approving entry into the ABL DIP Documents and/or the Term DIP Loan Documents.

49. "DIP Professional Fees" means, as of the Effective Date, all accrued and unpaid professional fees and expenses payable under the DIP Orders to the professionals for the DIP Agents and the DIP Lenders.

50. "Direct Investment" means a number of New Equity Interests, issued at the Plan Discount in exchange for an aggregate amount equal to the Direct Investment Amount, which will be available solely

for Investors and which Investors shall have the sole right and obligation to purchase in accordance with the Investor Percentages set forth in the Backstop Agreement.

51. "Direct Investment Amount" means an amount equal to 35% of $245,000,000 (subject to increase with the consent of the Debtors and the Required Consenting Lenders).

52. "Direct Investment Commitment" means the Investors' commitments to purchase from New C1, based on the Investor Percentages, $85,750,000 of New Equity Interests at the Plan Discount, pursuant to the terms of the Rights Offering and in accordance with the Backstop Agreement.

53. "Disallowed" means any Claim, or any portion thereof, that has been disallowed by Final Order or pursuant to a settlement among the Debtors and the holder thereof. "Disallow" and "Disallowance" shall have correlative meanings.

54. "Disclosure Statement" means the disclosure statement in respect of this Plan, including all exhibits and schedules thereto, to be approved by the Confirmation Order and as approved or ratified by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

55. "Disclosure Statement Order" means one or more orders entered by the Bankruptcy Court, in form and substance reasonably acceptable to the Debtors, the Required Consenting Lenders (subject to the parties' rights and obligations under the Restructuring Support Agreement), and, subject to the consent rights set forth in the Restructuring Support Agreement, the Required Consenting Second Lien Lenders: (i) finding that the Disclosure Statement (including any amendment, supplement, or modification thereto) contains adequate information pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, and (ii) authorizing the use of the Disclosure Statement for soliciting votes on the Plan.

56. "Disputed" means, as to a Claim or an Interest, a Claim or an Interest: (a) that is not Allowed; (b) that is not Disallowed under this Plan, the Bankruptcy Code, or a Final Order, as applicable; and (c) with respect to which a party in interest has Filed a Proof of Claim or otherwise made a written request to a Debtor for payment, without any further notice to or action, order, or approval of the Bankruptcy Court.

57. "Distribution Agent" means the Reorganized Debtors or the Entity or Entities selected by the Debtors or the Reorganized Debtors, as applicable, with the consent of the Required Consenting Lenders, to make or facilitate distributions pursuant to this Plan.

58. "Distribution Record Date" means the record date for purposes of making distributions under this Plan on account of Allowed Claims, which date shall be the Effective Date or such other date agreed to by the Debtors and the Required Consenting Lenders.

59. "DTC" means The Depository Trust Company.

60. "Effective Date" means the date that is the first Business Day after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect and (b) all conditions precedent to the occurrence of the Effective Date set forth in **Article IX.A** of this Plan have been satisfied or waived in accordance with **Article IX.B** of this Plan, as determined by the Debtors, the Required Consenting Lenders, and solely with respect to the condition set forth in **Article IX.A** (1) (solely with respect to the Required Consenting Second Lien Lenders), (9), (10), (11), and (12), the Required Consenting Second Lien Lenders. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable thereafter.

61. "Eligible Offerees" means, collectively, each Holder of a First Lien Claim (or its designated Affiliate, managed fund or account or other designee, in accordance with the terms of the Backstop Agreement) that elects the Rights and Takeback Term Loan Recovery Option and is either (a) a "qualified institutional buyer," as such term is defined in Rule 144A under the Securities Act of 1933, as amended, or (b) an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), or (3) or (7) under the Securities Act of 1933, as amended, or an entity in which all of the equity investors are institutional "accredited investors" (which, in the case of (a) and (b), for the avoidance of doubt, may not include any natural person). For the avoidance of doubt, each Investor shall be an Eligible Offeree.

62. "Employee Partnership Sale Units" means those certain partnership sale units issued to certain employees of the Debtors prior to the Petition Date in exchange for a waiver of the respective employee's then-existing equity interests in ConvergeOne Investment LP.

63. "Employment Obligations" means any existing obligations to employees to be assumed, reinstated, or honored, as applicable, in accordance with **Article IV.O** of this Plan.

64. "Entity" means any entity, as defined in section 101(15) of the Bankruptcy Code.

65. "Equity Security" means any equity security, as defined in section 101(16) of the Bankruptcy Code, in a Debtor.

66. "Estate" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

67. "Exculpated Parties" means, collectively, and in each case in their capacities as such: (a) the Debtors, (b) the directors, officers, managers, and employees of any Debtor, and (c) the Professionals.

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

69. "Existing C1 Interests" means the equity interests in PVKG Intermediate immediately prior to the Effective Date.

70. "Exit ABL Agent" means the administrative agent, collateral agent, or similar Entity under the Exit ABL Credit Agreement.

71. "Exit ABL Credit Agreement" means the credit agreement with respect to the Exit ABL Facility, as may be amended, supplemented, or otherwise modified from to time, the terms of which, for the avoidance of doubt, shall be on terms and conditions reasonably satisfactory to the Debtors and the Required Consenting Lenders.

72. "Exit ABL Facility" means the first lien asset based lending facility, to be incurred on the Effective Date by the Reorganized Debtors pursuant to the Exit ABL Credit Agreement, which shall be on terms and conditions reasonably satisfactory to the Debtors and the Required Consenting Lenders.

73. "Exit ABL Facility Documents" means any documents governing the Exit ABL Facility and any amendments, modifications, and 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, including the Exit ABL Credit Agreement and the Exit Intercreditor Agreement.

74. "Exit Facilities" means, collectively, the Exit ABL Facility and Exit Term Loan Facility.

75. "Exit Facilities Agents" means, collectively, the Exit ABL Agent and the Exit Term Loan Agent.

76. "Exit Facilities Documents" means, collectively, the Exit ABL Facility Documents and the Exit Term Loan Facility Documents.

77. "Exit Intercreditor Agreement" means the new intercreditor agreement to be entered into on substantially the same terms as the Prepetition Intercreditor Agreements or such other terms as are acceptable to the Debtors and the Required Consenting Lenders, governing the relevant rights and priorities under the Exit Facilities Documents.

78. "Exit Term Loans" means the term loans provided under the Exit Term Loan Facility on the terms and conditions set forth in the Exit Term Loan Credit Agreement, which shall include the Takeback Term Loans.

79. "Exit Term Loan Agent" means the administrative agent, collateral agent, or similar Entity under the Exit Term Loan Credit Agreement.

80. "Exit Term Loan Credit Agreement" means the credit agreement with respect to the Exit Term Loan Facility, as may be amended, supplemented, or otherwise modified from to time.

81. "Exit Term Loan Facility" means the secured term loan facility in an aggregate principal amount not greater than $243 million pursuant to the Exit Term Loan Credit Agreement.

82. "Exit Term Loan Facility Documents" means any documents governing the Exit Term Loan Facility and any amendments, modifications, and 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, including the Exit Term Loan Credit Agreement and the Exit Intercreditor Agreement.

83. "Exit Term Loan Lenders" means those lenders party to the Exit Term Loan Credit Agreement.

84. "Federal Judgment Rate" means the federal judgment rate in effect as of the Petition Date.

85. "File" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases. "Filed" and "Filing" shall have correlative meanings.

86. "Final DIP Order" means one or more Final Orders entered approving the ABL DIP Facility, the Term DIP Facility, the ABL DIP Documents, and the Term DIP Loan Documents, and authorizing the Debtors' use of Cash Collateral.

87. "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, seek certiorari, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for a new trial, reargument, or rehearing 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 timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the

new trial, reargument, or rehearing has been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided that*, for the avoidance of any doubt, an order or judgment that is subject to appeal shall not constitute a Final Order even if a stay of such order or judgment pending resolution of the appeal has not been obtained; *provided, further*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order will not preclude such order from being a Final Order.

88. "First Day Pleadings" means the motions and related pleadings that the Debtors shall have filed upon the commencement of the Chapter 11 Cases.

89. "First Lien Ad Hoc Group" means that certain ad hoc group of Holders of First Lien Claims, including the KL Lender, represented or otherwise advised by the First Lien Ad Hoc Group Advisors.

90. "First Lien Ad Hoc Group Advisors" means Gibson, Dunn & Crutcher LLP, PJT Partners Inc., EY-Parthenon, any local counsel retained by the First Lien Ad Hoc Group, and such other professional advisors as are retained by the First Lien Ad Hoc Group with the prior written consent of the Debtors (not to be unreasonably withheld).

91. "First Lien Claims" means collectively, the First Lien Term Loan Claims, the KL Note Claims, and the PVKG Note Claims.

92. "First Lien Consenting Lenders" means the Initial First Lien Ad Hoc Group Members, KL Lender, PVKG Lender, each Holder of a First Lien Claim that has signed the Restructuring Support Agreement, each solely in their capacities as such, and any other Holder of a First Lien Claim that executes and delivers a joinder or transfer agreement to counsel to the Company Parties after the effective date of the Restructuring Support Agreement.

93. "First Lien Term Loan Agent" means Deutsche Bank AG New York Branch in its capacity as administrative agent and collateral agent under the First Lien Term Loan Credit Agreement.

94. "First Lien Term Loan Claims" means any Claim against any Debtor derived from, based upon, or arising under the First Lien Term Loan Credit Agreement and the other Loan Documents (as defined therein) (including, for the avoidance of doubt, all Obligations (as defined in the First Lien Term Loan Credit Agreement) owing under or in connection with the Loan Documents) and orders of the Bankruptcy Court (including, without limitation, the DIP Orders).

95. "First Lien Term Loan Credit Agreement" means that certain prepetition First Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by that certain Amendment No. 1 dated as of March 14, 2019 and that certain Amendment No. 2 dated as of December 17, 2021, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and certain lenders from time to time party thereto.

96. "General Unsecured Claim" means any Unsecured Claim against the Debtors that is not an: (a) Administrative Claim; (b) Priority Tax Claim; (c) Professional Fee Claim; (d) Other Priority Claim; (e) Intercompany Claim; or (f) Section 510 Claim. For the avoidance of doubt, General Unsecured Claims include (x) Claims resulting from the rejection of Executory Contracts and Unexpired Leases, and (y) Claims resulting from litigation against one or more of the Debtors.

97. "Governance Documents" means, as applicable, the organizational and governance documents for New C1 and/or the Reorganized Debtors, which will give effect to the Restructuring Transactions, including, without limitation, the New Equityholders' Agreement, any applicable certificates of incorporation, certificates of formation or certificates of limited partnership (or equivalent organizational documents), bylaws, limited liability company agreements, shareholder agreements (or equivalent governing documents), and registration rights agreements, which shall be consistent with the Restructuring Support Agreement and the Governance Term Sheet and in form and substance acceptable to the Debtors and the Required Consenting Lenders, and solely with respect to the Minority Protections (as defined in the Governance Term Sheet) and board observer rights provided for therein, the Subsequent First Lien Ad Hoc Group Members and the Required Consenting Second Lien Lenders (in accordance with the consent rights set forth in the Restructuring Support Agreement).

98. "Governance Term Sheet" means the term sheet attached as **Exhibit 4** to the Restructuring Term Sheet describing organizational and governance matters for New C1.

99. "Governing Body" means, in each case in its capacity as such, the board of directors, board of managers, manager, managing member, general partner, investment committee, special committee, or such similar governing body of any of the Debtors or the Reorganized Debtors, as applicable.

100. "Governmental Unit" means any governmental unit, as defined in section 101(27) of the Bankruptcy Code.

101. "Holder" means a Person or an Entity holding a Claim against, or an Interest in, any Debtor, as applicable, including any Person or Entity that is the record or beneficial owner, nominee, investment advisor, sub-advisor, or manager of discretionary accounts that hold any Claim against or Interest in any Debtor.

102. "Impaired" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

103. "Initial First Lien Ad Hoc Group Members" means each of the funds or accounts managed by (a) Kennedy Lewis Investment Management LLC, (b) Monarch Alternative Capital LP, and (c) Silver Point Capital.

104. "Initial Second Lien Ad Hoc Group Members" means each of the funds or accounts managed by (i) Partners Group (USA) Inc. and (ii) Siris Capital Group, LLC.

105. "Intercompany Claim" means any Claim against a Debtor held by another Debtor.

106. "Intercompany Interest" means any Interest in a Debtor held by another Debtor.

107. "Interest" means, collectively, (a) any Equity Security in any Debtor and (b) any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor that existed immediately before the Effective Date.

108. "Interim DIP Order" means one or more orders entered on an interim basis approving the ABL DIP Facility, the Term DIP Facility, the ABL DIP Documents, and the Term DIP Loan Documents and authorizing the Debtors' use of Cash Collateral.

109. "Investor Percentages" means the respective percentages set forth in the Backstop Agreement governing each Investor's respective Backstop Commitment or Direct Investment Commitment.

110. "Investors" means the Holders of First Lien Claims that are party to the Backstop Agreement (or their designated Affiliate(s), managed fund(s) or account(s) or other designee(s) in accordance with the Backstop Agreement). For the avoidance of doubt, each Investor must be (a) a "qualified institutional buyer," as such term is defined in Rule 144A under the Securities Act of 1933, as amended, or (b) an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), or (3) or (7) under the Securities Act of 1933, as amended, or an entity in which all of the equity investors are institutional "accredited investors" (which, in the case of (a) and (b), for the avoidance of doubt, may not include any natural person).

111. "Judicial Code" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

112. "KL Lender" means Kennedy Lewis Investment Management LLC as the Holder of the KL Note Claims.

113. "KL Lender Advisor" means Akin Gump Strauss Hauer & Feld LLP.

114. "KL Lender Advisor Cap" means $250,000.

115. "KL Note Claims" means any Claim against any Debtor derived from, based upon, or arising under the KL Note Purchase Agreement.

116. "KL Note Purchase Agreement" means that certain prepetition First Lien Secured Note Purchase Agreement dated as of July 10, 2020 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date) by and among C1 Holdings, as issuer, PVKG Intermediate, as holdings, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, certain affiliates of Kennedy Lewis Investment Management LLC as holders party thereto, and each other holder from time to time party thereto.

117. "Lender Affiliate" means any accounts and funds managed by a Term DIP Lender, accounts and funds managed by the investment manager, or any affiliate of the investment manager, of such Term DIP Lender, or any other affiliate of such Term DIP Lender.

118. "Lien" means a lien as defined in section 101(37) of the Bankruptcy Code.

119. "Management Incentive Plan" means the post-emergence equity incentive plan providing for the issuance from time to time, of equity and equity-based awards with respect to New Equity Interests, as approved by the New Board following the Effective Date, the timing and certain terms of which are set forth in **Article IV.P**.

120. "Management Incentive Plan Pool" means a pool of up to 10% of the fully diluted New Equity Interests that are issued and outstanding on the Effective Date that shall be reserved for issuance under the Management Incentive Plan.

121. "New Board" means the board of directors or similar Governing Body of New C1.

122. "New C1" means either PVKG Investment, as reorganized pursuant to this Plan, or, if applicable, any successor or assign thereto, by merger, consolidation, or otherwise on and after the Effective

Date, or a new entity, and each of its direct and indirect wholly-owned subsidiaries, which in any case shall be the ultimate parent of the other Company Parties on and after the Effective Date, and which entity shall be determined by agreement of the Debtors and the Required Consenting Lenders and shall be reasonably acceptable to the Required Consenting Second Lien Lenders.

123. "New Equity Interests" means new shares of common stock in New C1 to be issued on the Effective Date.

124. "New Equityholders' Agreement" means that certain equityholders' agreement that will govern certain matters related to the governance of the Reorganized Debtors and which shall be consistent with the Governance Term Sheet.

125. "Other Priority Claim" means any Claim, other than an Administrative Claim, Priority Tax Claim, ABL DIP Facility Claim, or Term DIP Facility Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

126. "Other Secured Claim" means any Secured Claim against the Debtors other than the ABL DIP Facility Claims, Term DIP Facility Claims, Prepetition ABL Claims, First Lien Claims, and Second Lien Claims.

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

128. "Petition Date" means the date on which the Debtors commence the Chapter 11 Cases.

129. "Plan" means this joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code, either in its present form or as it may be amended or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes, and attachments hereto, as may be altered, amended, supplemented, or otherwise modified from time to time in accordance with **Article X.A** hereof and the Restructuring Support Agreement, including the Plan Supplement (as altered, amended, supplemented, or otherwise modified from time to time), which is incorporated by reference herein and made part of the Plan as if set forth herein.

130. "Plan Discount" means the 35% discount to the Stipulated Equity Value at which the New Equity Interests issued through the Rights Offering and the Direct Investment will be purchased, and at which the New Equity Interests issued pursuant to the Put Option Premium shall be issued.

131. "Plan Distribution" means a payment or distribution to Holders of Allowed Claims or other eligible Entities under and in accordance with this Plan.

132. "Plan Supplement" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to this Plan (in each case, as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement), the initial drafts of certain of such documents to be Filed by the Debtors no later than seven (7) days before the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, including the following, as applicable: (a) the Governance Documents; (b) the New Equityholders' Agreement; (c) the Backstop Agreement; (d) the identity and members of the New Board to the extent known at the time of filing; (e) the Schedule of Retained Causes of Action; (f) the Exit Facilities Documents; (g) the Description of Transaction Steps (which shall, for the avoidance of doubt, remain subject to modification until the Effective Date and may provide for certain actions to occur prior to the Effective Date, subject to the consent of the Required Consenting Lenders and consultation with the Required Consenting Second Lien Lenders);

(h) the Rejected Executory Contract and Unexpired Lease List; and (i) any other necessary documentation related to the Restructuring Transactions.

133. "Prepetition ABL Agent" means Wells Fargo Commercial Distribution Finance, LLC, in its capacity as the administrative agent, collateral agent, floorplan funding agent and swing line lender under the Prepetition ABL Credit Agreement.

134. "Prepetition ABL Claims" means any Claim against any Debtor derived from, based upon, or arising under the Prepetition ABL Credit Agreement.

135. "Prepetition ABL Credit Agreement" means that certain Amended and Restated ABL Credit Agreement, dated as of January 4, 2019 (as amended by that certain Amendment No. 1, dated as of July 10, 2022, that certain Amendment No. 2, dated as of September 14, 2022, that certain Amendment No. 3, dated as of January 23, 2023, and that certain Amendment No. 4, dated as of August 29, 2023, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as borrower, PVKG Intermediate as holdings, certain subsidiary borrowers party thereto, Wells Fargo Commercial Distribution Finance, LLC, as administrative agent, collateral agent, floorplan funding agent and swing line lender, and the lenders party thereto.

136. "Prepetition ABL Facility" means the secured revolving credit loan in the aggregate principal amount of up to $250.0 million, subject to compliance with a borrowing base and various sublimits applicable to various Swingline Loans, Letters of Credit, and floorplan advances otherwise authorized under the Prepetition ABL Credit Agreement.

137. "Prepetition Intercreditor Agreements" means (a) that certain ABL Intercreditor Agreement, dated as of January 4, 2019 (as amended by that certain Joinder and Amendment to ABL Intercreditor Agreement dated as of July 10, 2020 and supplemented by that certain ABL Intercreditor Agreement Joinder dated as of May 15, 2023); (b) that certain First Lien Pari Passu Intercreditor Agreement, dated as of January 10, 2020 (as amended, amended and restated, supplemented, or otherwise modified from time to time); and (c) that certain first lien and second lien Intercreditor Agreement, dated as of January 4, 2019 (as amended, amended and restated, supplemented, or otherwise modified from time to time).

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

139. "Pro Rata" means, unless otherwise specified, with respect to any Claim, the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class.

140. "Professional" means any Entity: (a) employed pursuant to a Bankruptcy Court 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 Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

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

142. "Professional Fee Claim" means any Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through

and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

143. "Professional Fee Escrow Account" means an interest-bearing account funded upon entry of the Interim DIP Order and maintained by the Debtors with Cash for the benefit of the Professionals in accordance with the DIP Orders and the terms set forth in this Plan.

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

145. "Put Option Premium" means a fully earned nonrefundable aggregate premium equal to the sum of (i) 10% of the Rights Offering Amount and (ii) 10% of the Direct Investment Amount, collectively which shall be payable on the Effective Date to the Investors in shares of New Equity Interests, and shall be allocated pro rata among the Investors based on the Investor Percentages in accordance with the Backstop Agreement.

146. "PVKG Intermediate" means PVKG Intermediate Holdings Inc.

147. "PVKG Investment" means PVKG Investment Holdings, Inc.

148. "PVKG Lender" means PVKG Investment as the Holder of the PVKG Note Claims.

149. "PVKG Lender Advisors" means Latham & Watkins LLP and any local counsel retained by the PVKG Lender to advise the PVKG Lender in its capacity as the Holder of the PVKG Note Claims.

150. "PVKG Note Claims" means any Claim against any Debtor derived from, based upon, or arising under the PVKG Note Purchase Agreement, which shall be Allowed in the aggregate amount of $213.0 million pursuant to the PVKG Note Claims Settlement and the terms of this Plan and the Confirmation Order.

151. "PVKG Note Claims Settlement" means the settlement of all Claims, Causes of Action, and controversies among the Debtors, the Consenting Sponsors, the First Lien Consenting Lenders, the Second Lien Consenting Lenders, and any other Consenting Stakeholder regarding or related to the PVKG Note Purchase Agreement and/or the transactions consummated in connection therewith, as set forth in and contemplated by this Plan and effective as of the Effective Date.

152. "PVKG Note Purchase Agreement" means that certain Amended Promissory Note and Purchase and Cashless Exchange Agreement dated as of July 6, 2023 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as issuer, PVKG Intermediate, as holdings, and PVKG Lender, as administrative agent, collateral agent, and holder.

153. "Reinstate" means reinstate, reinstated, or reinstatement with respect to Claims and Interests, that the Claim or Interest shall be rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code. "Reinstated" and "Reinstatement" shall have correlative meanings.

154. "Rejected Executory Contract and Unexpired Lease List" means the list, as determined by the Debtors in consultation with the Required Consenting Lenders, of Executory Contracts and Unexpired Leases that will be rejected by the Reorganized Debtors pursuant to this Plan, which list, as may be amended from time to time, with the consent of the Debtors and the Required Consenting Lenders, shall be included in the Plan Supplement.

155. "Related Party" means with respect to an Entity, collectively, (a) such Entity's current and former Affiliates and (b) such Entity's and such Entity's current and former Affiliates' respective directors, managers, officers, shareholders, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, participants, successors, assigns (whether by operation of law or otherwise), subsidiaries, current, former, and future associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors, managers, fiduciaries, trustees, employees, agents (including any disbursing agent), advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, other representatives, and other professionals, representatives, advisors, predecessors, successors, and assigns, each solely in their capacities as such (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), and the respective heirs, executors, estates, and nominees of the foregoing.

156. "Released Party" means, collectively, the following Entities, in each case in their capacities as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the ABL DIP Lenders; (d) the Term DIP Lenders; (e) the Consenting Stakeholders; (f) the Second Lien Consenting Lenders; (g) the Investors; (h) the Agents/Trustees; (i) all Releasing Parties; and (j) each Related Party of each Entity in clause (a) through (i); *provided, however*, that, in each case, an Entity shall not be a Released Party if it (i) elects to opt out of the releases contained in this Plan if permitted to opt out; or (ii) files with the Bankruptcy Court an objection to the Plan, including the releases, that is not consensually resolved before Confirmation or supports any such objection or objector.

157. "Releasing Party" means, collectively, and in each case in their capacities as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the ABL DIP Lenders; (d) the Term DIP Lenders; (e) the Consenting Stakeholders; (f) the Second Lien Consenting Lenders; (g) the Investors; (h) the Agents/Trustees; (i) all Holders of Claims that vote to accept the Plan; (j) all Holders of Claims or Interests that are deemed to accept the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable notice of non-voting status indicating that they opt not to grant the releases provided in the Plan; (k) all Holders of Claims or Interests that are deemed to reject the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable notice of non-voting status indicating that they opt not to grant the releases provided in the Plan; (l) all Holders of Claims who abstain from voting on the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable ballot indicating that they opt not to grant the releases provided in the Plan; (m) all Holders of Claims who vote to reject the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable ballot indicating that they opt not to grant the releases provided in the Plan; and (n) each Related Party of each Entity in clause (a) through (m).

158. "Reorganized Debtor" means a Debtor, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date, unless otherwise dissolved pursuant to this Plan.

159. "Required Consenting Lenders" means, as of the relevant date of determination, the Initial First Lien Ad Hoc Group Members and the PVKG Lender holding, collectively, in excess of 66 2/3%of the aggregate First Lien Claims collectively held by the Initial First Lien Ad Hoc Group Members and the PVKG Lender.

160. "Required Consenting Second Lien Lenders" means, as of the relevant date of determination, the Initial Second Lien Ad Hoc Group Members holding, collectively, in excess of 50.01% of the aggregate Second Lien Claims collectively held by the Initial Second Lien Ad Hoc Group Members.

161. "Restructuring Expenses" means the actual, reasonable, and documented fees and expenses of the First Lien Ad Hoc Group Advisors, the KL Lender Advisor (subject to the KL Lender Advisor Cap), the PVKG Lender Advisors, and the Second Lien Ad Hoc Group Advisors, regardless of whether such fees and expenses are or were incurred before, on, or after the date on which the conditions set forth in Section 2 of the Restructuring Support Agreement were satisfied or waived by the appropriate Party or Parties in accordance with the terms of the Restructuring Support Agreement, subject to the terms of any applicable fee reimbursement letter between any such Parties and any of the Company Parties, as the case may be; *provided*, *however*, that the invoices for such fees and expenses shall be in summary format (with such redactions as may be necessary to maintain attorney client privilege), and the First Lien Ad Hoc Group Advisors, PVKG Lender Advisors, and the Second Lien Ad Hoc Group Advisors shall not be required to provide the Company Parties with attorney time entries or apply to the Bankruptcy Court for payment.

162. "Restructuring Support Agreement" means that certain Restructuring Support Agreement, entered into as of April 3, 2024, by and among the Debtors and the other parties thereto, including all exhibits thereto (including the Restructuring Term Sheet), as may be amended, modified, or supplemented from time to time, in accordance with its terms, attached to the First Day Declaration as **Exhibit B**.

163. "Restructuring Term Sheet" means the term sheet attached to the Restructuring Support Agreement as **Exhibit B** thereto.

164. "Restructuring Transactions" means the transactions described in **Article IV.C** of this Plan.

165. "Rights" means the rights offered to Eligible Offerees to participate in the Rights Offering, in an amount not to exceed such Eligible Offeree's Pro Rata portion (calculated based on the aggregate principal amount of First Lien Claims held by such Eligible Offeree relative to the aggregate principal amount of all First Lien Claims held by Eligible Offerees that exercised, or are deemed to have validly exercised the Rights Offering Rights and Takeback Term Loan Recovery Option) of the Rights Offering Amount.

166. "Rights Offering" means the equity rights offering to be consummated by New C1 on the Effective Date in accordance with the Rights Offering Documents, pursuant to which New C1 shall issue the Rights for an aggregate purchase price equal to the Rights Offering Amount at the Plan Discount.

167. "Rights Offering Amount" means an amount equal to 65% of $245,000,000 (subject to increase with the consent of the Debtors and the Required Consenting Lenders).

168. "Rights Offering Documents" means, collectively, the Rights Offering Term Sheet, the Backstop Agreement, the Backstop Order (which may be the Confirmation Order), the Rights Offering and Election Procedures, and any other agreements or documents memorializing the Rights Offering, as may be amended, restated, supplemented, or otherwise modified from time to time according to their respective terms.

169. "Rights Offering Participants" means, collectively, the Eligible Offerees that exercise, or are deemed to have validly exercised, their respective Rights for New Equity Interests in connection with the Rights Offering.

170. "Rights Offering and Election Procedures" means the procedures regarding the Class 3 recovery option election and governing the Rights Offering attached as an exhibit to the Disclosure Statement.

171. "Rights Offering Rights and Takeback Term Loan Recovery Option" means, for a Holder of a First Lien Claim that elects or is deemed to elect such option, (a) Takeback Term Loans in a principal amount equal to such Holder's First Lien Claim multiplied by 15%, plus (b) such Holder's Pro Rata share of the Rights. For the avoidance of doubt, such election shall be adjusted on a Pro Rata basis (in accordance with the Adjustment (as defined in the Backstop Agreement) as calculated pursuant to the Backstop Agreement), as necessary, so that participation in the Rights Offering Rights and Takeback Term Loan Recovery Option does not exceed 50% of the First Lien Claims.

172. "Rights Offering Term Sheet" means the term sheet attached as **Exhibit 3** to the Restructuring Term Sheet describing the material terms of the Rights Offering, the Direct Investment, the Backstop Commitment, and the Direct Investment Commitment.

173. "Schedule of Retained Causes of Action" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to this Plan, as the same may be amended, modified, or supplemented from time to time.

174. "Second Lien Ad Hoc Group" means that certain group of Holders of Second Lien Claims represented or otherwise advised by the Second Lien Ad Hoc Group Advisors.

175. "Second Lien Ad Hoc Group Advisors" means Davis Polk & Wardwell LLP, Guggenheim Securities, LLC, Haynes and Boone, LLP, and such other professional advisors as are retained by the Second Lien Ad Hoc Group with the prior written consent of the Required Consenting Lenders and the Debtors (not to be unreasonably withheld).

176. "Second Lien Agent" means UBS AG, Stamford Branch, in its capacity as administrative agent and collateral agent under the Second Lien Credit Agreement.

177. "Second Lien Consenting Lenders" means each Holder of a Second Lien Claim that has signed the Restructuring Support Agreement, each solely in their capacities as such, and each Holder of a Second Lien Claim that executes and delivers a joinder or transfer agreement to counsel to the Company Parties after the effective date of the Restructuring Support Agreement, including, for the avoidance of doubt, each of the funds or accounts managed by (i) Partners Group (USA) Inc., (ii) Siris Capital Group, LLC, (iii) AlbaCore Capital LLP, and (iv) Neuberger Berman Investment Advisers LLC and its affiliates.

178. "Second Lien Credit Agreement" means that certain prepetition Second Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by that certain Amendment No. 1 dated as of July 10, 2022), and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date, by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, UBS AG, Stamford Branch, as administrative agent and collateral agent, and certain lenders from time to time party thereto.

179. "Second Lien Recovery" means 4.375% of the New Equity Interests issued on the Effective Date (subject to dilution only by the Management Incentive Plan Pool).

180. "Second Lien Claims" means any Claim against any Debtor derived from, based upon, or arising under the Second Lien Credit Agreement.

181. "Section 510 Claim" means any Claim against any Debtor: (a) arising from the rescission of a purchase or sale of an Equity Security (including the Employee Partnership Sale Units) of any Debtor or an Affiliate of any Debtor; (b) for damages arising from the purchase or sale of such an Equity Security made to the Debtors prior to the Petition Date; (c) for reimbursement or contribution allowed under section 502(e) of the Bankruptcy Code on account of such a Claim; and (d) any other claim determined to be subordinated under section 510 of the Bankruptcy Code.

182. "Secured Claim" means a Claim: (a) secured by a valid, perfected, and enforceable Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

183. "Securities Act" means the Securities Act of 1933, as amended, 15 U.S.C. §§ 77a-77aa, and the rules and regulations promulgated thereunder.

184. "Security" means any security, as defined in section 2(a)(1) of the Securities Act.

185. "SIR" means any self-insured retention under the Debtors' insurance policies.

186. "Solicitation Materials" means, collectively, all materials used in connection the solicitation of votes on the Plan, including the Disclosure Statement, the Disclosure Statement Order, and any procedures established by the Bankruptcy Court with respect to solicitation of votes on the Plan.

187. "Stipulated Equity Value" means approximately $434 million.

188. "Subsequent First Lien Ad Hoc Group Members" means each of the funds or accounts managed by (a) MJX Asset Management, LLC; (b) PGIM, Inc., and (c) Sound Point Capital Management, LP.

189. "Takeback Term Loan Recovery Option" means, for a Holder of a First Lien Claim that elects such option, Takeback Term Loans in a principal amount equal to such Holder's First Lien Claim multiplied by 20%. For the avoidance of doubt, such election shall be adjusted on a Pro Rata basis (in accordance with the Adjustment (as defined in the Backstop Agreement) as calculated pursuant to the Backstop Agreement), as necessary, so that participation in the Takeback Term Loan Recovery Option does not exceed 50% of the First Lien Claims.

190. "Takeback Term Loans" means the Exit Term Loans issued to Holders of First Lien Claims.

191. "Term DIP Agent" means Wilmington Savings Fund Society, FSB, in its capacity as the administrative agent and collateral agent under the DIP Term Loan Credit Agreement.

192. "Term DIP Credit Agreement" means the credit agreement with respect to the Term DIP Facility, as may be amended, supplemented, or otherwise modified from to time.

193. "Term DIP Facility" means the senior secured debtor in possession financing facility for the Term DIP Loans, in an aggregate amount of $215.0 million, entered into on the terms and conditions set forth in the Term DIP Loan Documents and the DIP Orders.

194. "Term DIP Facility Claims" means any Claim arising from, under, or in connection with the Term DIP Credit Agreement or any other Term DIP Loan Documents, including Claims for the

aggregate outstanding principal amount of, plus unpaid interests on, the Term DIP Loan, and all fees, premiums, and other expenses related thereto and arising and payable under the Term DIP Facility.

195. "Term DIP Lenders" means the "Lenders" under, and as defined in, the Term DIP Credit Agreement.

196. "Term DIP Loan Documents" means any documents governing the Term DIP Facility that are entered into in accordance with the Term DIP Credit Agreement, Term DIP Term Sheet and the DIP Orders, and any amendments, modifications, and 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, in each case consistent with the Term DIP Term Sheet and otherwise in form and substance satisfactory to the Required Term DIP Lenders (as defined in the Term DIP Credit Agreement).

197. "Term DIP Loan Rights" means the following rights: (i) each Term DIP Lender that is, or is a Lender Affiliate of, or is related to, (A) an Initial First Lien Ad Hoc Group Member, (B) PVKG Lender, or (C) a Subsequent First Lien Ad Hoc Group Member (in each case, at its sole option) shall be entitled to exchange some or all of the Allocated Portion of its Term DIP Facility Claims, on a dollar-for-dollar basis, for New Equity Interests pursuant to the terms of the Rights Offering, Backstop Commitment, and Direct Investment, and in accordance with the Rights Offering Documents (with the remainder of such Term DIP Facility Claims to be satisfied in Cash); and (ii) (A) each Term DIP Lender that is, or is a Lender Affiliate of, or is related to, a Subsequent First Lien Ad Hoc Group Member shall be entitled (at its sole option) to exchange the Allocated Portion of its Term DIP Facility Claims, on a dollar-for-dollar basis, for Takeback Term Loans (with the remainder of such Term DIP Facility Claims to be satisfied in Cash), and (B) any Subsequent First Lien Ad Hoc Group Member that is a Term DIP Lender or is a Lender Affiliate thereof or is related thereto, that elects the option described in the foregoing clause (A) shall utilize the Takeback Term Loan recovery portion of its First Lien Claims under this Plan as currency, on a dollar-for-dollar basis, for New Equity Interests issuable under and pursuant to the terms of the Rights Offering, Backstop Commitment, and Direct Investment and in accordance with the Rights Offering Documents (whether in their capacities as Investors under the Rights Offering or Eligible Offerees).

198. "Term DIP Loans" means the multiple draw term loans provided under the Term DIP Facility.

199. "Term DIP Term Sheet" means the term sheet attached as **Exhibit 2** to the Restructuring Term Sheet describing the material terms of the Term DIP Facility.

200. "Third-Party Release" means the release set forth in **Article VIII.D** of this Plan.

201. "Unexpired Lease" means a lease to which one or more of the Debtors are a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

202. "Unimpaired" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is Unimpaired within the meaning of section 1124 of the Bankruptcy Code.

203. "Unsecured Claim" means any Claim that is not a Secured Claim.

204. "Workers' Compensation Program" means the Debtors' (a) written contracts, agreements, agreements of indemnity, in each case relating to workers' compensation, (b) self-insured workers' compensation bonds, policies, programs, and plans for workers' compensation and (c) workers' compensation insurance issued to or entered into at any time by any of the Debtors.

B. Rules of Interpretation.

For purposes of this Plan: (1) 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; (2) 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 the referenced document shall be substantially in that form or substantially on those terms and conditions; *provided* that nothing in this clause (2) shall affect any parties' consent rights over any of the Definitive Documents or any amendments thereto (both as that term is defined herein and as it is defined in the Restructuring Support Agreement); (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented in accordance with this Plan or the Confirmation Order, as applicable; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (8) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document created or entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (9) unless otherwise specified, 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"; (10) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (11) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (12) 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 that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (13) all 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; (14) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (15) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of this Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; and (16) unless otherwise specified, any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable thereafter.

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 any payment, distribution, act, or deadline under this Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or distribution, the performance of such act, or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but shall be deemed to have been completed or to have occurred as of the required date.

D. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws (other than section 5-1401 and section 5-1402 of the New York

General Obligations Law), shall govern the rights, obligations, construction, and implementation of this Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with this Plan or the Confirmation Order (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor or the Reorganized Debtor.

E. Reference to Monetary Figures.

All references in this Plan to monetary figures shall refer to the legal tender of the United States of America, unless otherwise expressly provided herein.

F. Controlling Document.

In the event of an inconsistency between this Plan and the Disclosure Statement, the terms of this Plan shall control in all respects. In the event of an inconsistency between this Plan and the Plan Supplement, the terms of the relevant provision in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and this Plan, the Confirmation Order shall control.

G. Consent Rights.

Notwithstanding anything herein to the contrary, any and all consent, approval, and consultation rights of the parties to the Restructuring Support Agreement set forth in the Restructuring Support Agreement, the DIP Orders, the Backstop Order, or any Definitive Document, including with respect to the form and substance of the Plan, the Plan Supplement, and all other Definitive Documents (including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents), shall be incorporated herein by this reference and fully enforceable as if stated in full herein.

Agreement with respect to the form and substance of this Plan, any Definitive Document, all exhibits to this Plan, and the Plan Supplement, including any amendments, restatements, supplements, or other modifications to such agreements and documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in **Article I.A** hereof) and be fully enforceable as if stated in full herein until such time as the Restructuring Support Agreement or the Backstop Agreement, as applicable, is terminated in accordance with its terms. Failure to reference in this Plan the rights referred to in the immediately preceding sentence as such rights relate to any document referenced in the Restructuring Support Agreement or the Backstop Agreement, as applicable, shall not impair such rights and obligations. In case of a conflict between the consent rights of the parties to the Restructuring Support Agreement that are set forth in the Restructuring Support Agreement or of the parties to the Backstop Agreement that are set forth in the Backstop Agreement, as applicable, with those parties' consent rights that are set forth in this Plan or the Plan Supplement, the consent rights in the Restructuring Support Agreement or the Backstop Agreement, as applicable, shall control.

ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS

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

A. Administrative Claims.

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, or otherwise provided for under the Plan, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims, Claims for fees and expenses pursuant to section 1930 of chapter 123 of the Judicial Code, and Restructuring Expenses) shall be paid in full an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in full and final satisfaction, compromise, settlement, release, and discharge of such Administrative Claim in accordance with the following: (1) if such 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); (2) if such Administrative Claim is not Allowed on or prior to the Effective Date, the first Business Day after the date that is thirty (30) days after the date such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court. Subject to the terms of the Restructuring Support Agreement and the DIP Orders, nothing in the foregoing or otherwise in this Plan shall prejudice the Debtors' or the Reorganized Debtors' rights and defenses regarding any asserted Administrative Claim.

B. DIP Claims.

1. ABL DIP Facility Claims.

On the Effective Date, in full and final satisfaction of the Allowed ABL DIP Facility Claims, (a) ABL DIP Facility Claims that are being converted to Exit ABL Facility Loans or other outstandings thereunder (such as letters of credit and floorplan advances, as provided below) shall be refinanced by the Exit ABL Facility in the amount of the remaining ABL DIP Facility Claims after such pay down by means of a cashless settlement, (b) ABL DIP Facility Claims that are not being converted to Exit ABL Facility Loans shall be indefeasibly paid in full in Cash, and (c) accrued interest and fees under the ABL DIP Facility shall be paid in full in Cash immediately prior to the conversion of ABL DIP Loans to Exit ABL Facility Loans. With respect to the amount of the ABL DIP Facility refinanced by means of a cashless settlement, (i) all principal amount of ABL DIP Loans (as defined in the ABL DIP Credit Agreement) (including Swingline Loans and floorplan advances) shall be on a one-to-one basis automatically converted to and deemed to be Exit ABL Facility Loans, (ii) the Letters of Credit (as defined in the ABL DIP Credit Agreement) issued and outstanding under the ABL DIP Credit Agreement shall automatically be converted to letters of credit deemed to be issued and outstanding under the Exit ABL Facility Documents, and (iii) all Collateral that secures the Obligations (each as defined in the ABL DIP Credit Agreement) under the ABL DIP Credit Agreement that shall also secure the Exit ABL Facility shall be reaffirmed, ratified, and shall automatically secure all Obligations under the Exit ABL Facility Documents, subject to the priorities of Liens set forth in the Exit ABL Facility Documents and the Exit Intercreditor Agreement.

For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses related to the ABL DIP Facility shall be paid in full in Cash in accordance with the terms of the DIP Orders and this Plan, as applicable.

2. Term DIP Facility Claims.

On the Effective Date, in full and final satisfaction of the Allowed Term DIP Facility Claims, each Holder of a Term DIP Facility Claim shall receive its Pro Rata portion of Cash on account of any principal, interest, fees, and expenses outstanding with respect to such Holder's Term DIP Facility Claim as of the Effective Date; *provided*, *however*, that any Holder of a Term DIP Facility Claim can, in lieu of such Cash payment, exercise such Holder's Term DIP Loan Rights on the terms set forth in the Term DIP Term Sheet and pursuant to the terms of the Rights Offering Documents.

For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses related to the Term DIP Facility shall be paid in full in Cash accordance with the terms of the DIP Orders and this Plan, as applicable.

C. Professional Fee Claims.

1. Final Fee Applications and Payment of Professional Fee Claims.

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than forty-five (45) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Reorganized Debtors shall pay Professional Fee Claims in Cash in the amount the Bankruptcy Court allows, from the Professional Fee Escrow Account as soon as practicable after such Professional Fee Claims are Allowed.

2. Professional Fee Escrow Account.

On the Effective Date, the Reorganized Debtors shall fund the Professional Fee Escrow Account with an amount of Cash equal to the Professional Fee Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. When all Allowed Professional Fee Claims have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court.

3. Professional Fee Amount.

Professionals shall reasonably estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors or the Debtors' Estates before and as of the Effective Date, and shall deliver such estimate to the Debtors and the First Lien Ad Hoc Group Advisors no later than three (3) Business Days before the Effective Date; *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors or Reorganized Debtors shall estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Confirmation Fees and Expenses.

Except as otherwise specifically provided in this Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of this Plan and Consummation incurred by the Debtors. Upon

the Confirmation Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the 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.

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 receive Cash equal to the full amount of its Claim or such other treatment in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

E. Restructuring Expenses.

The Restructuring Expenses incurred, or estimated to be incurred, up to and including the Effective Date (or, with respect to necessary post-Effective Date matters, after the Effective Date), shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to, the terms set forth herein and in the Restructuring Support Agreement, without any requirement to File a fee application with the Bankruptcy Court, without the need for itemized time detail, or without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least three (3) Business Days before the anticipated Effective Date; *provided, however*, that such estimates shall not be considered an admission or limitation with respect to such Restructuring Expenses. On the Effective Date, invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. After the Effective Date, the Debtors and Reorganized Debtors (as applicable) shall continue to pay when due and payable in the ordinary course of their business any unpaid Restructuring Expenses that were incurred on, before, or after the Effective Date.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests.

This Plan constitutes a separate Plan proposed by each Debtor. Except for the Claims addressed in **Article II** of this Plan (or as otherwise set forth herein), all Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, DIP Claims, Priority Tax Claims, Professional Fee Claims, or Restructuring Expenses, as described in **Article II**.

A Claim or an Interest, or any portion thereof, is classified in a particular Class only to the extent that any portion of such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such 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 this Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims against and Interests in the Debtors pursuant to this Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
2	Other Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
3	First Lien Claims	Impaired	Entitled to Vote
4	Second Lien Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
6	Intercompany Claims	Impaired/Unimpaired	Deemed to Accept / Deemed to Reject; Not Entitled to Vote
7	Section 510 Claims	Impaired	Deemed to Reject; Not Entitled to Vote
8	Intercompany Interests	Impaired/Unimpaired	Deemed to Accept / Deemed to Reject; Not Entitled to Vote
9	Existing C1 Interests	Impaired	Deemed to Reject; Not Entitled to Vote

B. Formation of Debtor Groups for Convenience Only.

This Plan is a separate plan of reorganization for each Debtor. This Plan groups the Debtors together solely for the purpose of describing treatment under the Plan, Confirmation of this Plan, and making Plan Distributions in respect of Claims against and Interests in the Debtors under this Plan. Such groupings shall not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, or cause the transfer of any assets. Except as otherwise provided by or permitted under this Plan, all Debtors shall continue to exist as separate legal entities. The Plan is not premised on, and does not provide for, the substantive consolidation of the Debtors with respect to the Classes of Claims or Interests set forth in the Plan, or otherwise.

C. Treatment of Claims and Interests.

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under this 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, except to the extent different treatment is agreed to by the Reorganized Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. 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.

1. Class 1 – Other Secured Claims.

(a) Classification: Class 1 consists of all Other Secured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each

Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, in the discretion of the Reorganized Debtors:

(i) payment in full in Cash of its Allowed Other Secured Claim;

(ii) the collateral securing its Allowed Other Secured Claim;

(iii) Reinstatement of its Allowed Other Secured Claim; or

(iv) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(c) Voting: Allowed Other Secured Claims in Class 1 are Unimpaired. Each Holder of an Allowed Other Secured Claim is conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and therefore shall not be entitled to vote to accept or reject this Plan.

2. Class 2 – Other Priority Claims.

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive payment in full in Cash of such Allowed Other Priority Claim on or as soon as reasonably practicable after the last to occur of (i) the Effective Date, (ii) the date such Other Priority Claim becomes an Allowed Claim, (iii) the date on which such Allowed Other Priority Claim is due to be paid in the ordinary course of business of the Debtors or Reorganized Debtors, if applicable, and (iv) the date on which the Holder of such Allowed Other Priority Claim and the Debtors or Reorganized Debtors shall otherwise agree in writing.

(c) Voting: Allowed Other Priority Claims in Class 2 are Unimpaired. Each Holder of an Allowed Other Priority Claim shall be conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and therefore shall not be entitled to vote to accept or reject this Plan.

3. Class 3 – First Lien Claims.

(a) Classification: Class 3 consists of all First Lien Claims.

(b) Allowance: On the Effective Date, all First Lien Claims shall be deemed Allowed, and not subject to any counterclaim, defense, offset, or reduction of any kind, in an aggregate amount as follows, and, with respect to the PVKG Note Claims, shall be pursuant to the PVKG Note Claims Settlement:

(i) First Lien Term Loan Claims: $1,095,726,307.33

(ii) KL Note Claims: $78,812,500.00

(iii) PVKG Note Claims: $213,000,000.00

(c) Treatment: Except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each Allowed First Lien Claim, each Holder of an Allowed First Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive on the Effective Date its elected Pro Rata share of (which elections shall be (i) adjusted on a Pro Rata basis (in accordance with the Adjustment (as defined in the Backstop Agreement) as calculated pursuant to the Backstop Agreement), as necessary, so that participation in each recovery option is equal to 50% of the First Lien Claims) (x) the Takeback Term Loan Recovery Option, or (y) the Rights Offering Rights and Takeback Term Loan Recovery Option. In the event that a Holder of a First Lien Claim fails to timely elect its recovery option, it shall be deemed to have elected the Rights Offering Rights and Takeback Term Loan Recovery Option.

(d) Voting: Allowed First Lien Claims in Class 3 are Impaired. Each Holder of an Allowed First Lien Claim shall be entitled to vote to accept or reject this Plan.

4. Class 4 – Second Lien Claims.

(a) Classification: Class 4 consists of all Second Lien Claims.

(b) Allowance: On the Effective Date, all Second Lien Claims shall be deemed Allowed, and not subject to any counterclaim, defense, offset, or reduction of any kind, in an aggregate amount of $286,541,971.71.

(c) Treatment: Except to the extent that a Holder of an Allowed Second Lien Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of (including any Liens related thereto) each Allowed Second Lien Claim, on the Effective Date each Holder of an Allowed Second Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive its Pro Rata share of the Second Lien Recovery.

(d) Voting: Allowed Second Lien Claims are Impaired. Each Holder of an Allowed Second Lien Claim shall be entitled to vote to accept or reject this Plan.

5. Class 5 – General Unsecured Claims.

(a) Classification: Class 5 consists of all General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim and in exchange for each Allowed General Unsecured Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed General Unsecured Claim shall receive, either (i) Reinstatement of such Allowed General Unsecured Claim pursuant to section 1124 of the Bankruptcy Code; or (ii) payment in full in Cash on (A) the Effective or (B) the date due in the ordinary course of

business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed General Unsecured Claim.

(c) Voting: Allowed General Unsecured Claims in Class 5 are Unimpaired. Each Holder of an Allowed General Unsecured Claim shall be conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and therefore shall not be entitled to vote to accept or reject this Plan.

6. Class 6 – Intercompany Claims.

(a) Classification: Class 6 consists of all Intercompany Claims.

(b) Treatment: On the Effective Date, or as soon as reasonably practicable thereafter, Allowed Intercompany Claims shall be, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), Reinstated, converted to equity, or otherwise set off, settled, distributed, contributed, canceled, or released to the extent reasonably determined to be appropriate by the Debtors or Reorganized Debtors and the Required Consenting Lenders, as applicable.

(c) Voting: Allowed Intercompany Claims in Class 6 are either (i) Unimpaired and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (ii) Impaired and are conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders of Intercompany Claims are not entitled to vote to accept or reject this Plan.

7. Class 7 – Section 510 Claims.

(a) Classification: Class 7 consists of all Section 510 Claims.

(b) Treatment: On the Effective Date, all Section 510 Claims (including all claims on account of the Employee Partnership Sale Units) shall be canceled, released, discharged, and extinguished and shall be of no further force or effect, and Holders of Section 510 Claims shall not receive any distribution on account of such Section 510 Claims.

(c) Voting: Allowed Section 510 Claims in Class 7 are Impaired. Each Holder of an Allowed Section 510 Claim is conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders of Section 510 Claims are not entitled to vote to accept or reject this Plan.

8. Class 8 – Intercompany Interests.

(a) Classification: Class 8 consists of all Intercompany Interests.

(b) Treatment: On the Effective Date, Intercompany Interests shall, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), be (i) Reinstated or (ii) set off, settled, addressed, distributed, contributed, merged, cancelled, or released.

(c) Voting: Allowed Intercompany Interests are Unimpaired if such Interests are Reinstated, or are Impaired if such Interests are cancelled. Holders of Intercompany Interests are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code or rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders of Allowed Intercompany Interests are not entitled to vote to accept or reject this Plan.

9. Class 9 – Existing C1 Interests.

(a) Classification: Class 9 consists of all Existing C1 Interests.

(b) Treatment: On the Effective Date, Existing C1 Interests shall be cancelled, released, and extinguished and shall be of no further force and effect, and Holders of Existing C1 Interests shall not receive any distribution on account thereof.

(c) Voting: Allowed Existing C1 Interests are Impaired under this Plan. Each Holder of an Allowed Existing C1 Interest is conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders of Existing C1 Interests are not entitled to vote to accept or reject this Plan.

D. Special Provision Governing Unimpaired Claims.

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

E. 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 this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. Acceptance by Impaired Classes.

An Impaired Class of Claims shall have accepted this Plan, if not counting the vote of any Holder designated under section 1126(e) of the Bankruptcy Code, (i) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept this Plan, and (ii) the Holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept this Plan.

G. Voting Classes, Presumed Acceptance by Non-Voting Classes.

If a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject this Plan, the Holders of such Claims in such Class shall be deemed to have accepted this Plan.

H. Intercompany Interests.

To the extent Reinstated under this Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of New Equity Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under this Plan to make certain distributions to the Holders of Allowed Claims.

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

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of this Plan by one or more of the Classes entitled to vote pursuant to **Article III.C** of this Plan. The Debtors shall seek Confirmation of this 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 this Plan in accordance with **Article X** of this Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by 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.

J. No Substantive Consolidation.

Although this Plan is presented as a joint plan of reorganization for administrative purposes, this Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date, the Debtors' Estates shall not be deemed to be substantively consolidated for any reason. Except as expressly provided herein, nothing in this Plan, the Confirmation Order, or the Disclosure Statement shall constitute or be deemed to constitute a representation that any one or all of the Debtors is subject to or liable for any Claims or Interests against or in any other Debtor. A Claim or Interest against or in multiple Debtors will be treated as a separate Claim or Interest against or in each applicable Debtor's Estate for all purposes, including voting and distribution; *provided, however*, that no Claim will receive value in excess of one hundred percent (100.0%) of the Allowed amount of such Claim (inclusive of post-petition interest, if applicable) under the Plan for all such Debtors.

K. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired or is properly classified under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

L. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Any such contractual, legal, or equitable subordination rights shall be settled, compromised, and released pursuant to this Plan.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THIS PLAN

A. General Settlement of Claims and Interests.

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, upon the Effective Date, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies (including the PVKG Note Claims Settlement) resolved pursuant to this Plan, including any challenge to the amount, validity, perfection, enforceability, priority, or extent of the First Lien Claims, whether under any provision of chapter 5 of the Bankruptcy Code, based on any equitable theory, or otherwise. This Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable and in the best interests of the Debtors and their Estates. Subject to **Article VI** hereof, all distributions made to Holders of Allowed Claims in any Class are intended to be and shall be final.

B. PVKG Note Claims Settlement.

The allowance and treatment of the PVKG Note Claims under this Plan, together with the other terms and conditions set forth in this Plan and the Confirmation Order (including the releases of and by the PVKG Lender set forth herein and in the Confirmation Order), reflects the proposed compromise and settlement of the PVKG Note Claims pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code. The PVKG Note Claims Settlement is incorporated into this Plan and includes the following material terms and conditions:

1. The PVKG Note Claims shall be Allowed on the Effective Date against the Debtors in the amount of $213,000,000.00.

2. The PVKG Note Claims shall receive the treatment set forth in **Article III.C.3** hereof. For the avoidance of doubt, the PVKG Lender shall waive any Claims other than the PVKG Note Claims that it may have, including any General Unsecured Claims, if any; *provided* that the foregoing shall not limit the payment or reimbursement of the Restructuring Expenses by the Debtors or the Reorganized Debtors.

3. PVKG Lender, as the Holder of the PVKG Note Claims, shall support Confirmation of this Plan and shall timely submit a ballot accepting the Plan, in each case in accordance with the terms and conditions of the Restructuring Support Agreement.

This Plan shall be deemed a motion to approve the good faith compromise and settlement of the PVKG Note Claims Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, within the range of reasonableness, and in the best interests of the Debtors and their Estates.

C. Restructuring Transactions.

Before, on, and after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall consummate the Restructuring Transactions (which, for the avoidance of doubt, shall be in form and substance acceptable to the Required Consenting Lenders, and, subject to the consent rights set forth in the Restructuring Support Agreement, reasonably acceptable to the Required Consenting Second Lien Lenders, and otherwise consistent with the Restructuring Support Agreement) and may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan that are consistent with and pursuant to the terms and conditions of this Plan, including: (1) 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 this Plan, the Plan Supplement, and the Restructuring Support Agreement; (2) 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 this Plan, the Plan Supplement, the Confirmation Order, and the Restructuring Support Agreement and having other terms to which the applicable Entities may agree; (3) the execution, delivery and filing, if applicable, of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law, including any applicable Governance Documents; (4) the execution and delivery of the Exit Facilities Documents and entry into the Exit Facilities; (5) pursuant to the Rights Offering Documents, the implementation of the Rights Offering, the distribution of the Rights to the Eligible Offerees, the issuance of the New Equity Interests in connection therewith, the execution and implementation of the Backstop Agreement in connection therewith; (6) the issuance of the Term DIP Loan Rights and the New Equity Interests in connection therewith; (7) the issuance and distribution of the New Equity Interests as set forth in this Plan; (8) the reservation of the Management Incentive Plan Pool; (9) such other transactions that are required to effectuate the Restructuring Transactions, including any transactions set forth in the Description of Transaction Steps; and (10) 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.

The Confirmation Order shall and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan.

D. The Reorganized Debtors.

On the Effective Date, the New Board shall be established in accordance with the terms of the Governance Term Sheet, and each Reorganized Debtor shall adopt its Governance Documents. The Reorganized Debtors shall be authorized to adopt any other agreements, documents, and instruments and to take any other actions contemplated under this Plan as necessary to consummate this Plan.

E. Sources of Consideration for Plan Distributions.

Each distribution and issuance referred to in **Article VI** of this Plan shall be governed by the terms and conditions set forth in this Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain Securities in connection with this Plan, including the New Equity Interests will be exempt from SEC registration, as described more fully in **Article IV.M** below.

1. Exit Facilities.

On the Effective Date, the Reorganized Debtors shall enter into the Exit Facilities, the terms of which will be set forth in the Exit Facilities Documents. Confirmation of this Plan shall be deemed final approval of the Exit Facilities and the Exit 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, expenses, and other payments provided for therein and authorization of the Reorganized Debtors to enter into and execute the Exit Facilities Documents and such other documents as may be required to effectuate the treatment afforded by the Exit Facilities. Execution of the Exit Term Loan Credit Agreement by the Exit Term Loan Agent shall be deemed to bind all Holders of First Lien Claims and all Exit Term Loan Facility Lenders as if each such Holder or Exit Term Loan Facility Lender had executed the Exit Term Loan Credit Agreement with appropriate authorization.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit 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 Facilities Documents, (c) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit 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 this 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.

2. Rights Offering.

The Debtors shall distribute the Rights to the Eligible Offerees as set forth in this Plan and the Rights Offering Documents. Pursuant to the Rights Offering Documents, the Rights Offering shall be open to all Eligible Offerees, and Eligible Offerees shall be entitled to participate in the Rights Offering up to a maximum amount of each such Eligible Offeree's Pro Rata portion (calculated based on the aggregate principal amount of First Lien Claims held by such Eligible Offeree relative to the aggregate principal amount of all First Lien Claims held by Eligible Offerees that exercised, or are deemed to have validly exercised, the Rights Offering Rights and Takeback Term Loan Recovery Option) of the Rights. Each Eligible Offeree (other than Eligible Offerees that are also Investors, who must exercise all of their Rights) may exercise either all, a portion of, or none of its Rights in exchange for Cash (or, if such Eligible Offeree is also a DIP Lender, such Eligible Offeree's Term DIP Loan Rights). The Rights are not separately transferrable or detachable from the First Lien Claims and may only be transferred together with the First Lien Claims.

New C1 shall be authorized to issue the New Equity Interests issuable pursuant to such exercise on the Effective Date pursuant to the terms of this Plan and the Rights Offering Documents.

The Rights Offering will be fully backstopped, severally and not jointly, by the Investors' Backstop Commitment pursuant to the Backstop Agreement. In addition, the Investors will be allocated, and shall purchase and subscribe for, the Direct Investment pursuant to the terms of the Backstop Agreement and Backstop Order. The Reorganized Debtors will issue the Put Option Premium to the Investors on the

Effective Date in accordance with the terms and conditions set forth in the Backstop Agreement, the Backstop Order, and this Plan, in respect of their respective Backstop Commitments and Direct Investment Commitments. Pursuant to the terms of the Rights Offering, each Investor may, at its sole option, exercise its Term DIP Loan Rights in satisfaction of its commitments under the Rights Offering and Backstop Agreement.

New Equity Interests issued pursuant to the Rights Offering and the Direct Investment shall be offered (and the Put Option Premium shall be issued) at the Plan Discount.

Entry of the Backstop Order and Confirmation Order shall constitute Bankruptcy Court approval of the Rights Offering, the Direct Investment, the Backstop Commitment, the Direct Investment Commitment, the Put Option Premium, and the Backstop Agreement (including the transactions contemplated thereby, and all actions to be undertaken, undertakings to be made, and obligations to be incurred by New C1 in connection therewith). On the Effective Date, the rights and obligations of the Debtors under the Backstop Agreement shall vest in the Reorganized Debtors, as applicable.

The proceeds of the Rights Offering may be used by the Reorganized Debtors to make distributions pursuant to this Plan and fund general corporate purposes.

When the issuance of New Equity Interests pursuant to this Plan and the Rights Offering Documents would otherwise result in the issuance of a number of shares of New Equity Interests that is not a whole number, the actual issuance of shares of New Equity Interests shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Equity Interests shall be adjusted as necessary to account for the foregoing rounding.

3. New Equity Interests.

New C1 shall be authorized to issue a certain number of shares of New Equity Interests pursuant to its Governance Documents. The issuance of the New Equity Interests shall be authorized without the need for any further corporate action. On the Effective Date, the New Equity Interests shall be issued and distributed as provided for in the Description of Transaction Steps to the Entities entitled to receive the New Equity Interests pursuant to, and in accordance with, this Plan.

All of the shares of New Equity Interests issued pursuant to this Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in **Article VI** hereof shall be governed by the terms and conditions set forth in this Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, including the Governance Documents, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Equity Interests shall be deemed as its agreement to the Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their terms. The New Equity Interests will not be registered under the Securities Act or listed on any exchange as of the Effective Date and are not expected to meet the eligibility requirements of the DTC.

4. Use of Cash.

The Debtors or Reorganized Debtors, as applicable, shall use Cash on hand and proceeds of the Rights Offering to fund distributions to certain Holders of Allowed Claims, consistent with the terms of this Plan.

F. Corporate Existence.

Except as otherwise provided in this Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be and as contemplated by the Description of Transaction Steps, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which such Debtor is incorporated or formed and pursuant to the certificate of incorporation and by-laws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under this Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to this Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

The Reorganized Debtors shall be authorized to dissolve the Debtors or the Reorganized Debtors in accordance with applicable law or otherwise, in each case as contemplated by the Description of Transaction Steps, including, for the avoidance of doubt, any conversion of any of the Debtors or the Reorganized Debtors pursuant to applicable law, and to the extent any such Entity is dissolved, such Entity shall be deemed dissolved pursuant to the Plan and shall require no further action or approval (other than any requisite filings required under applicable state or federal law).

G. Vesting of Assets in the Reorganized Debtors.

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

H. Cancellation of Existing Agreements and Interests.

On the Effective Date, except with respect to the Exit Facilities, or to the extent otherwise provided in this Plan, including in **Article V.A** hereof, the Confirmation Order, or any other Definitive Document, all notes, instruments, certificates, and other documents evidencing Claims or Interests, including credit agreements and indentures, shall be cancelled and the obligations of the Debtors and any non-Debtor Affiliate thereunder or in any way related thereto shall be deemed satisfied in full, cancelled, discharged, and of no force or effect; *provided*, *however*, that notwithstanding anything to the contrary contained herein, any agreement that governs the rights of the DIP Agents shall continue in effect solely for purposes of allowing the DIP Agents to (i) enforce their rights against any Person other than any of the Released Parties, pursuant and subject to the terms of the DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, (ii) receive distributions under this Plan and to distribute them to the Holders of the Allowed ABL DIP Facility Claims and Allowed Term DIP Facility Claims, in accordance with the terms of DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, (iii) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of Allowed ABL DIP Facility Claims and Allowed Term DIP Facility Claims, in accordance with the terms of DIP Orders and the ABL DIP Credit Agreement and the Term DIP Credit Agreement, and (iv) appear and be heard in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court, including to enforce any obligation owed to the DIP Agents, or Holders of the ABL DIP Facility Claims and Term DIP Facility Claims under this Plan, as applicable. Holders of or parties to such cancelled

instruments, securities, and other documentation will have no rights arising from or relating to such instruments, securities, and other documentation, or the cancellation thereof, except the rights, distributions, and treatment provided for pursuant to this Plan.

Notwithstanding the preceding paragraph, any credit agreement or other instrument that governs the rights, claims, and remedies of the Holder of a Claim shall continue in full force and effect for the limited purposes of allowing Holders of Allowed Claims to receive distributions under this Plan and permitting the Reorganized Debtors and any other Distribution Agent, as applicable, to make distributions on account of the applicable Claims.

On the Effective Date, each holder of a certificate or instrument evidencing a Claim or Interest that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture or agreement that governs the rights of such holder of such Claim or Interest. Such surrendered certificate or instrument shall be deemed canceled as set forth in, and subject to the exceptions set forth in, this **Article IV.H**.

I. Corporate Action.

Upon the Effective Date, all actions contemplated under this Plan shall be deemed authorized and approved in all respects, including: (1) adoption or assumption, as applicable, of the Employment Obligations; (2) selection of the directors, officers, or managers for the Reorganized Debtors in accordance with the Governance Term Sheet; (3) the issuance and distribution of the New Equity Interests; (4) implementation of the Restructuring Transactions, including the Rights Offering; (5) entry into the Exit ABL Facility Documents; (6) entry into the Exit Term Loan Facility Documents; (7) all other actions contemplated under this Plan (whether to occur before, on, or after the Effective Date); (8) adoption of the Governance Documents; (9) the assumption or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases that are not rejected; (10) reservation of the Management Incentive Plan Pool; and (11) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by this Plan (whether to occur before, on, or after the Effective Date). All matters provided for in this Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtor, as applicable, in connection with this Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security Holders, directors, officers, or managers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under this Plan (or necessary or desirable to effect the transactions contemplated under this Plan) in the name of and on behalf of the Reorganized Debtors, including the New Equity Interests, the Governance Documents, the Exit ABL Facility, the Exit Term Loan Facility, the Exit ABL Facility Documents, and the Exit Term Loan Facility Documents, any other Definitive Documents, and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this **Article IV.I** shall be effective notwithstanding any requirements under non-bankruptcy law.

J. Governance Documents.

On or immediately prior to the Effective Date, the Governance Documents shall be adopted or amended in a manner consistent with the terms and conditions set forth in the Governance Term Sheet, as may be necessary to effectuate the transactions contemplated by this Plan. Each of the Reorganized Debtors will file its Governance Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate

laws of the respective state, province, or country of incorporation to the extent such filing is required for each such document. The Governance Documents shall prohibit the issuance of non-voting Equity Securities to the extent required under section 1123(a)(6) of the Bankruptcy Code. For the avoidance of doubt, the Governance Documents shall be included as exhibits to the Plan Supplement. After the Effective Date, each Reorganized Debtor may amend and restate its constituent and governing documents as permitted by the laws of its jurisdiction of formation and the terms of such documents.

On the Effective Date, New C1 shall enter into and deliver the New Equityholders' Agreement to each Holder of New Equity Interests, which shall become effective and binding in accordance with their terms and conditions upon the parties thereto without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Entity. On the Effective Date, Holders of New Equity Interests shall be deemed to have executed the New Equityholders' Agreement and be parties thereto, without the need to deliver signature pages thereto.

K. Directors and Officers of the Reorganized Debtors.

As of the Effective Date, the term of the current members of the board of directors or other Governing Body of C1 Holdings and PVKG Intermediate shall expire, and the members for the initial term of the New Board shall be appointed in accordance with the Governance Documents. The New Board shall consist of members as designated in accordance with the Governance Term Sheet. The Chief Executive Officer of New C1 shall serve on the board of directors of New C1; all other initial directors shall be appointed by the Required Consenting Lenders, with representation being proportionate to post-emergence equity ownership and subject to agreed-upon sunsets. For the avoidance of doubt, each Initial First Lien Ad Hoc Group Member and the PVKG Lender shall each be entitled to appoint one director to serve on the New Board, so long as such entity is contemplated to receive no less than 10% of the fully diluted New Equity Interests (excluding New Equity Interests reserved for the post-Effective Date Management Incentive Plan). The identities of directors on the New Board shall be set forth in the Plan Supplement to the extent known at the time of filing. Each such member and officer of the Reorganized Debtors shall serve from and after the Effective Date pursuant to the terms of the Governance Documents and other constituent documents of the Reorganized Debtors.

The Subsequent First Lien Ad Hoc Group Members and the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative as a non-voting observer to the New Board; *provided* that such entitlement shall expire if such holders, at any time, cease to hold in excess of 12.5% of the New Equity Interests in the aggregate.

In addition, the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative to receive materials that were presented to the New Board at any board meeting; *provided*, *however*, that such representative shall sign a customary non-disclosure agreement (which shall provide that such representative may share such materials with Required Consenting Initial Second Lien Ad Hoc Group Members that are subject to confidentiality restrictions and whose individual holdings exceed 1% of the New Equity Interests), and New C1 shall be entitled to not include any privileged or competitively sensitive information, and such entitlement shall expire if such holders, at any time, cease to hold in excess of 1.0% of the New Equity Interests in the aggregate.

L. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Reorganized Debtors, and their respective officers and boards of directors and managers, are 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 to effectuate, implement, and further evidence the terms and conditions of this Plan and the Securities issued pursuant to this Plan in the name of and on behalf of the Reorganized Debtors without the need for any approvals, authorization, or consents except for those expressly required pursuant to this Plan.

M. Certain Securities Law Matters.

No registration statement will be filed under the Securities Act, or pursuant to any state securities laws, with respect to the offer and distribution of Securities under the Plan.

The offering, issuance, and distribution of any Securities pursuant to the Plan, including the New Equity Interests, will be exempt from the registration requirements of section 5 of the Securities Act or any similar federal, state, or local law in reliance on (1) with respect to the New Equity Interests issued pursuant to the Rights Offering (other than with respect to the Backstop Commitment and the Direct Investment Commitment), section 1145 of the Bankruptcy Code, (2) with respect to the New Equity Interests issuable pursuant to the Plan as the Second Lien Recovery, section 1145 of the Bankruptcy Code, and (3) with respect to the New Equity Interests issued pursuant to the Direct Investment, the Put Option Premium, and the unsubscribed New Equity Interests issued to the Investors pursuant to the Backstop Agreement, section 4(a)(2) of the Securities Act or Regulation D or Regulation S promulgated thereunder.

The New Equity Interests issued pursuant to section 1145 of the Bankruptcy Code (i) will not be a "restricted security" as defined in Rule 144(a)(3) under the Securities Act and (ii) will be freely transferable under the Securities Act by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, compliance with applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (b) the provisions of Rule 144 under the Securities Act with respect to a holder thereof that (x) is, or within 90 days of such transfer has been, an "affiliate" within the meaning of Rule 144(a)(1) or (y) has acquired the New Equity Interests from an "affiliate" in a transaction or chain of transactions not involving any public offering within one year of such transfer; and (c) any restrictions on the transferability of such New Equity Interests in the New Organizational Documents.

The New Equity Interests, including the Direct Investment and the New Equity Interests reserved for issuance under the Management Incentive Plan Pool, in each case, that may be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D thereunder, Regulation S thereunder, and/or other available exemptions from registration will be considered "restricted securities," will bear customary legends and transfer restrictions, and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act.

N. Section 1146 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 this Plan or pursuant to: (1) the issuance, reinstatement, distribution, transfer, or exchange of any debt, Equity Security, or other interest in the Debtors or the Reorganized Debtors; (2) the Restructuring Transactions; (3) 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; (4) the making, assignment, or recording of any lease or sublease; (5) the grant of collateral as security for any or all of the Exit Facilities; or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this 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 this Plan, 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(c) 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. Employment Obligations.

Unless otherwise provided herein or the Confirmation Order, specifically rejected pursuant to a separate order of the Bankruptcy Court, specifically designated as a contract or lease to be rejected on the Rejected Executory Contract and Unexpired Lease List, or the subject of a separate rejection motion Filed by the Debtors, and subject to **Article V** of this Plan, all written employment, confidentiality, non-competition agreements, bonus, gainshare and incentive programs (other than awards of stock options, restricted stock units, and other equity awards), discretionary bonus plans or variable incentive plans regarding payment of a percentage of annual salary based on performance goals and financial targets for certain employees, vacation, holiday pay, severance, retirement, retention, supplemental retirement, executive retirement, pension, deferred compensation, indemnification, other similar employee-related agreements or arrangements, retirement income plans, medical, dental, vision, life and disability insurance, flexible spending account, and other health and welfare benefit plans, programs and arrangements that are in effect immediately prior to the Effective Date with the Debtors, (a) shall be assumed by the Debtors and shall remain in place as of the Effective Date, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans as of the Effective Date, or (b) solely with the consent of the Required Consenting Lenders, the Reorganized Debtors shall enter into new agreements with such employees on terms and conditions acceptable to the Reorganized Debtors and such employee; *provided, however*, that the Debtors shall not enter into new agreements with insider employees absent the consent of the Required Consenting Lenders.

Notwithstanding the foregoing, and unless otherwise provided in the Plan Supplement, all plans or programs calling for stock grants, stock issuances, stock reserves, or stock options shall be deemed rejected with regard to such issuances, grants, reserves, and options. The Debtors shall not assume any agreements or obligations relating to the Employee Partnership Sale Units, which shall be cancelled as of the Effective Date and shall receive no payment on account thereof from the Debtors or the Reorganized Debtors. For the avoidance of doubt, no provision in any agreement, plan, or arrangement to be assumed pursuant to the foregoing paragraph relating to the award of equity or equity-like compensation shall be binding on, or honored by, the Reorganized Debtors. Nothing in this Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. For the avoidance of doubt, pursuant to section 1129(a)(13) of the Bankruptcy Code, as of 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.

P. Management Incentive Plan.

On the Effective Date, the Management Incentive Plan Pool shall be reserved for management, key employees, and directors of the Reorganized Debtors. Following the Effective Date, the New Board will adopt the Management Incentive Plan, the terms of which, including with respect to participants, form, allocation, structure, and vesting, shall be determined by the New Board. Following the implementation of the Management Incentive Plan, the issuance of the New Equity Interests and any equity reserved for issuance under the Management Incentive Plan (to the extent applicable) shall be authorized without the need for any further corporate action and without any further action by the Debtor and the Reorganized Debtors or any of their equity holders, as applicable.

Q. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject to the PVKG Note Claims Settlement and **Article VIII** hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the PVKG Note Claims Settlement and the releases and exculpations contained in this Plan, including in **Article VIII**.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in this Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it. 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 this Plan, including the PVKG Note Claims Settlement and Article VIII of this Plan**. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in this Plan or a Bankruptcy Court 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.

The Reorganized Debtors reserve and shall retain such Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to this Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the corresponding Reorganized Debtor, except as otherwise expressly provided in this Plan, including the PVKG Note Claims Settlement and **Article VIII** of this Plan. The Reorganized Debtors, through their 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 and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

R. Dissolution of Certain Debtors.

On or after the Effective Date, certain of the Debtors may be dissolved without further action under applicable law, regulation, Order, or rule, including any action by the stockholders, members, the board of directors, or similar Governing Body of the Debtors or the Reorganized Debtors; *provided* that, subject in all respects to the terms of this Plan, the Reorganized Debtors shall have the power and authority to take any action necessary to wind down and dissolve the foregoing Debtors, and may, to the extent applicable and in accordance with the Description of Transaction Steps: (1) file a certificate of dissolution for such Debtors, together with all other necessary corporate and company documents, to effect such Debtors' dissolution under the applicable laws of their states of formation; (2) complete and file all final or otherwise required federal, state, and local tax returns and pay taxes required to be paid for such Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of any such Debtors or their Estates, as determined under applicable tax laws; and (3) represent the interests of the Debtors or their Estates before any taxing authority in all tax matters, including any action, proceeding or audit.

S. Closing the Chapter 11 Cases.

Upon the occurrence of the Effective Date, the Reorganized Debtors shall be permitted to close all of the Chapter 11 Cases except for one of the Chapter 11 Cases as determined by the Reorganized Debtors, and all contested matters relating to each of the Debtors, including objections to Claims, shall be administered and heard in such Chapter 11 Case.

T. Post-Effective Date Payment of Restructuring Expenses.

Following the Effective Date, the Debtors and the Reorganized Debtors (as applicable) shall continue to pay, when due and payable in the ordinary course, the Restructuring Expenses related to this Plan and implementation, consummation, and/or defense of the Restructuring Transactions, whether incurred before, on, or after the Effective Date, in accordance with any applicable engagement letter, any order of the Bankruptcy Court (including, without limitation, the DIP Orders), and the Restructuring Support Agreement.

ARTICLE 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 and Unexpired Lease: (1) was assumed or rejected previously by the Debtors; (2) previously expired or terminated pursuant to its own terms; (3) is the subject of a motion or notice to reject pending as of the Effective Date; or (4) is identified on the Rejected Executory Contract and Unexpired Lease List. The assumption of Executory Contracts and Unexpired Leases hereunder may include the assignment of certain of such contracts to Affiliates.

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.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the assumption of the Restructuring Support Agreement pursuant to sections 365 and 1123 of the Bankruptcy Code and effective on the occurrence of the Effective Date. The Restructuring Support Agreement shall be binding and enforceable against the parties to the Restructuring Support Agreement in accordance with its terms. For the avoidance of doubt, the assumption of the Restructuring Support Agreement herein shall not otherwise modify, alter, amend, or supersede any of the terms or conditions of the Restructuring Support Agreement including, without limitation, any termination events or provisions thereunder.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the assumptions of the Executory Contracts and Unexpired Leases pursuant to sections 365(a) and 1123 of the Bankruptcy Code and effective on the occurrence of the Effective Date. Each Executory Contract and Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order, and not assigned to a third party on or prior to the Effective Date, shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by order of the Bankruptcy Court. To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption of such Executory Contract or Unexpired Lease or the execution of any other Restructuring Transaction (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. For the avoidance of doubt, consummation of the Restructuring Transactions shall not be deemed an assignment of any Executory Contract or Unexpired Lease of the Debtors, notwithstanding any change in name, organizational form, or jurisdiction of organization of any Debtor in connection with the occurrence of the Effective Date.

Notwithstanding anything to the contrary in the Plan (except for the consent rights set forth in **Article I.G**), the Debtors or Reorganized Debtors, as applicable, reserve the right to amend or supplement the Rejected Executory Contract and Unexpired Lease List in their discretion (but with the consent of the Required Consenting Lenders) prior to the Confirmation Date (or such later date as may be permitted by **Article V.C** or **Article V.E** below), provided that the Debtors shall give prompt notice of any such amendment or supplement to any affected counterparty and such counterparty shall have no less than seven (7) days to object thereto on any grounds.

B. Indemnification Obligations.

All indemnification provisions in place as of the Effective Date (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, limited partnership agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for (each in their capacities as such) the current and former members of any Governing Body, directors, officers, managers, employees, attorneys, accountants, investment bankers, financial advisors, restructuring advisors, consultants, and other professionals of, or acting on behalf of, the Company Parties, as applicable, shall be reinstated and remain intact, irrevocable, and shall survive the Effective Date on terms no less favorable to such current members of any Governing Body, directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of, or acting on behalf of, the Company Parties than the indemnification provisions in place prior to the Effective Date; *provided* that nothing herein shall expand any of the Debtors' indemnification obligations in place as of the Petition Date. For the avoidance of doubt, following the Effective Date, the Reorganized Debtors will not terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail

policy") in effect or purchased as of the Petition Date, and all members, managers, directors, and officers of the Company Parties who served in such capacity at any time prior to the Effective Date or any other individuals covered by such insurance policies, will be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, officers, or other individuals remain in such positions after the Effective Date.

C. Claims Based on Rejection of Executory Contracts or Unexpired Leases.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the rejections, if any, of any Executory Contracts or Unexpired Leases as provided for in this Plan or the Rejected Executory Contract and Unexpired Lease List, as applicable. Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to this Plan or the Confirmation Order, if any, must be Filed with the Claims and Noticing Agent at the address specified in any notice of entry of the Confirmation Order and served on the Reorganized Debtors no later than thirty (30) days after the effective date of such rejection. **Any Proofs of Claim arising from the rejection of an Executory Contract or Unexpired Lease not timely Filed with the Claims and Noticing Agent shall be automatically Disallowed without further order of the Bankruptcy Court, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property, without the need for any objection by the Debtors or Reorganized Debtors, or further notice to, action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, and be subject to the permanent injunction set forth in Article VIII.F of this Plan, notwithstanding anything in a Proof of Claim to the contrary.** All Claims arising from the rejection by any Debtor of any Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code shall be treated as a General Unsecured Claim, as applicable, pursuant to **Article III.C** of this Plan and may be objected to in accordance with the provisions of **Article VII** of this Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules. Notwithstanding anything to the contrary in this Plan, the Debtors, or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contract and Unexpired Lease List (with the consent of the Required Consenting Lenders) at any time through and including thirty days after the Effective Date.

D. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, 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 Claims 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 Bankruptcy Court on or before thirty (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 Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure Claim; *provided* that nothing herein shall prevent the Reorganized Debtors from paying any Cure Claim despite the failure of the relevant counterparty to File such request for payment of such Cure Claim. The Reorganized Debtors also may settle any Cure Claim 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 30 days after the Effective Date. Any such objection will be scheduled to be heard by the Bankruptcy Court at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing, or such other setting as requested by the Debtors or

Reorganized Debtors, 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 Claim, 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 Cure Claim 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.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable Cure Claim pursuant to this **Article V.D** shall result in the full release and satisfaction of any Cure Claims, 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 Claim has been fully paid pursuant to this Article V.D, 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.**

E. Insurance Policies.

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under this Plan. Unless otherwise provided in this Plan or listed on the Rejected Executory Contract and Unexpired Lease List, on the Effective Date, (1) the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims and (2) such insurance policies and any agreements, documents, or instruments relating thereto shall revest in the Reorganized Debtors.

On the Effective Date, the Reorganized Debtors shall be deemed to have assumed all of the Debtors' D&O Liability Insurance Policies (including any "tail policy" and all agreements, documents, or instruments related thereto) in effect prior to the Effective Date pursuant to sections 105 and 365(a) of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court. Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of 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 Debtors under the Plan as to which no Proof of Claim need be Filed. The Debtors and, after the Effective Date, the Reorganized Debtors shall retain the ability to supplement such D&O Liability Insurance Policies as the Debtors or Reorganized Debtors, as applicable, may deem necessary. For the avoidance of doubt, entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance Policies.

F. Workers' Compensation Program.

As of the Effective Date, the Debtors and Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in all applicable states; and (b) the Workers' Compensation Program. All Proofs of Claims on account of workers' compensation, including the Workers' Compensation Program, shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided, however,* that nothing in the Plan

shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to the Workers' Compensation Programs; *provided further, however*, that nothing herein shall be deemed to impose any obligations on the Debtors or their insurers in addition to what is provided for under the terms of the Workers' Compensation Programs and applicable state law.

G. Reservation of Rights.

Nothing contained in this Plan shall constitute an admission by the Debtors 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 Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease. If there is a dispute regarding a Debtor's or Reorganized Debtor's liability under an assumed Executory Contract or Unexpired Lease, the Reorganized Debtors shall be authorized to move to have such dispute heard by the Bankruptcy Court pursuant to **Article XI** of this Plan.

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.

I. Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Account of Claims Allowed as of the Effective Date.

Unless otherwise provided in the Plan, on or as soon as practicable after the Effective Date (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in **Article VII** hereof. 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.

B. Distribution Agent.

All distributions under this Plan shall be made by the Distribution Agent. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Distribution Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

C. Rights and Powers of the Distribution Agent.

1. 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 this 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 this Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

2. 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.

D. Special Rules for Distributions to Holders of Disputed Claims.

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the relevant parties 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.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions in General.

Except as otherwise provided herein, the Distribution Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution, including the address set forth in any Proof of Claim Filed by that Holder or the address in any written notice of address change delivered to the Debtors or the Distribution Agent; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors.

Notwithstanding the foregoing, (a) all distributions on account of DIP Claims will be made to the applicable DIP Agent, and the DIP Agent will be, and will act as, the Distribution Agent with respect to the DIP Claims in accordance with the terms and conditions of this Plan and the applicable debt documents; (b) all distributions on account of First Lien Term Loan Claims will be made to the First Lien Term Loan Agent, and the First Lien Term Loan Agent will be, and will act as, the Distribution Agent with respect to the First Lien Term Loan Claims in accordance with the terms and conditions of this Plan and the applicable debt documents; and (c) all distributions on account of Second Lien Claims will be made to the Second Lien Agent, and the Second Lien Agent will be, and will act as, the Distribution Agent with respect to the Second Lien Claims in accordance with the terms and conditions of this Plan and the applicable debt documents.

3. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder of Allowed Claims is returned as undeliverable, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interests; *provided* that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder of Claims to such property shall be discharged and forever barred. The Reorganized Debtors and the Distribution Agent shall have no obligation to attempt to locate any Holder of an Allowed Claim other than by reviewing the Debtors' books and records and the Bankruptcy Court's filings.

F. Manner of Payment.

At the option of the Distribution Agent, any Cash distribution to be made hereunder may be made by check, wire transfer, automated clearing house, or credit card, or as otherwise required or provided in applicable agreements. All distributions of Cash to the Holders of the applicable Allowed Claims under this Plan shall be made by the Distribution Agent on behalf of the applicable Debtor or Reorganized Debtor.

G. Compliance with Tax Requirements.

In connection with this Plan, to the extent applicable, the Debtors, Reorganized Debtors, Distribution Agent, and any applicable withholding agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to this Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in this Plan to the contrary, such parties 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 this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and Reorganized Debtors reserve the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support, and similar spousal awards, Liens, and encumbrances.

H. Allocations.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for U.S. federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

I. No Postpetition Interest on Claims.

Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim. 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.

J. 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.

K. Setoffs and Recoupment.

Except as otherwise provided herein, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable law, or as may be agreed to by the Holder of an Allowed Claim, may set off or recoup against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the applicable Debtor or Reorganized Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action have not been otherwise compromised, settled, or assigned on or before the Effective Date (whether pursuant to this Plan, a Final Order or otherwise); *provided*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to this Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action.

L. Claims Paid or Payable by Third Parties.

1. Claims Paid by Third Parties.

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be Disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or a Reorganized Debtor. Subject to the second to 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 an Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of such Claim as of the date of any such distribution under this Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal

Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties.

No distributions under this 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 Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

If an applicable insurance policy has a SIR or a deductible, the Holder of an Allowed Claim that is payable pursuant to such insurance policy shall have an Allowed General Unsecured Claim against the applicable Debtor's estate up to the amount of the SIR or deductible amount that may be established upon the liquidation of the Claim and such Holder's recovery from the Debtors or Reorganized Debtors shall be solely in the form of its distribution on account of such Allowed General Unsecured Claim under this Plan. Any recovery on account of the Claim in excess of the SIR or deductible established upon the liquidation of the Claim shall be recovered solely from insurance coverage (if any) and only to the extent of available insurance coverage and any proceeds thereof, if any. Nothing in this Plan shall be construed to limit, extinguish, or diminish the insurance coverage that may exist or shall be construed as a finding that liquidated any Claim payable pursuant to an insurance policy.

3. Applicability of Insurance Policies.

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

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Disputed Claims Process.

Notwithstanding section 502(a) of the Bankruptcy Code, and in light of the Unimpaired status of all Allowed General Unsecured Claims under the Plan and as otherwise required by 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 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 Proofs of Claim Filed after the Effective Date, shall be deemed withdrawn and expunged, other than as provided below. Notwithstanding anything in this Plan to the contrary, disputes regarding the amount of any Cure Claim pursuant to section 365 of the

Bankruptcy Code and Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court.

For the avoidance of doubt, there is no requirement to File a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim, as applicable, under the Plan, except to the extent a Claim arises on account of rejection of an Executory Contract or Unexpired Lease in accordance with **Article V.C**. Notwithstanding the foregoing, Entities must File cure objections as set forth in **Article V.D** of the Plan to the extent such Entity disputes the amount of the Cure Claim paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty. **Except as otherwise provided herein, all Proofs of Claim Filed after the Effective Date 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 further notice to or action, order, or approval of the Bankruptcy Court.**

B. Allowance of Claims.

After the Effective Date and subject to the terms of this Plan, each of the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately prior to the Effective Date. The Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law.

C. Claims Administration Responsibilities.

Subject to any applicable restrictions in the Restructuring Support Agreement, the Debtors and the Reorganized Debtors, as applicable, shall have the exclusive authority, without further notice to or action, order, or approval of the Bankruptcy Court, to (i) File, prosecute, litigate to judgment, or withdraw any objections to Claims, (ii) settle, compromise, or resolve any such objections to Claims, and (iii) administer and adjust the Claims Register to reflect such settlements or compromises. 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 Claim or Interest (including any Disputed Claim or Interest), including the Causes of Action retained pursuant to this Plan.

Any objections to Claims other than General Unsecured Claims must be served and Filed on or before the 120th day after the Effective Date or by such later date as ordered by the Bankruptcy Court. All Claims other than General Unsecured Claims not objected to by the end of such 120-day period shall be deemed Allowed unless such period is extended upon approval of the Bankruptcy Court.

Notwithstanding the foregoing, the Debtors and Reorganized Debtors shall be entitled to dispute and/or otherwise object to any General Unsecured Claim in accordance with applicable nonbankruptcy law. If the Debtors, or Reorganized Debtors dispute any General Unsecured Claim, such dispute shall be determined, resolved, or adjudicated, as the case may be, in the manner as if the Chapter 11 Cases had not been commenced. In any action or proceeding to determine the existence, validity, or amount of any General Unsecured Claim, any and all claims or defenses that could have been asserted by the applicable Debtor(s) or the Entity holding such General Unsecured Claim are preserved as if the Chapter 11 Cases had not been commenced.

D. Adjustment to Claims or Interests Without Objection.

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the

Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. 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 this Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under this Plan as of the Effective Date, without any postpetition interest to be paid on account of such Claim.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in this Plan, the Confirmation Order, or in any contract, instrument, or other agreement or document created or entered into pursuant to this Plan, the distributions, rights, and treatment that are provided in this Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims or Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted this Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

B. Release of Liens.

Except as otherwise provided in the Exit Facilities Documents, this Plan, the Confirmation Order, or any contract, instrument, release, or other agreement or document created pursuant to this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this 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, except for Other Secured Claims that the Debtors elect to Reinstate in accordance with Article III.C.1 hereof, 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. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed, at the sole cost and expense of the Reorganized Debtors, to release any collateral or

other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

C. Releases by the Debtors.

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan, the Definitive Documents, and the obligations contemplated by the Restructuring Transactions or as otherwise provided in any order of the Bankruptcy Court, and except as expressly provided in this Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged, by and on behalf of the Debtors and the Estates, in each case on behalf of itself and its respective successors, assigns, and representatives and any and all other Persons that may purport to assert any Cause of Action derivatively, by or through the foregoing Persons, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of the Debtors or the Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that the Debtors, the Estates, or their Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or the Estates, the Chapter 11 Cases, the Restructuring Transactions, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated under this Plan, the business or contractual arrangements or interactions between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or an Affiliate of a Debtor, the PVKG Notes Purchase Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the negotiation, formulation, preparation, consummation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan Supplement, this Plan and related agreements, instruments, and other documents, the solicitation of votes with respect to this Plan, the Exit Facilities Documents, the Governance Documents, and all other Definitive Documents, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding the foregoing, nothing in this Article VIII.C shall or shall be deemed to prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action or liabilities they may have against any Person or Entity that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors.

Notwithstanding anything to the contrary in the foregoing, the releases set forth in the preceding paragraph shall not release any Released Party from any Claim or Cause of Action arising

from an act or omission that is determined by a Final Order to have constituted fraud, willful misconduct, or gross negligence.

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 this Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) essential to Confirmation of this Plan; (2) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the Restructuring and implementing this Plan; (3) a good faith settlement and compromise of the Claims released by the Debtor Release; (4) in the best interests of the Debtors and all Holders of Claims and Interests; (5) fair, equitable, and reasonable; (6) given and made after due notice and opportunity for hearing; and (7) 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.

D. Releases by Third Parties.

Except as otherwise expressly set forth in this Plan or the Confirmation Order, and except for the rights that remain in effect from and after the Effective Date to enforce this Plan, the Definitive Documents, and the obligations contemplated by the Restructuring Transactions or as otherwise provided in any order of the Bankruptcy Court, on and after the Effective Date, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged, by the Releasing Parties, in each case on behalf of itself and its respective successors, assigns, and representatives and any and all other Persons that may purport to assert any Cause of Action derivatively, by or through the foregoing Persons, in each case solely to the extent of the Releasing Parties' authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of the Debtors or the Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that such Holders or their estates, Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or the Estates, the Chapter 11 Cases, the Restructuring Transactions, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated under this Plan, the business or contractual arrangements or interactions between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or an Affiliate of a Debtor, the PVKG Notes Purchase Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the negotiation, formulation, preparation, consummation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, the Plan Supplement, this Plan and related agreements, instruments, and other documents, the solicitation of votes with respect to this Plan, the Exit Facilities Documents, the Governance Documents, and all other Definitive Documents,

in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the releases set forth in the preceding paragraph shall not release any Released Party (other than a Released Party that is a Reorganized Debtor, Debtor, or a director, officer, or employee of any Debtor as of the Petition Date), from any claim or Cause of Action arising from an act or omission that is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

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 this 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.

E. Exculpation.

Except as otherwise specifically provided in this Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action or Claim whether direct or derivate related to any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases from the Petition Date to the Effective Date, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, this Plan, the Plan Supplement, or any transaction related to the Restructuring, any contract, instrument, release, or other agreement or document created or entered into before or during the Chapter 11 Cases in connection with the Restructuring Transactions, any preference, fraudulent transfer, or other avoidance Claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Filing of the Chapter 11 Cases, the solicitation of votes for the Plan, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, 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 any of the foregoing, except for Claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, but in all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan and the Confirmation Order.

The Exculpated Parties set forth above have, and upon Confirmation of this Plan shall be deemed to have, participated in good faith and in compliance with applicable law with respect to the solicitation of votes and distribution of consideration pursuant to this Plan and, therefore, are not and 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 this Plan or such distributions made pursuant to this Plan.

F. Injunction.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and Affiliates, and each of their successors and assigns, shall be enjoined from taking any actions to interfere with the implementation or Consummation of this Plan in relation to any Claim or Interest that is extinguished, discharged, or released pursuant to this Plan.

Except as otherwise expressly provided in this Plan, the Definitive Documents, or the Confirmation Order, or for obligations issued or required to be paid pursuant to this Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, or Causes of Action that have been released, discharged, or are subject to exculpation pursuant to Article VIII, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Exculpated Parties, and/or the Released Parties:

(a) **commencing, conducting, 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, Interests, or Causes of Action;**

(b) **enforcing, levying, 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, Interests, or Causes of Action;**

(c) **creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property or the Estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action;**

(d) **except as otherwise provided under this Plan, 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, Interests, or Causes of Action unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder 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, Interests, or Causes of Action released or settled pursuant to this Plan or the Confirmation Order.**

No Person or Entity may commence or pursue a Claim or Cause of Action of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action related to the Chapter 11 Cases prior to the Effective Date, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the Restructuring Transactions, the Governance Documents, the Backstop Agreement, the Rights Offering, the Rights Offering Documents, the ABL DIP Facility, the Term DIP Facility, the DIP Orders, the Disclosure Statement, this Plan, the Plan Supplement, the PVKG Notes Purchase Agreement, or any transaction related to the Restructuring, any contract, instrument, release, or other agreement or document created or entered into before or during the Chapter 11 Cases in connection with the Restructuring Transactions, any preference, fraudulent transfer, or other

avoidance Claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, 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 any of the foregoing, without regard to whether such Person or Entity is a Releasing Party, without the Bankruptcy Court (1) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim of any kind and (2) specifically authorizing such Person or Entity to bring such Claim or Cause of Action against any such Debtor, Reorganized Debtor, Exculpated Party, or Released Party.

The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action. The injunction in this Plan shall extend to any successors and assigns of the Debtors and the Reorganized Debtors and their respective property and interests in property.

Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under this Plan, the Confirmation Order, or under any other Definitive Document or other document, instrument, or agreement (including those attached to the Disclosure Statement or included in the Plan Supplement) executed to implement this Plan and the Confirmation Order from bringing an action to enforce the terms of this Plan, the Confirmation Order, the Definitive Documents, or such document, instrument, or agreement (including those attached to the Disclosure Statement or included in the Plan Supplement) executed to implement this Plan and the Confirmation Order.

G. Waiver of Statutory Limitations on Releases.

Each Releasing Party in each of the releases contained in this Plan expressly acknowledges that although ordinarily a general release may not extend to Claims that the Releasing Party does not know or suspect to exist in its favor, which if known by it may have materially affected its settlement with the party released, each Releasing Party has carefully considered and taken into account in determining to enter into the above releases the possible existence of such unknown losses or Claims. Without limiting the generality of the foregoing, each Releasing Party expressly waives any and all rights conferred upon it by any statute or rule of law that provides that a release does not extend to Claims that the claimant does not know or suspect to exist in its favor at the time of executing the release, which if known by it may have materially affected its settlement with the Released Party. The releases contained in this Plan are effective regardless of whether those released matters are presently known, unknown, suspected or unsuspected, foreseen or unforeseen.

H. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policies, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

J. 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 time of Allowance or Disallowance, such Claim shall be forever Disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THIS PLAN

A. Conditions Precedent to the Effective Date.

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

1. The Restructuring Support Agreement shall not have been terminated as to the Required Consenting Lenders or the Required Consenting Second Lien Lenders and shall be in full force and effect;

2. The Bankruptcy Court shall have entered the Interim DIP Order and the Final DIP Order, the latter of which shall be in full force and effect;

3. The Bankruptcy Court shall have entered the Confirmation Order in form and substance consistent with and subject to the consent rights set forth in the Restructuring Support Agreement, and the Confirmation Order shall be in full force and effect;

4. The 9019 settlements embodied in this Plan shall have been approved by the Bankruptcy Court and incorporated in the Confirmation Order;

5. The Backstop Agreement shall have been approved by the Bankruptcy Court (which may be pursuant to the Confirmation Order), and shall be in full force and effect;

6. The Debtors shall have received a commitment for the Exit ABL Facility, which shall refinance the ABL DIP Facility on the Effective Date and the terms and conditions of which shall be reasonably satisfactory to the Debtors and the Required Consenting Lenders;

7. The Rights Offering and the Direct Investment (including the Rights Offering Documents) shall have been approved by the Bankruptcy Court and shall have been consummated in accordance with their terms;

8. The Exit ABL Facility Documents and Exit Term Loan Facility Documents shall have been executed and delivered by each party thereto, and any conditions precedent related

thereto shall have been satisfied or waived (with the consent of the Debtors and the Required Consenting Lenders), other than such conditions that relate to the effectiveness of the Plan and related transactions;

9. The New Equity Interests shall have been issued;

10. All Restructuring Expenses shall have been paid in full in Cash;

11. The Definitive Documents shall (a) be consistent with the Restructuring Support Agreement and otherwise approved by the applicable parties thereto consistent with their respective consent and approval rights as set forth in the Restructuring Support Agreement, (b) have been executed or deemed executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived by the applicable party or parties, and (c) shall be adopted on terms consistent with the Restructuring Support Agreement and the Restructuring Term Sheet; and

12. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, actions, documents, and other agreements that are necessary to implement and effectuate the Plan and each of the other Restructuring Transactions.

B. Waiver of Conditions.

The conditions to the Effective Date set forth in this **Article IX** may be waived, in whole or in part, by the Debtors only with the prior written consent of the Required Consenting Lenders (email shall suffice), and, solely with respect to the condition set forth in **Article IX.A** (1) (solely with respect to the Required Consenting Second Lien Lenders), (9), (10), (11), and (12), the Required Consenting Second Lien Lenders (email shall suffice), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate this Plan.

C. Substantial Consummation.

Consummation of this Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

D. Effect of Failure of Conditions.

If Consummation does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan, the Disclosure Statement, or the Restructuring Support Agreement shall: (1) constitute a waiver or release of any Claims by the Debtors, Claims, or Interests; (2) prejudice in any manner the rights of the Debtors, any Holders of Claims or Interests, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity, respectively; *provided* that all provisions of the Restructuring Support Agreement that survive termination thereof shall remain in effect in accordance with the terms thereof.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THIS PLAN

A. Modification and Amendments.

Except as otherwise specifically provided in this Plan and to the extent permitted by the Restructuring Support Agreement, subject to certain restrictions and requirements set forth in section 1127

of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors reserve the right to modify this Plan without additional disclosure pursuant to section 1125 of the Bankruptcy Code prior to the Confirmation Date and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. After the Confirmation Date and before substantial consummation of the Plan, the Debtors may initiate proceedings in the Bankruptcy Court pursuant to section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order, relating to such matters as may be necessary to carry out the purposes and intent of the Plan.

After the Confirmation Date, but before the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan (including the Plan Supplement) without further order or approval of the Bankruptcy Court; provided that such adjustments and modifications do not materially and adversely affect the treatment of Holders of Claims or Interests.

Notwithstanding anything to the contrary herein, the Debtors shall not amend or modify this Plan in a manner inconsistent with the Restructuring Support Agreement or the Backstop Agreement.

B. Effect of Confirmation on Modifications.

Entry of a Confirmation Order shall mean that all modifications or amendments to this Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan.

Subject to the Restructuring Support Agreement, the Debtors reserve the right to revoke or withdraw this Plan prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtors revoke or withdraw this Plan, or if Confirmation or Consummation does not occur, then: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected under this Plan, and any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of, or relating to, the Chapter 11 Cases, the Confirmation Order, and this 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 or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or Allowance of Claims or Interests;

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, the Confirmation Order, or this Plan;

3. resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate any Claims arising therefrom, including Cure Claims; (ii) any dispute regarding whether a contract or lease is or was executory, expired, or terminated; (iii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iv) any other issue related to any Executory Contracts and Unexpired Leases; or (v) any dispute regarding whether the Plan or any Restructuring Transactions trigger any cross-default or change of control provision in any contract or agreement;

4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan and adjudicate any and all disputes arising from or relating to distributions under this Plan or the Confirmation Order;

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. adjudicate, decide, or resolve any and all matters related to Causes of Action that may arise from or in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary to execute, implement, or consummate the provisions of this Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with this Plan, the Confirmation Order, or the Disclosure Statement;

9. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan or the Confirmation Order and the administration of the Estates;

11. hear and determine disputes arising in connection with the interpretation, implementation, effect, or enforcement of this Plan or the Plan Supplement, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

12. issue injunctions, enter and implement other orders, or take such other actions as may be necessary to restrain interference by any Entity with Consummation or enforcement of this Plan or the Confirmation Order;

13. adjudicate, decide, or resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, exculpations, and other provisions contained in **Article VIII** hereof

and enter such orders as may be necessary or appropriate to implement such releases, injunctions, exculpations, and other provisions;

14. adjudicate, decide, or resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to **Article VI** hereof;

15. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

16. determine any other matters that may arise in connection with or relate to this Plan, the Definitive Documents, the Disclosure Statement, the Confirmation Order, the Plan Supplement, or any contract, instrument, release, indenture, or other agreement or document created in connection with this Plan, the Plan Supplement, or the Disclosure Statement, including the Restructuring Support Agreement; *provided* that the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection, or dispute resolution clause that refers disputes to a different court or arbitration forum;

17. enter an order concluding or closing the Chapter 11 Cases;

18. consider any modifications of this Plan to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. adjudicate, decide, or resolve disputes as to the ownership of any Claim or Interest;

21. adjudicate, decide, or resolve all matters related to any subordinated Claim;

22. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with this Plan;

23. adjudicate, decide, or resolve matters concerning state, local, and U.S. federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

24. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

25. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in this Plan, including under **Article VIII** hereof;

26. hear and determine all disputes involving the obligations or terms of the Rights Offering, the Direct Investment, and the Backstop Agreement;

27. enforce all orders previously entered by the Bankruptcy Court in connection with the Chapter 11 Cases;

28. hear any other matter not inconsistent with the Bankruptcy Code; and

29. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases with respect to any Person or Entity, and resolve any cases, controversies, suits, or disputes that may arise in connection with any Person or Entity's rights arising from or obligations incurred in connection with the Plan.

Nothing herein limits the jurisdiction of the Bankruptcy Court to interpret and enforce the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, or the Disclosure Statement, without regard to whether the controversy with respect to which such interpretation or enforcement relates may be pending in any state or other federal court of competent jurisdiction.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in this **Article XI**, the provisions of this **Article XI** shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Unless otherwise specifically provided herein or in a prior Order of the Bankruptcy Court, the Bankruptcy Court shall have exclusive jurisdiction to hear and determine disputes concerning Claims against or Interests in the Debtors that arose prior to the Effective Date.

As of the Effective Date, notwithstanding anything in this **Article XI** to the contrary, the Exit Facilities Documents shall be governed by the jurisdictional provisions therein and the Bankruptcy Court shall not retain any jurisdiction with respect thereto.

ARTICLE 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 this Plan (including, for the avoidance of doubt, 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 or rejected this Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in this Plan or the Confirmation Order, each Entity acquiring property under this Plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and Interests shall be as fixed, adjusted, or compromised, as applicable, pursuant to this Plan and the Confirmation Order, regardless of whether any such Holder of a Claim or Interest has voted on this Plan.

B. Waiver of Stay.

The requirements under Bankruptcy Rule 3020(e) that an order confirming a plan is stayed until the expiration of fourteen days after entry of the order shall be waived by the Confirmation Order. The Confirmation Order shall take effect immediately and shall not be stayed pursuant to the Bankruptcy Code, Bankruptcy Rules 3020(e), 6004(h), 6006(d), or 7062 or otherwise.

C. Additional Documents.

On or before the Effective Date, and consistent in all respects with the terms of the Restructuring Support Agreement, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary to effectuate and further evidence the terms and conditions of this Plan or the Confirmation Order. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims receiving distributions pursuant to this 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 this Plan and the Confirmation Order.

D. Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code shall be paid by each of the Debtors or the Reorganized Debtors (or the Distribution Agent on behalf of each of the Reorganized Debtors), as applicable, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

E. Statutory Committee and Cessation of Fee and Expense Payment.

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve automatically and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases, except with respect to final fee applications of the Professionals. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date.

F. Reservation of Rights.

Except as expressly set forth in this Plan, this Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of this Plan, any statement or provision contained in this Plan, or the taking of any action by any Debtor with respect to this 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 or any Entity unless and until the Effective Date occurs.

G. Successors and Assigns.

The rights, benefits, and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, manager, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

H. Notices.

To be effective, all notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

1. if to the Debtors or the Reorganized Debtors, to:
ConvergeOne Holdings, Inc.
10900 Nesbitt Avenue South
Bloomington, MN 55437

Attention: Rui Goncalves
E-mail: rgoncalves@onec1.com

with copies (which shall not constitute notice) to:

White & Case LLP
111 South Wacker Drive
Chicago, IL 60606
Attention: Bojan Guzina, Andrew F. O'Neill, Erin R. Rosenberg, Blair M. Warner, and Adam T. Swingle
E-mail: bojan.guzina@whitecase.com
aoneill@whitecase.com
erin.rosenberg@whitecase.com
blair.warner@whitecase.com
adam.swingle@whitecase.com

2. if to the PVKG Lender or a Consenting Sponsor, to:
PVKG Investment Holdings, Inc.
Attention: Lars Haegg and PJ Heyer
E-mail: lhaegg@cvc.com
pheyer@cvc.com

with copies to:

Latham & Watkins LLP
1271 6th Avenue
New York, NY 10020
Attention: Keith A. Simon, Joshua Tinkelman, and David Hammerman
E-mail: keith.simon@lw.com
joshua.tinkelman@lw.com
david.hammerman@lw.com

3. if to a member of the First Lien Ad Hoc Group, to:
Gibson Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Scott J. Greenberg, Keith R. Martorana, and Michelle Choi
E-mail: SGreenberg@gibsondunn.com
KMartorana@gibsondunn.com
MChoi@gibsondunn.com

4. if to a member of the Second Lien Ad Hoc Group, to:
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: Adam L. Shpeen and Abraham Bane
E-mail address: adam.shpeen@davispolk.com
abraham.bane@davispolk.com

After the Effective Date, the Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive

documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

I. Term of Injunctions or Stays.

Unless otherwise provided in this Plan 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 extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

J. Entire Agreement.

Except as otherwise indicated, and without limiting the effectiveness of the Restructuring Support Agreement, this Plan (including, for the avoidance of doubt, the Plan Supplement), the Confirmation Order, and the applicable Definitive Documents supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan, the Confirmation Order, the Definitive Documents, the Plan Supplement, and the documents related thereto.

K. Exhibits.

All exhibits and documents included in this Plan, the Confirmation Order, and the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at https://dm.epiq11.com/C1 or the Bankruptcy Court's website at http://www.txs.uscourts.gov/. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

L. Deemed Acts.

Subject to and conditioned on the occurrence of the Effective Date, whenever an act or event is expressed under this Plan to have been deemed done or to have occurred, it shall be deemed to have been done or to have occurred without any further act by any party by virtue of this Plan and the Confirmation Order.

M. Nonseverability of Plan Provisions.

If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, subject to the terms of the Restructuring Support Agreement, the Bankruptcy Court, at the request of the Debtors, 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 this 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 this Plan, as it

may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to this Plan and may not be deleted or modified without the Debtors' or Reorganized Debtors' consent, as applicable, ***provided*** that any such deletion or modification must be consistent with the Restructuring Support Agreement and the Backstop Agreement and the consent rights contained in each of them; and (3) non-severable and mutually dependent.

N. Votes Solicited in Good Faith.

Upon entry of the Confirmation Order, each of the Released Parties and Exculpated Parties will be deemed to have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and in a manner consistent with the Disclosure Statement, the Plan, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations in connection with all of their respective activities relating to support and consummation of the Plan, including the negotiation, execution, delivery, and performance of the Restructuring Support Agreement and are entitled to the protections of section 1125(e) of the Bankruptcy Code and all other applicable protections and rights provided in the Plan. Without limiting the generality of the foregoing, upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on this Plan in good faith and in compliance with the Bankruptcy Code and other applicable law, and, pursuant to section 1125(e) of the Bankruptcy Code, any person 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 this Plan or the Rights Offering or the Direct Investment, and, therefore, none 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 this Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under this Plan and the Rights Offering or the Direct Investment.

O. Request for Expedited Determination of Taxes.

The Debtors shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the Effective Date.

P. Closing of Chapter 11 Cases.

Upon the occurrence of the Effective Date, the Reorganized Debtors shall be permitted to (1) close all of the Chapter 11 Cases except for one of the Chapter 11 Cases as determined by the Reorganized Debtors, and all contested matters relating to each of the Debtors, including objections to Claims, shall be administered and heard in such Chapter 11 Case and (2) change the name of the remaining Debtor and case caption of the remaining open Chapter 11 Case as desired, in the Reorganized Debtors' sole discretion.

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.

Q. Waiver or Estoppel.

Upon the Effective Date, each Holder of a Claim or 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 this Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

Dated: April 3, 2024

CONVERGEONE HOLDINGS, INC.
(for itself and on behalf of each of the other Debtors and Debtors in Possession)

By: */s/ Jeffrey Russell*
Name: Jeffrey Russell
Title: Chief Executive Officer

Exhibit B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT AND THE DOCUMENTS ATTACHED HERETO COLLECTIVELY DESCRIBE A PROPOSED RESTRUCTURING OF THE COMPANY PARTIES THAT WILL BE EFFECTUATED THROUGH FILING CHAPTER 11 CASES IN THE BANKRUPTCY COURT (AS DEFINED BELOW).

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER, ACCEPTANCE, OR SOLICITATION WITH RESPECT TO ANY SECURITIES, LOANS, OR OTHER INSTRUMENTS OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER, ACCEPTANCE OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE LAWS, INCLUDING SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS RESTRUCTURING SUPPORT AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS RESTRUCTURING SUPPORT AGREEMENT.

THIS RESTRUCTURING SUPPORT AGREEMENT IS THE PRODUCT OF SETTLEMENT DISCUSSIONS AMONG THE PARTIES HERETO. ACCORDINGLY, THIS RESTRUCTURING SUPPORT AGREEMENT IS PROTECTED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER APPLICABLE STATUTES OR DOCTRINES PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL SETTLEMENT DISCUSSIONS.

THIS RESTRUCTURING SUPPORT AGREEMENT DOES NOT PURPORT TO SUMMARIZE ALL OF THE TERMS, CONDITIONS, REPRESENTATIONS, WARRANTIES, AND OTHER PROVISIONS WITH RESPECT TO THE RESTRUCTURING TRANSACTIONS DESCRIBED HEREIN, WHICH RESTRUCTURING TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS SET FORTH HEREIN AND THE CLOSING OF ANY RESTRUCTURING TRANSACTIONS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH DEFINITIVE DOCUMENTS AND THE APPROVAL RIGHTS OF THE PARTIES SET FORTH HEREIN AND IN SUCH DEFINITIVE DOCUMENTS.

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof, including all exhibits, annexes, and schedules hereto in accordance with Section 14.02, this "***Agreement***")[1] is made and entered into as of April 3, 2024 (the "***Execution Date***"), by and among the following parties (each, a "***Party***" and together the "***Parties***"):

(i) PVKG Intermediate Holdings Inc. ("***PVKG Intermediate***") and ConvergeOne Holdings, Inc. ("***C1 Holdings***"), on behalf of themselves and each of their direct

[1] Capitalized terms used but not defined in the preamble or recitals to this Agreement shall have the meanings ascribed to such terms in Section 1.

and indirect subsidiaries listed on **Exhibit A** to this Agreement that have executed this Agreement (collectively, the "***Company Parties***");

(ii) each Holder of a First Lien Claim that has executed and delivered counterpart signature pages to this Agreement on the date hereof, each solely in their capacities as such, or that executes and delivers a Joinder or Transfer Agreement to counsel to the Company Parties after the date hereof (such entities, the "***First Lien Consenting Lenders***"), including as of the date hereof:

a. each of the funds or accounts managed by (i) Kennedy Lewis Investment Management LLC, (ii) Monarch Alternative Capital LP, and (iii) Silver Point Capital (the "***Initial First Lien Ad Hoc Group Members***");

b. each of the funds or accounts managed by (i) MJX Asset Management LLC; (ii) PGIM, Inc., and (iii) Sound Point Capital Management, LP (the "***Subsequent First Lien Ad Hoc Group Members***");

c. Kennedy Lewis Investment Management LLC as the Holder of the KL Note Claims (the "***KL Lender***"); and

d. PVKG Investment Holdings, Inc. as the Holder of the PVKG Note Claims (the "***PVKG Lender***").

(iii) each Holder of a Second Lien Claim that has executed and delivered counterpart signature pages to this Agreement on the date hereof, each solely in their capacities as such, or that executes and delivers a Joinder or Transfer Agreement to counsel to the Company Parties after the date hereof (such entities, the "***Second Lien Consenting Lenders***"), including, as of the date hereof, each of the funds or accounts managed by (i) Partners Group (USA) Inc., (ii) Siris Capital Group, LLC, (iii) AlbaCore Capital LLP, and (iv) Neuberger Berman Investment Advisers LLC and its affiliates; and

(iv) PVKG Lender, ConvergeOne Investment, LP, and PVKG Investment US LP and each of their affiliates other than the Company Parties that have executed and delivered counterpart signature pages to this Agreement, in their capacities as direct or indirect Holders of Existing C1 Interests (collectively, the "***Consenting Sponsors***" and together with the First Lien Consenting Lenders, the "***Consenting Stakeholders***").

RECITALS

WHEREAS, the Company Parties, the Consenting Stakeholders, and the Second Lien Consenting Lenders have in good faith and at arms' length negotiated certain restructuring transactions with respect to the Company Parties' capital structure on the terms set forth in this Agreement and as specified in the term sheet attached as **Exhibit B** hereto (the "***Restructuring Term Sheet***" and, such transactions as described in this Agreement, the Restructuring Term Sheet, and the Definitive Documents, in each case, as may be amended, supplemented, or otherwise

modified from time to time in accordance with their applicable terms, and including any exhibits, annexes, and schedules thereto, collectively, the "***Restructuring Transactions***").

WHEREAS, the Restructuring Transactions shall be implemented through, among other things, voluntary bankruptcy cases to be commenced by the Company Parties under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (as amended from time to time, the "***Bankruptcy Code***") in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***" and such cases, the "***Chapter 11 Cases***").

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring Transactions on the terms and conditions set forth in this Agreement, the Restructuring Term Sheet, and the Definitive Documents.

NOW, **THEREFORE**, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. ***Definitions and Interpretation***.

1.01. Definitions. The following terms shall have the following definitions:

"***ABL DIP Agent***" means Wells Fargo Commercial Distribution Finance, LLC.

"***ABL DIP Commitment Letter***" means the commitment letter, as may be amended, supplemented, or otherwise modified from time to time in accordance with its terms, to be entered into between the Company Parties and the ABL DIP Secured Parties, pursuant to which the ABL DIP Secured Parties have committed to make available to the Debtors the ABL DIP Facility in accordance with the terms thereof and the ABL DIP Documents.

"***ABL DIP Documents***" has the meaning set forth in the ABL DIP Facility Term Sheet.

"***ABL DIP Facility***" means the debtor in possession financing facility for the priming asset based revolving credit facility to be provided to the Debtors on the terms and conditions set forth in the ABL DIP Facility Term Sheet.

"***ABL DIP Facility Term Sheet***" means the term sheet attached as **Exhibit 1** to the Restructuring Term Sheet describing the material terms of the ABL DIP Facility.

"***ABL DIP Secured Parties***" has the meaning set forth in the ABL DIP Facility Term Sheet.

"***Affiliate***" means, with respect to any Entity, all Entities that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code if such Entity was a debtor in a case under the Bankruptcy Code.

"***Agents/Trustees***" means, collectively, any administrative agent, collateral agent, indenture trustee, floorplan funding agent, or similar Entity under the Prepetition ABL Credit

Agreement, the Prepetition First Lien Term Loan Credit Agreement, the Prepetition KL Note Purchase Agreement, the Prepetition PVKG Note Purchase Agreement, the Prepetition Second Lien Term Loan Credit Agreement, the Prepetition Intercreditor Agreements, the ABL DIP Facility, or the Term DIP Facility, including any successors thereto and including, without limitation, the ABL DIP Agent and Term DIP Agent.

"***Agreement***" has the meaning set forth in the preamble to this Agreement and, for the avoidance of any doubt, includes all the exhibits, annexes, and schedules hereto in accordance with Section 14.02.

"***Agreement Effective Date***" means the date on which the conditions set forth in Section 2 have been satisfied or waived by the appropriate Party or Parties in accordance with this Agreement.

"***Agreement Effective Period***" means, with respect to a Party, the period from the Agreement Effective Date (or, in the case of any Consenting Stakeholder or Second Lien Consenting Lender that becomes a party hereto after the Agreement Effective Date, the date as of which such Consenting Stakeholder or Second Lien Consenting Lender becomes a party hereto) to the Termination Date applicable to that Party.

"***Alternative Restructuring Proposal***" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to any sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, asset sale, share issuance, consent solicitation, exchange offer, tender offer, recapitalization, plan of reorganization, plan of liquidation, share exchange, business combination, joint venture, debt incurrence (including, without limitation, any debtor-in-possession financing or exit financing), or similar transaction involving any one or more Company Parties or the debt, equity, or other Interests of or in any one or more Company Parties, whether written or oral, that is an alternative to, or is inconsistent with, any material component of the Restructuring Transactions.

"***Backstop Agreement***" means that certain Backstop Agreement agreed to between the Backstop Parties and the Company Parties regarding the Backstop Parties' commitment to backstop the Rights Offering on the terms set forth in the Rights Offering Term Sheet.

"***Backstop Parties***" means the Investors.

"***Bankruptcy Code***" has the meaning set forth in the recitals to this Agreement.

"***Bankruptcy Court***" has the meaning set forth in the recitals to this Agreement.

"***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, as now in effect or hereafter amended.

"***Business Day***" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

"***C1 Holdings***" has the meaning set forth in the preamble to this Agreement.

"***Causes of Action***" means any Claims, interests, damages, remedies, causes of action, demands, rights, actions, controversies, proceedings, agreements, 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, whether arising before, on, or after the Petition Date, 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 or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code, or under similar local, state, federal, or foreign statutes and common law, including fraudulent transfer laws; 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.

"***Chapter 11 Cases***" has the meaning set forth in the recitals to this Agreement.

"***Claim***" means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

"***Company Claims or Interests***" means any Claim against or Interest in a Debtor.

"***Company Parties***" has the meaning set forth in the preamble to this Agreement.

"***Confidentiality Agreement***" means an executed confidentiality agreement, including with respect to the issuance of a "cleansing letter" or other public disclosure of material non-public information, in connection with any proposed Restructuring Transactions, and between any Company Party and any ad hoc groups, their advisors, or any Holder of any Company Claims or Interests.

"***Confirmation Order***" means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"***Consenting Sponsors***" has the meaning set forth in the preamble to this Agreement.

"***Consenting Stakeholders***" has the meaning set forth in the preamble to this Agreement.

"***Debtors***" means the Company Parties set forth in the preamble to this Agreement and listed on **Exhibit A** hereto that become debtors and debtors in possession in the Chapter 11 Cases.

"***Definitive Documents***" means, collectively, each of the documents listed in Section 3.01.

"***DIP Orders***" means, together, the Interim DIP Order and the Final DIP Order.

"***Disclosure Statement***" means that certain disclosure statement disclosing the terms and conditions of the Plan, as may be amended, supplemented, or otherwise modified from time to time in accordance with the terms of this Agreement and in accordance with, among other things, applicable securities Law, sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Rule 3018 of the Bankruptcy Rules, and other applicable Law.

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

"***Execution Date***" has the meaning set forth in the preamble to this Agreement.

"***Existing C1 Interests***" has the meaning set forth in the Restructuring Term Sheet.

"***Exit ABL Facility***" has the meaning set forth in the Restructuring Term Sheet.

"***Exit ABL Facility Documents***" means any documents governing the Exit ABL Facility and any amendments, modifications, and 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.

"***Exit Term Loan Facility***" has the meaning set forth in the Restructuring Term Sheet.

"***Exit Term Loan Facility Documents***" means any documents governing the Exit Term Loan Facility and any amendments, modifications, and 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.

"***Final DIP Order***" means any Final Order approving the ABL DIP Facility, the Term DIP Facility, the ABL DIP Documents, and the Term DIP Loan Documents, and authorizing the Debtors' use of cash collateral.

"***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, seek certiorari, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for a new trial, reargument, or rehearing 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 timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing has been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided*, *however*, for the avoidance of any doubt, an order or judgment that is subject to appeal shall not constitute a Final Order even if a stay of such order or judgment pending resolution of the appeal has not been obtained; *provided*, *further*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order will not preclude such order from being a Final Order.

"***First Day Pleadings***" means the motions and related pleadings that the Debtors intend to file upon the commencement of the Chapter 11 Cases.

"***First Lien Ad Hoc Group***" means that certain ad hoc group of Holders of First Lien Claims, including the KL Lender, represented by the First Lien Ad Hoc Group Advisors.

"***First Lien Ad Hoc Group Advisors***" means Gibson, Dunn & Crutcher LLP, PJT Partners Inc., EY-Parthenon, any local counsel retained by the First Lien Ad Hoc Group, and such other professional advisors as are retained by the First Lien Ad Hoc Group with the prior written consent of the Debtors (not to be unreasonably withheld).

"***First Lien Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***First Lien Consenting Lenders***" has the meaning set forth in the preamble to this Agreement.

"***First Lien Term Loan Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***General Unsecured Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***Governance Documents***" means, as applicable, the organizational and governance documents for New C1 and its direct and indirect subsidiaries, giving effect to the Restructuring Transactions, including, without limitation, certificates of incorporation, certificates of formation, or certificates of limited partnership (or equivalent organizational documents), bylaws, limited liability company agreements, shareholder agreements (or similar governing documents), and the identities of proposed members of the board of directors of New C1, each consistent with the terms and conditions of the Governance Term Sheet and in form and substance acceptable to the Debtors and the Required Consenting Lenders.

"***Governance Term Sheet***" means the term sheet attached as **Exhibit 4** to the Restructuring Term Sheet describing organizational and governance matters for New C1.

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

"***Holder***" means any Person or Entity that is the record or beneficial owner of any Claim or Interest, including any investment advisors, sub-advisors, or managers of funds or discretionary accounts that hold any Claim or Interest on behalf of any signatory to this Agreement.

"***Initial First Lien Ad Hoc Group Members***" has the meaning set forth in the preamble to this Agreement.

"***Initial Second Lien Ad Hoc Group Members***" means each of the funds or accounts that are managed by (i) Partners Group (USA) Inc. and (ii) Siris Capital Group, LLC

"***Interest***" means, collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, units, and any other equity, ownership, or profits interests of any Company Party, and options, warrants, rights, or other securities or agreements to

acquire or subscribe for, or which are convertible into the shares (or any class thereof) of, common stock, preferred stock, limited liability company interests, units, or other equity, ownership, or profits interests of any Company Party (in each case whether or not arising under or in connection with any employment agreement).

"***Interim DIP Order***" means any order entered on an interim basis approving the ABL DIP Facility, the Term DIP Facility, the ABL DIP Documents, and the Term DIP Loan Documents, and authorizing the Debtors' use of cash collateral.

"***Investors***" has the meaning set forth in the Rights Offering Term Sheet.

"***Joinder***" means a joinder to this Agreement, substantially in the form attached hereto as **Exhibit C**, providing, among other things, that such Person or Entity signatory thereto is bound by the terms of this Agreement. For the avoidance of any doubt, any party that executes a Joinder shall be a "Party" under this Agreement as provided therein and herein.

"***Law***" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority or court of competent jurisdiction (including the Bankruptcy Court).

"***KL Lender***" has the meaning set forth in the preamble to this Agreement.

"***KL Lender Advisor***" means Akin Gump Strauss Hauer & Feld LLP.

"***KL Lender Advisor Cap***" means $250,000.

"***KL Note Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***Milestones***" means the applicable milestones set forth in the Restructuring Term Sheet, as such milestones may be extended in accordance with the terms of this Agreement and the Restructuring Term Sheet.

"***Minority Protections***" has the meaning set forth in the Governance Term Sheet.

"***New C1***" means either PVKG Investment, as reorganized pursuant to the Plan, or, if applicable, any successor or assign thereto, by merger, consolidation, or otherwise on and after the Plan Effective Date, or a new entity, and each of its direct and indirect wholly-owned subsidiaries, which in any case shall be the ultimate parent of the other Company Parties on and after the Plan Effective Date as set forth in the Plan. For the avoidance of doubt, the identity of New C1 shall be subject to the consent of the Debtors and the Required Consenting Lenders.

"***Parties***" has the meaning set forth in the preamble to this Agreement.

"***Permitted Transferee***" means each transferee of any Company Claims or Interests who meets the requirements of Section 8.01.

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

"***Petition Date***" means the first date that any of the Debtors commences a Chapter 11 Case.

"***Plan***" means the joint plan of reorganization that will be filed by the Debtors under the Bankruptcy Code to implement the Restructuring Transactions in accordance with, and subject to the terms and conditions of, this Agreement, the Restructuring Term Sheet, the Definitive Documents, and related exhibits and appendices.

"***Plan Effective Date***" means the Effective Date of the Plan, as defined in the Restructuring Term Sheet.

"***Plan Supplement***" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that, subject to the terms and conditions provided in the Plan, will be filed by the Debtors with the Bankruptcy Court.

"***Prepetition ABL Credit Agreement***" has the meaning set forth in the Restructuring Term Sheet.

"***Prepetition First Lien Term Loan Credit Agreement***" has the meaning set forth in the Restructuring Term Sheet.

"***Prepetition First Lien and Second Lien Intercreditor Agreement***" means that certain Intercreditor Agreement dated as of January 4, 2019 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), among Deutsche Bank AG New York Branch, as Initial Senior Lien Representative and Senior Lien Collateral Agent, UBS AG, Stamford Branch, as Initial Junior Lien Representative and Junior Lien Collateral Agent and the additional Representatives and Collateral Agents from time to time a party thereto, C1 Holdings, and certain subsidiaries and parent entities of C1 Holdings.

"***Prepetition Intercreditor Agreements***" means (a) that certain ABL Intercreditor Agreement, dated as of January 4, 2019 (as amended by that certain Joinder and Amendment to ABL Intercreditor Agreement dated as of July 10, 2020 and supplemented by that certain ABL Intercreditor Agreement Joinder dated as of May 15, 2023); (b) that certain First Lien Pari Passu Intercreditor Agreement, dated as of January 10, 2020 (as amended, amended and restated, supplemented, or otherwise modified from time to time); and (c) the Prepetition First Lien and Second Lien Intercreditor Agreement.

"***Prepetition KL Note Purchase Agreement***" has the meaning set forth in the Restructuring Term Sheet.

"***Prepetition PVKG Note Purchase Agreement***" has the meaning set forth in the Restructuring Term Sheet.

"***Prepetition Second Lien Term Loan Credit Agreement***" has the meaning set forth in the Restructuring Term Sheet.

"***PVKG Intermediate***" has the meaning set forth in the preamble to this Agreement.

"***PVKG Investment***" means PVKG Investment Holdings, Inc.

"***PVKG Lender***" has the meaning set forth in the preamble to this Agreement.

"***PVKG Lender Advisors***" means Latham & Watkins LLP and any local counsel retained by the PVKG Lender to advise the PVKG Lender in its capacity as the Holder of the PVKG Note Claims.

"***PVKG Note Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***Qualified Marketmaker***" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Company Claims or Interests (or enter with customers into long and short positions in Company Claims or Interests), in its capacity as a dealer or market maker in Company Claims or Interests, and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"***Released Parties***" has the meaning set forth in the Restructuring Term Sheet.

"***Required ABL DIP Lenders***" has the meaning set forth in the ABL DIP Facility Term Sheet.

"***Required Consenting Lender Advisors***" means, collectively, the First Lien Ad Hoc Group Advisors and the PVKG Lender Advisors.

"***Required Consenting Lenders***" means, as of the relevant date, the Initial First Lien Ad Hoc Group Members and the PVKG Lender holding, collectively, in excess of 66 2/3% of the aggregate First Lien Claims collectively held by the Initial First Lien Ad Hoc Group Members and PVKG Lender.

"***Required Consenting Initial First Lien Ad Hoc Group Members***" means, as of the relevant date, the Initial First Lien Ad Hoc Group Members holding, collectively, in excess of 75% of the aggregate First Lien Claims collectively held by the Initial First Lien Ad Hoc Group Members.

"***Required Consenting Initial Second Lien Ad Hoc Group Members***" means, as of the relevant date, the Initial Second Lien Ad Hoc Group Members holding, collectively, in excess of 50.01% of the aggregate Second Lien Claims collectively held by the Initial Second Lien Ad Hoc Group Members.

"***Required Term DIP Lenders***" has the meaning set forth in the Term DIP Term Sheet.

"***Restructuring Expenses***" means the actual, reasonable, and documented fees and expenses of the First Lien Ad Hoc Group Advisors, the KL Lender Advisor (subject to the KL Lender Advisor Cap), the PVKG Lender Advisors, the Second Lien Ad Hoc Group Advisors, regardless of whether such fees and expenses are or were incurred before, on, or after the Agreement Effective Date, subject to the terms of any applicable fee reimbursement letter between any such Parties and any of the Company Parties, as the case may be; *provided*, *however*, that the invoices for such fees and expenses shall be in summary format (with such redactions as may be necessary to maintain attorney client privilege), and the First Lien Ad Hoc Group Advisors, PVKG

Lender Advisors, and the Second Lien Ad Hoc Group Advisors shall not be required to provide the Company Parties with attorney time entries or apply to the Bankruptcy Court for payment.

"***Restructuring Term Sheet***" has the meaning set forth in the recitals to this Agreement.

"***Restructuring Transactions***" has the meaning set forth in the recitals to this Agreement.

"***Rights Offering***" has the meaning set forth in the Restructuring Term Sheet.

"***Rights Offering Documents***" means, collectively, the Backstop Agreement, the Rights Offering Procedures, and any and all other agreements, documents, and instruments delivered or entered into in connection with the Rights Offering, not inconsistent with the terms of the Rights Offering Term Sheet.

"***Rights Offering Procedures***" means the procedures governing the Rights Offering.

"***Rights Offering Term Sheet***" means the term sheet attached as **Exhibit 3** to the Restructuring Term Sheet describing the material terms of the Rights Offering.

"***Second Lien Ad Hoc Group***" means that certain ad hoc group of Holders of Second Lien Claims represented by the Second Lien Ad Hoc Group Advisors.

"***Second Lien Ad Hoc Group Advisors***" means Davis Polk & Wardwell LLP, Guggenheim Securities, LLC, Haynes and Boone, LLP, and such other professional advisors as are retained by the Second Lien Ad Hoc Group with the prior written consent of the Required Consenting Lenders and the Debtors (not to be unreasonably withheld).

"***Second Lien Claims***" has the meaning set forth in the Restructuring Term Sheet.

"***Second Lien Consenting Lenders***" has the meaning set forth in the Preamble to this Agreement.

"***Solicitation Materials***" means all documents, forms, and other materials provided in connection with the solicitation of votes on the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code.

"***Subsequent First Lien Ad Hoc Group Members***" has the meaning set forth in the preamble to this Agreement.

"***Term DIP Agent***" has the meaning set forth in the Term DIP Term Sheet.

"***Term DIP Facility***" means the debtor in possession financing facility for the priming super priority secured term loans that the Term DIP Lenders have committed to provide to the Debtors on the terms and conditions set forth in the Term DIP Term Sheet.

"***Term DIP Lenders***" has the meaning set forth in the Term DIP Term Sheet.

"***Term DIP Loan Documents***" has the meaning set forth in the Term DIP Term Sheet.

"***Term DIP Term Sheet***" means the term sheet attached as **Exhibit 2** to the Restructuring Term Sheet describing the material terms of the Term DIP Facility.

"***Termination Date***" means the date on which termination of this Agreement as to a Party is effective in accordance with Section 12.

"***Transfer***" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions).

"***Transfer Agreement***" means an executed form of the transfer agreement providing, among other things, that a transferee is bound by the terms of this Agreement and substantially in the form attached hereto as **Exhibit D**.

1.02. Interpretation. For purposes of this Agreement:

(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) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) 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;

(d) 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, restated, amended and restated, supplemented, or otherwise modified or replaced from time to time;

(e) unless otherwise specified, all references herein to "Sections" are references to Sections of this Agreement;

(f) the words "herein," "hereunder," "hereof," and "hereto" refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(g) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(h) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(i) the use of "include" or "including" is without limitation, whether stated or not; and

(j) the use of "$", "Dollar" or "dollar" shall refer to denominations in U.S. Dollars.

Section 2. ***Effectiveness of this Agreement***.

2.01. Agreement Effective Date. This Agreement shall become effective and binding upon each of the Parties on the Agreement Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) each of the Company Parties shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(b) Holders of at least 66 2/3% of the principal amount of First Lien Claims, including each of the Required Consenting Lenders, and exclusive of the Holders of the PVKG Note Claims, shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(c) Holders of 100% of the principal amount of the PVKG Note Claims shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(d) Holders of at least 66 2/3% of the principal amount of Second Lien Claims shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(e) the Consenting Sponsors shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(f) the Company Parties shall have paid, or caused to be paid, all Restructuring Expenses for which an invoice has been received by the Company Parties (inclusive of any reasonable estimate of Restructuring Expenses through and including the Agreement Effective Date) in accordance with the terms of any applicable fee letter prior to the Agreement Effective Date; and

(g) counsel to the Company Parties shall have given written notice (email sufficient) to counsel to each of the other Parties in the manner set forth in Section 14.10 that the conditions to the Agreement Effective Date set forth in this Section 2 have occurred.

Section 3. ***Definitive Documents***.

3.01. The Definitive Documents governing the Restructuring Transactions shall include the following documents, including all exhibits, annexes, schedules, and other attachments thereto:

(a) the Plan;

(b) the Disclosure Statement;

(c) the Solicitation Materials;

(d) the DIP Orders (and motion(s) seeking approval thereof);

(e) the ABL DIP Commitment Letter;

(f) the ABL DIP Documents;

(g) the Term DIP Loan Documents;

(h) the Exit ABL Facility Documents;

(i) the Exit Term Loan Facility Documents;

(j) the Backstop Agreement and motion(s) seeking approval thereof;

(k) the Rights Offering Procedures;

(l) the Rights Offering Documents;

(m) the Governance Documents;

(n) any order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials (and motion(s) seeking approval thereof), which may be the Confirmation Order;

(o) the Confirmation Order;

(p) the Plan Supplement;

(q) all material pleadings and motions filed by the Company Parties in connection with the Chapter 11 Cases (and related orders), including the First Day Pleadings, any "second day" pleadings, and all orders sought pursuant thereto;

(r) such other agreements, instruments, and documentation that are necessary, or as may be agreed in writing (email sufficient) between the Company Parties and the Required Consenting Lenders, to document and consummate the Restructuring Transactions; and

(s) any other material exhibits, schedules, amendments, modifications, supplements, appendices, or other documents, motions, pleadings, and/or agreements relating to any of the foregoing.

Completion of Definitive Documents. The Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and/or covenants consistent with the terms of this Agreement and the Restructuring Term Sheet, as they may be modified, amended, or supplemented in accordance with Section 13. Notwithstanding anything to the contrary herein, the Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date shall otherwise, when completed, (i) be in form and substance, including with respect to any

amendment, modification, or supplement thereto, acceptable to the Company Parties and the Required Consenting Lenders; (ii) provide for equal treatment of the KL Note Claims and First Lien Term Loan Claims, unless otherwise consented to by the Required Consenting Lenders and the KL Lender; (iii) provide for equal rights to the Holders of, and treatment of, the PVKG Note Claims and First Lien Term Loan Claims, unless otherwise consented to by the PVKG Lender and the Required Consenting Initial First Lien Ad Hoc Group Members; (iv) be in a form and substance, including with respect to any amendment, modification, or supplement thereto, reasonably acceptable to the Required Consenting Initial Second Lien Ad Hoc Group Members solely with respect to matters that directly or indirectly relate to the rights, distribution and treatment of the Consenting Second Lien Lenders provided for herein; and (v) the Governance Documents will be reasonably acceptable to the Subsequent First Lien Ad Hoc Group Members and Required Consenting Initial Second Lien Ad Hoc Group Members solely with respect to the Minority Protections and board observer rights provided therein.

Section 4. ***Commitments of the Consenting Stakeholders and Second Lien Consenting Lenders***.

4.01. General Commitments.

(a) During the Agreement Effective Period, each Consenting Stakeholder and Second Lien Consenting Lender severally, and not jointly, agrees, in respect of all of its Company Claims or Interests, to:

(i) agree by execution of this Agreement and the effectiveness of this Agreement to (A) consent, and to be deemed to have consented, to the incurrence of the ABL DIP Facility on the terms set forth in the ABL DIP Facility Term Sheet and the ABL DIP Documents and the Term DIP Facility on the terms set forth in the Term DIP Term Sheet and Term DIP Loan Documents; (B) consent, and direct the Agents/Trustees to consent, to the Company Parties' use of their cash collateral pursuant to the DIP Orders; and (C) if necessary, give any notice, order, instruction, or direction to the applicable Agents/Trustees necessary to give effect to the foregoing;

(ii) support the Restructuring Transactions on the terms and subject to the conditions of this Agreement and vote or consent and not object, to the extent applicable, all Company Claims or Interests owned by or held by such Consenting Stakeholder or Second Lien Consenting Lender and exercise any powers or rights available to it (including in any board, shareholders', or creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Restructuring Transactions, subject to finalization of the Definitive Documents in accordance with the terms of this Agreement;

(iii) give any notice, order, instruction, or direction to the applicable Agents/Trustees necessary to give effect to the Restructuring Transactions; *provided* that no Consenting Stakeholder or Second Lien Consenting Lender shall be required hereunder to provide such Agents/Trustees with any indemnities or similar undertakings in connection with taking any such action or incur any fees or expenses in connection therewith;

(iv) use commercially reasonable efforts to support the Company Parties' efforts to obtain any and all required regulatory or third-party approvals for the Restructuring Transactions;

(v) use commercially reasonable efforts to cooperate in good faith with and assist the Company Parties in obtaining additional support for the Restructuring Transactions from the Company Parties' other creditors and stakeholders;

(vi) validly and timely deliver, and not withdraw, the consents, proxies, signature pages, tenders, ballots, or other means of voting or participation in the Restructuring Transactions (including directing its nominee or custodian, if applicable, on behalf of itself and the accounts, funds, or Affiliates for which it is acting as investment advisor, sub-advisor, or manager to validly and timely deliver and not withdraw) with respect to all Company Claims or Interests owned by or held by such Consenting Stakeholder or Second Lien Consenting Lender; and

(vii) negotiate in good faith and use commercially reasonable efforts to execute, deliver, and implement the Definitive Documents and any other necessary filings, documents, pleadings, agreements, contracts and requests for regulatory approvals to which it is a party in a timely manner to effectuate and consummate the Restructuring Transactions as contemplated by this Agreement.

(b) During the Agreement Effective Period, each Consenting Stakeholder and Second Lien Consenting Lender severally, and not jointly, agrees, in respect of all of its Company Claims or Interests, that it shall not directly or indirectly:

(i) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(ii) propose, file, support, or vote for any Alternative Restructuring Proposal;

(iii) seek to modify the Definitive Documents, in whole or in part, in a manner that is not consistent with this Agreement and the Restructuring Term Sheet;

(iv) exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any of its Company Claims or Interests against the Company Parties other than in accordance with this Agreement and the Definitive Documents;

(v) file any motion, objection, pleading, or other document with the Bankruptcy Court or any other court that, in whole or in part, is not materially consistent with this Agreement and the Restructuring Term Sheet (nor directly or indirectly cause or instruct any other person to make such a filing);

(vi) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to this Agreement, the Definitive Documents, or the other Restructuring Transactions contemplated herein against the Company Parties or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this

Agreement (nor directly or indirectly cause or instruct any other person to initiate such litigation or proceeding);

(vii) object to, delay, impede, or take any other action to interfere with the Company Parties' ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code (nor directly or indirectly cause or instruct any other person to take such action); or

(viii) exercise any right or remedy for the enforcement, collection, or recovery of any of its Company Claims or Interests other than in accordance with this Agreement and the Definitive Documents (nor directly or indirectly cause or instruct any other person to take or exercise such right or remedy).

(c) Solely upon the occurrence of the Plan Effective Date, each Consenting Stakeholder and Second Lien Consenting Lender agrees to release, waive, and discharge, without any further notice or action, any and all (i) Claims and Causes of Action it may have against the Released Parties, subject to the limits with respect to such release set forth in the Plan; and (ii) General Unsecured Claims against any of the Company Parties.

(d) Solely with respect to the Consenting Stakeholders that are Term DIP Lenders, such Term DIP Lenders commit to provide the Term DIP Facility to the Debtors on the terms and conditions set forth in the Term DIP Term Sheet.

(e) Solely with respect to the Consenting Stakeholders that are Backstop Parties, such Backstop Parties commit to provide the Backstop Commitment to the Debtors on the terms and conditions set forth in the Rights Offering Term Sheet.

4.02. Chapter 11 Voting.

(a) In addition to the obligations set forth in Section 4.01, during the Agreement Effective Period, each Consenting Stakeholder and Second Lien Consenting Lender that is entitled to vote to accept or reject the Plan pursuant to its terms, severally, and not jointly, agrees that it shall, subject to receipt by such Party of the Disclosure Statement and the Solicitation Materials, whether before or after the commencement of the Chapter 11 Cases:

(i) use commercially reasonable efforts to support confirmation of the Plan, including the solicitation, confirmation, and consummation of the Plan, as may be applicable and not direct or instruct any of the Agents/Trustees to take any actions inconsistent with this Agreement or the Restructuring Term Sheet;

(ii) vote each of its Company Claims or Interests entitled to vote to accept the Plan, and elect the Rights Offering Rights and Takeback Term Loan Recovery Option (if applicable to such Party), by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its receipt of the Disclosure Statement and any other Solicitation Materials and the ballot; *provided*, *however*, that each Consenting Stakeholder that acquires First Lien Claims after the Execution Date in accordance with the terms hereof shall be entitled to elect by the applicable election deadline the Takeback Term Loan Recovery Option solely with respect to such after-acquired First Lien

Claims, and solely to the extent that such acquisition and election is identified to the Company Parties and the Required Consenting Lender Advisors;

(iii) to the extent it is permitted to elect whether to opt out of (or opt in to) the releases set forth in the Plan, elect not to opt out of (or elect to opt in to) the releases set forth in the Plan by timely delivering its duly executed and completed ballot(s) indicating such election; and

(iv) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any vote or election referred to in clauses (ii) and (iii) above; *provided*, *however*, that such votes or elections shall be immediately revoked and deemed *void ab initio* upon the occurrence of a Termination Date.

(b) During the Agreement Effective Period, each Consenting Stakeholder and Second Lien Consenting Lender, in respect of each of its Company Claims or Interests, severally, and not jointly, will not directly or indirectly object to, delay, impede, or take any other action inconsistent with this Agreement and the Restructuring Term Sheet. Notwithstanding the foregoing, nothing in this Agreement shall require any Consenting Stakeholder or Second Lien Consenting Lender to incur any expenses, liabilities, or other obligations, or agree to any commitments, undertakings, concessions, indemnities, or other arrangements that could result in expenses, liabilities, or other obligations against such Party.

4.03. Prepetition First Lien and Second Lien Intercreditor Agreement. For any and all purposes under the Prepetition First Lien and Second Lien Intercreditor Agreement, each Consenting Stakeholder hereby agrees (a) that each Holder of a Second Lien Claim may receive its *pro rata* share of the Second Lien Recovery in accordance with the terms of this Agreement, and such Consenting Stakeholder waives any of its rights in connection thereto, including, without limitation, any rights under Sections 4.02 or 6.10 of the Prepetition First Lien and Second Lien Intercreditor Agreement, and (b) that this Agreement shall serve as such Consenting Stakeholder's direction to the Senior Lien Collateral Agent and Senior Lien Representatives to do the same.

Section 5. ***Additional Provisions Regarding the Consenting Stakeholders' and Second Lien Consenting Lenders' Commitments***.

5.01. Notwithstanding the Consenting Stakeholders' and Second Lien Consenting Lenders' agreements to support the Restructuring Transactions as set forth in Section 4, this Agreement shall not:

(a) be construed to impair any Consenting Stakeholder's or Second Lien Consenting Lender's rights to appear as a party in interest in any matter to be adjudicated in the Chapter 11 Cases, so long as the positions advocated are consistent with this Agreement;

(b) prevent any Consenting Stakeholder or Second Lien Consenting Lender from filing, or directing any agent or representative to file, any proof of claim in any Chapter 11 Cases;

(c) limit the ability of a Consenting Stakeholder or Second Lien Consenting Lender to purchase, sell, or enter into any transactions regarding the Company Claims or Interests, subject

to the terms hereof and any applicable agreements or Law governing such Company Claims or Interests;

(d) constitute a waiver or amendment of any term or provision of the Prepetition First Lien Term Loan Credit Agreement, the Prepetition KL Note Purchase Agreement, the Prepetition PVKG Note Purchase Agreement, or the Prepetition Second Lien Term Loan Credit Agreement;

(e) affect the ability of any Consenting Stakeholder or Second Lien Consenting Lender to consult with any other Consenting Stakeholder, Second Lien Consenting Lender, Company Parties, or any other party in interest (including, if applicable, any official committee and the United States Trustee), so long as such consultation does not violate such Consenting Stakeholder's or Second Lien Consenting Lender's support obligations set forth herein, any applicable Confidentiality Agreement, or applicable Law, including the Bankruptcy Code;

(f) impair or waive the rights of any Consenting Stakeholder or Second Lien Consenting Lender to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions;

(g) prevent any Consenting Stakeholder or Second Lien Consenting Lender from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement;

(h) obligate a Consenting Stakeholder or Second Lien Consenting Lender to deliver a vote to support the Plan (or any other Restructuring Transactions) or prohibit a Consenting Stakeholder or Second Lien Consenting Lender from withdrawing such vote, in each case, from and after the Termination Date (other than a Termination Date as a result of the occurrence of the Plan Effective Date or a material breach of this Agreement by such Consenting Stakeholder or Second Lien Consenting Lender, as applicable);

(i) prevent any Consenting Stakeholder or Second Lien Consenting Lender from taking any action that is required by applicable Law upon the advice of counsel;

(j) require any Consenting Stakeholder or Second Lien Consenting Lender to take any action that is prohibited by applicable Law upon the advice of counsel;

(k) require any Consenting Stakeholder or Second Lien Consenting Lender to waive or forego the benefit of any applicable legal professional privilege;

(l) unless expressly provided for under this Agreement, require any Consenting Stakeholder or Second Lien Consenting Lender to incur any expenses, liabilities, or other obligations, or agree to any commitments, undertakings, concessions, indemnities, or other arrangements that could result in expenses, liabilities, or other obligations against such Party; or

(m) prevent any Consenting Stakeholder or Second Lien Consenting Lender from making, seeking, or receiving any required regulatory filings, notifications, consents, determinations, authorizations, permits, approvals, or licenses.

Section 6. ***Commitments of the Company Parties***.

6.01. Affirmative Commitments. Subject in all cases to Section 7, during the Agreement Effective Period, the Company Parties agree to:

(a) support and take all steps reasonably necessary and desirable to implement and consummate the Restructuring Transactions in accordance with the terms and conditions set forth in this Agreement and the Restructuring Term Sheet (including the Milestones);

(b) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions contemplated herein, take all steps reasonably necessary and desirable to address any such impediment in consultation with the Required Consenting Lenders;

(c) use commercially reasonable efforts to promptly obtain any and all regulatory and/or third-party approvals that are necessary or advisable to effectuate and consummate the Restructuring Transactions as determined by the Company Parties in consultation with the Required Consenting Lenders, including the expiration of any applicable waiting periods;

(d) negotiate in good faith and use commercially reasonable efforts to execute and deliver the Definitive Documents and any other required agreements to effectuate and consummate the Restructuring Transactions as contemplated by this Agreement;

(e) use commercially reasonable efforts to seek additional support for the Restructuring Transactions from their other stakeholders;

(f) continue ordinary course practices to maintain good standing under the jurisdiction in which each Company Party is incorporated or organized;

(g) except as otherwise contemplated by this Agreement or any order of the Bankruptcy Court, (i) conduct its businesses and operations only in the ordinary course in a manner that is consistent with past practices and in compliance with applicable Law, taking into account the Restructuring, (ii) maintain its physical assets, properties, and facilities, in the ordinary course, in a manner that is consistent with past practices, and in compliance with applicable Law (ordinary wear and tear and casualty and condemnation excepted), taking into account the Restructuring, (iii) maintain its books and records in the ordinary course, in a manner that is consistent with past practices, and in compliance with applicable Law, and (iv) maintain all insurance policies, or suitable replacements therefor, in full force and effect, in the ordinary course, in a manner that is consistent with past practices, and in compliance with applicable Law;

(h) provide draft copies of all Definitive Documents to the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors as soon as reasonably practicable, but in no event less than two (2) Business Days prior to the date when the Company Parties intend to file such documents, and, without limiting any approval rights set forth herein, consult in good faith with the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors regarding the form and substance of any such proposed filing; *provided, however,* that in the event that not less than two (2) Business Days' notice is impracticable or impossible under the circumstances, the Company Parties shall provide draft copies of any motions or other pleadings

to the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors as soon as otherwise practicable before the time when the Company Parties intend to file any such motion or other pleading;

(i) pay and reimburse in full in cash in immediately available funds (i) prior to the Petition Date, all Restructuring Expenses accrued within five (5) Business Days of receipt of an invoice therefor (and in any event, before the Petition Date if invoiced before such date), (ii) after the Petition Date and prior to the Plan Effective Date, subject to any applicable orders of the Bankruptcy Court but without the need to file fee or retention applications, all Restructuring Expenses incurred prior to (to the extent not previously paid) on and after the Petition Date, but in any event within five (5) Business Days of delivery to the Company Parties of any applicable invoice or receipt, (iii) on the Plan Effective Date, all Restructuring Expenses incurred and outstanding in connection with the Restructuring Transactions (including any estimated fees and expenses estimated to be incurred through the Plan Effective Date) and after the Plan Effective Date, all accrued and unpaid Restructuring Expenses incurred in connection with the implementation and consummation of the Plan shall be paid by the Company Parties (or their successors in interest) on a regular and continuing basis promptly (but in any event within five (5) Business Days) following receipt of an invoice therefor;

(j) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order: (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code); (ii) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; or (iii) dismissing any of the Chapter 11 Cases;

(k) timely file a formal objection to any motion filed with the Bankruptcy Court by a party seeking the entry of an order modifying or terminating the Company Parties' exclusive right to file or solicit acceptances of a plan of reorganization, as applicable;

(l) to the extent requested in writing by the Required Consenting Lender Advisors or the Second Lien Ad Hoc Group Advisors, provide the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors, as applicable, with reasonable access to information (excluding any privileged information) regarding the operations of the Company Parties subject to any confidentiality agreements in effect; and

(m) promptly inform the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors in writing (email being sufficient) after obtaining actual knowledge of (i) any event or circumstance that has occurred that would permit any Party to terminate this Agreement; or (ii) any notice of any commencement of any material involuntary insolvency proceedings, legal suit for payment of debt, or securement of security from or by any person in respect of any Company Party.

6.02. Negative Commitments. Subject in all cases to Section 7, during the Agreement Effective Period, each of the Company Parties shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) take any action that is materially inconsistent with, or is intended to frustrate or impede, approval, implementation, and consummation of the Restructuring Transactions or any of the other transactions described in this Agreement or the Definitive Documents;

(c) (i) execute, deliver, and/or file with the Bankruptcy Court or any other court any agreement, instrument, motion, pleading, order, form, or other document that is to be utilized to implement or effectuate, or that otherwise relates to, this Agreement, the Plan, and/or the Restructuring Transactions that is not in form and substance acceptable in accordance with the terms set forth in Section 3 hereof, or if applicable, file any pleading with the Bankruptcy Court seeking authorization to accomplish or effect any of the foregoing; or (ii) waive, amend, or modify any of the Definitive Documents, or, if applicable, file with the Bankruptcy Court a pleading seeking to waive, amend, or modify any term or condition of any of the Definitive Documents, which waiver, amendment, modification, or filing contains any provision that is materially inconsistent with this Agreement (including the Restructuring Term Sheet) or is otherwise not in form and substance acceptable in accordance with the terms set forth in Section 3 hereof;

(d) seek to modify the Definitive Documents, in whole or in part, in a manner that is not consistent with Section 3 hereof;

(e) without the prior written consent of the Required Consenting Lenders, with respect to any employee or director qualifying as an insider under the Bankruptcy Code, (i) enter into or amend, establish, adopt, restate, supplement, or otherwise modify or accelerate (A) any deferred compensation, incentive, success, retention, bonus, or other compensatory arrangements, programs, practices, plans, or agreements, including, without limitation, offer letters, employment agreements, consulting agreements, severance arrangements, or change in control arrangements with or for the benefit of any such insider employee, or (B) any contracts, arrangements, or commitments that entitle any current or former insider director, officer, employee, manager, or agent to indemnification from the Company Parties, or (ii) amend or terminate any existing compensation or benefit plans or arrangements (including employment agreements) with respect to such insiders;

(f) grant or agree to grant (including pursuant to a key employee retention plan, key employee incentive plan, or other similar arrangement) any additional or any increase in the wages, salary, bonus, commissions, retirement benefits, pension, severance, or other compensation or benefits of any employee or director qualifying as an insider under the Bankruptcy Code in each case, outside of the ordinary course of business and inconsistent with past practice, without the prior written consent of the Required Consenting Lenders;

(g) (i) commence any proceeding or other action that challenges in a manner inconsistent with this Agreement or the Restructuring Term Sheet (A) the amount, validity, allowance, character, enforceability, or priority of any Company Claims or Interests of any of the Consenting Stakeholders or Second Lien Consenting Lenders, or (B) the validity, enforceability, or perfection of any lien or other encumbrance securing (or purporting to secure) any First Lien Claim or Second Lien Claim; (ii) otherwise seek to restrict any rights of any of the Consenting Stakeholders or Second Lien Consenting Lenders; or (iii) support any person in connection with any of the acts described in the foregoing clauses;

(h) initiate, or have initiated on its behalf, any litigation or proceeding of any kind against the other Parties in connection with the Restructuring, other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement or any Definitive Document;

(i) without the prior written consent of the Required Consenting Lenders, enter into any contract with respect to debtor-in-possession financing, cash collateral usage, exit financing, and/or other financing arrangements;

(j) amend or change, or propose to amend or change, any of their respective existing organizational documents without the prior written consent of the Required Consenting Lenders;

(k) (i) authorize, create, issue, sell, or grant any additional Interests, or (ii) reclassify, recapitalize, redeem, purchase, acquire, declare any distribution on, or make any distribution on any Interests, in each case without the prior written consent of the Required Consenting Lenders.

(l) modify the Plan, in whole or in part, in a manner that is not consistent with this Agreement in all material respects;

(m) file any motion, pleading, or Definitive Document with the Bankruptcy Court or any other court that, in whole or in part, is not materially consistent with this Agreement;

(n) commence any process to sell, transfer, dispose, or otherwise monetize any assets of any of the Company Parties in a transaction or a series of transactions having a fair market value of $10,000,000 or greater without the prior written consent of the Required Consenting Lenders; or

(o) assume, reject, terminate, settle, or renegotiate any material contract (including any material executory contracts and unexpired leases) without the prior written consent of the Required Consenting Lenders.

Section 7. ***Additional Provisions Regarding the Company Parties' Commitments***.

7.01. Non-Solicitation. The Company Parties shall not, directly or indirectly, solicit any Alternative Restructuring Proposal.

7.02. Company Parties' Fiduciary Duties. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Company Party or the board of directors, board of managers, or similar governing body of a Company Party, to take any action or to refrain from taking any action to the extent such Company Party determines in good faith, after consultation with counsel, that taking or failing to take such action may violate applicable Law or be inconsistent with its fiduciary obligations under applicable Law. The Company Parties shall promptly notify the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors in writing (email being sufficient) of any such determination within two (2) Business Days following such determination. This Section 7.02 shall not impede any Consenting

Stakeholder's or Second Lien Consenting Lender's right to terminate this Agreement pursuant to Section 12 of this Agreement in accordance with the terms hereof.

7.03. Alternative Restructuring Proposals. Notwithstanding anything to the contrary in this Agreement (but subject to Section 7.01), if any Company Party receives a written or oral proposal or expression of interest from any Person or Entity regarding any Alternative Restructuring Proposal that its board of directors, board of managers, or similar governing body determines in good faith and following consultation with counsel represents a higher or otherwise better economic recovery to its stakeholders, as compared to the Restructuring, the Company Parties shall have the right to: (i) consider, respond to, facilitate, discuss, negotiate, support, or otherwise pursue such Alternative Restructuring Proposal; (ii) provide access to non-public information concerning the Company Parties to any Person or Entity and enter into any confidentiality agreement with such Person or Entity in connection therewith; and (iii) otherwise cooperate with, assist, or participate in any inquiries, proposals, discussions, or negotiations of such Alternative Restructuring Proposal. Within two (2) Business Days of a determination pursuant to this Section 7.03, the Company shall notify (with email being sufficient) the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors of such proposal or expression of interest, with, subject to Section 7.04, such notice to include a copy of such proposal, if it is in writing, or otherwise a summary of the material terms thereof.

7.04. Notifications Regarding Alternative Restructuring Proposals. The Company Parties shall (a) provide to the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors on a professional eyes only basis, (1) a copy of any written offer or proposal (and notice and a description of any oral offer or proposal) for any Alternative Restructuring Proposal pursued under Section 7.03, if not barred under any applicable Confidentiality Agreement between any Company Party and the submitting party or such submitting party otherwise consents or (2) a summary of the material terms thereof, if any Company Party is bound by a Confidentiality Agreement with, or other known contractual or legal obligation of confidentiality to, the submitting party, in each case within two (2) Business Days of the Company Parties' or their advisors' receipt of such offer or proposal, and (b) provide such information to the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors regarding such discussions (including copies of any materials provided to such parties hereunder) as necessary to keep the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors reasonably contemporaneously informed as to the status and substance of such discussions.

7.05. Non-Waiver of Company Parties' Rights. Nothing in this Agreement shall: (a) impair or waive the rights of any Company Party to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; or (b) prevent any Company Party from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 8. ***Transfer of Interests and Securities***.

8.01. Permitted Transfers. During the Agreement Effective Period, no Consenting Stakeholder or Second Lien Consenting Lender shall Transfer any ownership interest (including any beneficial ownership as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in any Company Claims or Interests to any affiliated or unaffiliated party, including any

party in which it may hold a direct or indirect beneficial interest, unless: either (i) the transferee executes and delivers to counsel to the Company Parties, Required Consenting Lender Advisors, and Second Lien Ad Hoc Group Advisors at or before the time of the proposed Transfer, a Transfer Agreement, or (ii) the transferee is a Consenting Stakeholder or Second Lien Consenting Lender, or an Affiliate of such Party, bound by the terms of this Agreement and the transferee provides notice of such Transfer (including the amount and type of Company Claim or Interest Transferred) to counsel to the Company Parties and to the Required Consenting Lender Advisors by the close of business on the second Business Day following such Transfer. Notwithstanding the foregoing, this Section 8 shall not apply to the grant of any lien or encumbrance on any right, title or interest in a Company Claim or Interest in favor of a bank or broker-dealer holding custody of any such right, title or interest in the Company Claim or Interest in the ordinary course of business that is released upon the Transfer of any such right, title or interest.

8.02. Effectiveness of Permitted Transfers. Upon compliance with the requirements of Section 8.01, the Permitted Transferee shall be deemed a Consenting Stakeholder or Second Lien Consenting Lender, as applicable, and the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Company Claims or Interests. Any Transfer that does not comply with Section 8.01 or Section 8.03, as applicable, shall be void *ab initio*.

8.03. Additional Company Claims or Interests. This Agreement shall in no way be construed to preclude the Consenting Stakeholders or Second Lien Consenting Lenders from acquiring additional Company Claims or Interests; *provided, however*, that (a) such additional Company Claims or Interests shall automatically and immediately upon acquisition by a Consenting Stakeholder or Second Lien Consenting Lender, as applicable, be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company Parties, the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors) and (b) such Consenting Stakeholder or Second Lien Consenting Lender must provide notice of such acquisition (including the amount and type of Company Claim or Interest acquired) to counsel to the Company Parties, the Required Consenting Lender Advisors and Second Lien Ad Hoc Group Advisors within five (5) Business Days of such acquisition.

8.04. No Cleansing. This Section 8 shall not impose any obligation on any Company Party to issue any "cleansing" materials or otherwise publicly disclose information for the purpose of enabling a Consenting Stakeholder or Second Lien Consenting Lender to Transfer any of its Company Claims or Interests. Notwithstanding the foregoing, if a Company Party and another Party have entered into a confidentiality agreement, the terms of such confidentiality agreement shall continue to apply and remain in full force and effect according to its terms, and this Agreement does not supersede any rights or obligations of the Company Parties otherwise arising under such confidentiality agreements.

8.05. Qualified Marketmaker Matters. Notwithstanding Section 8.01, a Qualified Marketmaker that acquires any Company Claims or Interests with the purpose and intent of acting as a Qualified Marketmaker for such Company Claims or Interests shall not be required to execute and deliver a Transfer Agreement in respect of such Company Claims or Interests if (a) such Qualified Marketmaker subsequently transfers such Company Claims or Interests (by purchase, sale assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a

transferee that is an Entity that is not an Affiliate, affiliated fund, or affiliated entity with a common investment advisor; (b) the transferee otherwise is a Permitted Transferee under Section 8.01; and (c) the Transfer otherwise is a permitted transfer under Section 8.01. To the extent that a Consenting Stakeholder or Second Lien Consenting Lender is acting in its capacity as a Qualified Marketmaker, it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title, or interests in Company Claims or Interests that the Qualified Marketmaker acquires from a Holder of the Company Claims or Interests who is not a Consenting Stakeholder or Second Lien Consenting Lender without the requirement that the transferee be a Permitted Transferee. For the avoidance of doubt, if a Qualified Marketmaker acquires any Company Claims or Interests from a Consenting Stakeholder or Second Lien Consenting Lender and is unable to transfer such Company Claims or Interests within the five (5) Business Day period referred to above, the Qualified Marketmaker shall execute and deliver a Transfer Agreement in respect of such Company Claims or Interests.

Section 9. ***Representations and Warranties of the Consenting Stakeholders and Second Lien Consenting Lenders***.

9.01. Each Consenting Stakeholder and Second Lien Consenting Lender severally, and not jointly, represents and warrants that, as of the date such Consenting Stakeholder or Second Lien Consenting Lender executes and delivers this Agreement:

(a) it is the beneficial or record owner (which shall be deemed to include any unsettled trades) of the face amount of the Company Claims or Interests or is the nominee, investment manager, or advisor for beneficial Holders of the Company Claims or Interests reflected in such Consenting Stakeholder's or Second Lien Consenting Lender's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated pursuant to Section 8);

(b) it has the full power and authority to tender, act on behalf of, vote, and consent to matters concerning, such Company Claims or Interests, subject to applicable Law;

(c) such Company Claims or Interests are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would materially and adversely affect in any way such Consenting Stakeholder's or Second Lien Consenting Lender's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed; and

(d) it is either (A) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (B) not a U.S. person (as defined in Regulation S of the Securities Act), or (C) an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12), and (13) under the Securities Act of 1933, as amended), and any securities acquired by the Consenting Stakeholder or Second Lien Consenting Lender in connection with the Restructuring Transactions will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act.

Section 10. ***Representations and Warranties of the Company Parties.***

10.01. Each Company Party represents and warrants that as of the date such Company Party executes and delivers this Agreement:

(a) to the best of its knowledge having made all reasonable inquiries, no order has been made, petition presented, or resolution of such Company Party passed for the winding up of or appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, or other similar officer in respect of such Company Party; *provided* that this Section 10 does not apply to any proceeding commenced in connection with filing the Chapter 11 Cases;

(b) except as expressly provided for in this Agreement, it has not entered into any arrangement (including with any individual creditor, irrespective of whether it is or is to become a Consenting Stakeholder or Second Lien Consenting Lender), other than in the ordinary course of its business, on terms that are materially inconsistent with this Agreement;

(c) to the best of its knowledge, the execution and delivery by it of this Agreement does not 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 Company Parties undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contract to which it is a party; and

(d) to the best of its knowledge, the diligence materials and other information concerning the Company Parties that such Company Party or its advisors provided to any Consenting Stakeholder or Second Lien Consenting Lender in connection with an actual or potential restructuring of the Company Parties did not, taken as a whole and as of the date such materials or information were so provided, contain any untrue statement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading; *provided*, *however*, that, with respect to any projected financial information, forecasts, estimates, or forward-looking information, each Company Party represents only that such information was prepared in good faith based upon assumptions it believed to be reasonable at the time.

Section 11. ***Mutual Representations and Warranties***.

11.01. Each of the Parties, severally, and not jointly, represents, warrants, and covenants to each other Party, as of the date such Party executed and delivers this Agreement, a Joinder, or a Transfer Agreement, as applicable:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement, the Plan, and the Bankruptcy Code, as applicable (and subject to necessary Bankruptcy Court approval and/or regulatory approvals associated with the Restructuring Transactions), no consent or approval is required by any other

person or entity in order for it to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its articles of association, memorandum of association, or other organizational or constitutional documents;

(d) except as expressly provided in this Agreement and subject to any regulatory authority necessary to consummate the Restructuring Transactions, it has all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement; and

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements relating to the Company Parties with any Person or Entity that have not been disclosed to all Parties to this Agreement.

Section 12. ***Termination Events***.

12.01. First Lien Consenting Lender and Second Lien Consenting Lender Termination Events. This Agreement may be terminated with respect to (i) the First Lien Consenting Lenders by the Required Consenting Initial First Lien Ad Hoc Group Members, (ii) the PVKG Lender solely as to itself,[2] or (iii) the Second Lien Consenting Lenders solely as to themselves by the Required Consenting Initial Second Lien Ad Hoc Group Members (provided, however, that the termination events set forth in sections 12.01(a)-(g), (n), (q), (r), and (s) may only be exercisable by the Second Lien Consenting Lenders to the extent that such termination event reasonably, directly or indirectly, impacts the rights, distribution and treatment of the Consenting Second Lien Lenders provided for herein, or such other consent rights of the Required Initial Consenting Second Lien Lenders set forth herein), in each case, by delivering to the Company Parties a written notice in accordance with Section 14.10 upon the occurrence of any of the following events:

(a) the breach in any material respect by any Company Party of any of the representations, warranties, or covenants of the Company Parties set forth in this Agreement that remains uncured (to the extent curable) for five (5) Business Days after delivery of a written notice in accordance with Section 14.10 detailing any such breach;

(b) any of the Milestones set forth in the Restructuring Term Sheet is not achieved, except where such Milestone has been waived or extended by the Required Consenting Lenders; *provided*, *however*, that the right to terminate this Agreement under this Section 12.01(b) shall not be available if the failure of such Milestone to be achieved is caused by, or results from, the breach by the terminating Party of its covenants, agreements, or other obligations under this Agreement;

[2] Any such termination by the PVKG Lender shall also apply in its capacity as a Consenting Sponsor.

(c) this Agreement or any Definitive Document is amended, waived, or modified in any manner not consistent in any material respect with the terms of this Agreement and Restructuring Term Sheet;

(d) any Company Party (i) files any motion or pleading that is inconsistent in any material respect with this Agreement or the Restructuring Term Sheet, (ii) files a pleading seeking approval of any Definitive Document or authority to amend or modify any Definitive Document in a manner that is materially inconsistent with or not permitted by this Agreement without the prior written consent of the Required Consenting Lenders, the Required ABL DIP Lenders (solely with respect to the ABL DIP Documents), and the Required Term DIP Lenders (solely with respect to the Term DIP Loan Documents), (iii) revokes the Restructuring Transactions without the prior written consent of the Required Consenting Lenders, including execution of a written agreement with respect to an Alternative Restructuring Proposal or the withdrawal of the Plan, as applicable, or support therefor, (iv) exercises its rights set forth in Section 7.02, or (v) publicly announces its intention to take any such acts listed in the foregoing clauses (i), (ii), (iii) or (iv), or is otherwise inconsistent with the consent rights afforded such Parties under this Agreement;

(e) a Company Party files a motion or pleading seeking an order (without the prior written consent of the Required Consenting Lenders, the Required ABL DIP Lenders, and the Required Term DIP Lenders) vacating or modifying the DIP Orders;

(f) if (i) any of the DIP Orders are reversed, stayed, dismissed, vacated, reconsidered, modified or amended without the prior written consent of the Required Consenting Lenders, Required ABL DIP Lenders, and the Required Term DIP Lenders, or (ii) a motion for reconsideration, reargument, or rehearing with respect to any such order has been filed and the Company Parties fail to timely object to such motion;

(g) the Bankruptcy Court enters any order authorizing the use of cash collateral or post-petition financing that is not in the form of the DIP Orders or otherwise consented to by the Required Consenting Lenders, the Required ABL DIP Lenders, and the Required Term DIP Lenders;

(h) the occurrence of any "Event of Default" under (and as defined in) the DIP Orders, the ABL DIP Documents, or the Term DIP Loan Documents that has not been cured (if susceptible to cure) or waived by the Required ABL DIP Lenders or the Required Term DIP Lenders, as applicable;

(i) the board of directors, board of managers, or such similar governing body of any Company Party determines, after consulting with outside counsel and pursuant to Section 7.02 or Section 7.03, as applicable, (i) that proceeding with any of the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal;

(j) the Bankruptcy Court enters an order denying confirmation of the Plan or disallowing any material provision thereof and (i) such order remains in effect for fifteen (15) Business Days after entry of such order and (ii) the Company Parties have failed to timely appeal such order;

(k) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Required Consenting Lenders), (i) dismissing any of the Chapter 11 Cases, (ii) converting one or more of the Chapter 11 Cases of a Company Party to a case under chapter 7 of the Bankruptcy Code, (iii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of a Company Party, or (iv) rejecting this Agreement;

(l) upon the commencement of an involuntary case against any of the Company Parties or the filing of an involuntary petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization, or other relief in respect of the Company Parties 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*, *however*, that termination pursuant to this Section 12.01(l) shall only be effective if such involuntary proceeding is not dismissed within a period of thirty (30) days after the filing thereof, or if any court order grants the relief sought in such involuntary proceeding;

(m) the Bankruptcy Court enters an order in the Chapter 11 Cases terminating any Company Party's exclusive right to file a plan or plans of reorganization or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(n) any Company Party files any motion or application seeking authority to sell any material assets without the prior written consent of the Required Consenting Lenders;

(o) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) would reasonably be expected to prevent the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for fifteen (15) Business Days after the Required Consenting Lenders transmit a written notice in accordance with Section 14.10 detailing any such issuance; *provided*, *however*, that this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(p) (i) the entry of an order by any court of competent jurisdiction invalidating, disallowing, subordinating, recharacterizing, or limiting, in any respect, as applicable, the enforceability, priority, or validity of any of the First Lien Claims with respect to the Consenting Stakeholders or of the Second Lien Claims with respect to the Second Lien Consenting Lenders, other than an order approving the transactions as contemplated by this Agreement or the Restructuring Term Sheet, as applicable, or (ii) the filing of any motion, application, or adversary proceeding by the Company Parties (or the Company Parties support any other party filing any motion, application, or adversary proceeding) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance, recharacterization, or subordination of any First Lien Claims or Second Lien Claims, as applicable, in a manner inconsistent with this Agreement or the Restructuring Term Sheet;

(q) the Bankruptcy Court grants relief that (i) is inconsistent with this Agreement or the Restructuring Term Sheet or (ii) frustrates the purposes of this Agreement, unless the order

granting such relief has been stayed, modified, or reversed within fourteen (14) days after such terminating party delivers a written notice in accordance with Section 14.10 hereof;

(r) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material asset(s) of the Company Parties and such order materially and adversely affect any Company Party's ability to operate its business in the ordinary course or to consummate the Restructuring Transactions;

(s) the failure by the Company Parties to pay any of the Restructuring Expenses as and when required under this Agreement;

(t) solely with respect to the Consenting Second Lien Lenders, the breach in any material respect by any Consenting Stakeholder of the agreements of the Consenting Stakeholder set forth in Section 4.03 of this Agreement that remains uncured (to the extent curable) for five (5) Business Days after delivery of a written notice in accordance with Section 14.10 detailing any such breach; or

(u) the termination of this Agreement in accordance with its terms by the Company Parties.

12.02. Company Parties' Termination Events. Any Company Party may terminate this Agreement as to all Parties upon prior written notice to all Parties in accordance with Section 14.10 hereof upon the occurrence of any of the following events:

(a) the breach in any material respect by one or more First Lien Consenting Lenders of any representations, warranties, or covenants set forth in this Agreement that remains uncured (to the extent curable) for a period of five (5) Business Days after the receipt by the Required Consenting Lenders of notice of such breach; *provided*, *however*, that, so long as First Lien Consenting Lenders that have not breached this Agreement continue to hold or control at least 66 2/3% of the aggregate amount of the First Lien Claims, termination shall be effective only with respect to such breaching First Lien Consenting Lender;

(b) the board of directors, board of managers, or such similar governing body of any Company Party determines, after consulting with outside counsel and pursuant to Section 7.02 or Section 7.03, as applicable, (i) that proceeding with any of the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal;

(c) the Bankruptcy Court enters an order denying confirmation of the Plan and such order remains in effect for fifteen (15) Business Days after entry of such order;

(d) the filing of any motion or pleading by any First Lien Consenting Lender with the Bankruptcy Court that (i) is inconsistent in any material respect with this Agreement or the Restructuring Term Sheet or (ii) seeks approval of any Definitive Document or authority to amend or modify any Definitive Document in a manner that is materially inconsistent with or not permitted by this Agreement (including with respect to the consent rights afforded the Company Parties under this Agreement) without the prior written consent of the Company Parties, and such

motion or pleading has not been withdrawn within two (2) Business Days of the Company Parties notifying the Required Consenting Lenders and such filing party; *provided, however*, that, so long as First Lien Consenting Lenders that have not breached this Agreement continue to hold or control at least 66 2/3% of the aggregate amount of the First Lien Claims, termination shall be effective only with respect to such breaching First Lien Consenting Lender;

(e) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) would reasonably be expected to prevent the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for fifteen (15) Business Days after such terminating Company Party transmits a written notice in accordance with Section 14.10 hereof detailing any such issuance; *provided, however*, that this termination right shall not apply to or be exercised by any Company Party that sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement.

12.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement by the Company Parties and the Required Consenting Lenders.

12.04. Individual Termination Right. Any Consenting Stakeholder or Second Lien Consenting Lender may terminate this Agreement as to itself only, upon five (5) Business Days' written notice to the Company Parties and the Required Consenting Lenders if this Agreement is modified, amended, supplemented, or waived in a manner that adversely affects the economic rights (including economic entitlements) or benefits of such Consenting Stakeholder or Second Lien Consenting Lender without its prior written consent.

12.05. Automatic Termination. This Agreement shall terminate automatically without any further required action or notice immediately upon the occurrence of the Plan Effective Date.

12.06. Effect of Termination.

(a) No Further Force and Effect. Upon the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Company Claims or Interests or other Claims or Causes of Action.

(b) Termination and Voting. Upon the occurrence of a Termination Date prior to the Plan Effective Date, any and all consents or ballots tendered by a Party subject to such termination before a Termination Date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise; *provided, however*, any Party withdrawing or changing its vote pursuant to this Section 12.08(b) shall promptly provide written notice of such withdrawal or change to each other Party to this Agreement and, if such

withdrawal or change occurs on or after the Petition Date, file notice of such withdrawal or change with the Bankruptcy Court.

(c) Material Breaches. No purported termination of this Agreement shall be effective under this Section 12 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Section 12.02(b). Nothing in this Section 12 shall restrict any Company Party's right to terminate this Agreement in accordance with Section 12.02(b).

(d) Miscellaneous. Nothing in this Agreement shall be construed as prohibiting any Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict (a) any right of any Company Party or the ability of any Company Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Consenting Stakeholder or Second Lien Consenting Lender, and (b) any right of any Consenting Stakeholder or Second Lien Consenting Lender, or the ability of any Consenting Stakeholder or Second Lien Consenting Lender, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Company Party.

Section 13. ***Amendments and Waivers***.

13.01. Amendments. This Agreement may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 13. Any proposed modification, amendment, waiver or supplement that does not comply with this Section 13 shall be ineffective and void *ab initio*. This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, in a writing signed by the Company Parties and the Required Consenting Lenders; *provided*, *however*, that (i) if the proposed modification, amendment, waiver, or supplement has a material, disproportionate, and adverse effect on any of the Company Claims or Interests held by a Consenting Stakeholder or Second Lien Consenting Lender as compared to similarly situated Parties, then the prior written consent of each such affected Party shall also be required to effectuate such modification, amendment, waiver, or supplement; (ii) if the proposed modification, amendment, waiver, or supplement does not provide for equal treatment of the KL Note Claims and First Lien Term Loan Claims, then the prior written consent of the KL Lender shall also be required; (iii) if the proposed modification, amendment, waiver, or supplement does not provide for equal rights to the Holders of, and the treatment of, the PVKG Note Claims and First Lien Term Loan Claims, then the prior written consent of the PVKG Lender shall also be required; (iv) if the proposed modification, amendment, waiver, or supplement reasonably relates to matters that, directly or indirectly, relate to the rights, distribution and treatment of the Consenting Second Lien Lenders provided for herein or the consent rights of the Required Consenting Second Lien Ad Hoc Group Members provided for herein, then the prior written consent of the Required Consenting Second Lien Ad Hoc Group Members shall also be required; (v) if the proposed modification, amendment, waiver, or supplement requires any Consenting Stakeholder to incur any expenses, liabilities, or other obligations, or to agree to any commitments, undertakings, concessions, indemnities, or other arrangements that could result in expenses, liabilities, or other

obligations against such Consenting Stakeholder, then the prior written consent of each such affected Consenting Stakeholder shall also be required to effectuate such modification, amendment, waiver, or supplement; (vi) any modification, amendment, waiver, or supplement to Section 3.02 or this Section 13.01 shall require the prior written consent of all Parties; and (vii) any modifications, amendments, or supplements to the definitions of "Required Consenting Lenders," "Required Consenting Initial First Lien Ad Hoc Group Members," "Required Consenting Initial Second Lien Ad Hoc Group Members," or the rights set forth herein attributable thereto, shall require the prior written consent of all Consenting Stakeholders, Second Lien Consenting Lenders and Company Parties.

13.02. Waiver. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power, or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other applicable remedies.

Section 14. ***Miscellaneous***.

14.01. Acknowledgement. Notwithstanding any other provision herein, this Agreement is not and shall not be deemed to be an offer with respect to any securities, loans, or other instruments or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, and other applicable Law.

14.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, schedules, annexes, and signature pages attached hereto is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include such exhibits, schedules, annexes, and signature pages. In the event of any inconsistency between this Agreement (without reference to the exhibits, schedules, and annexes hereto) and the exhibits, schedules, and annexes hereto, this Agreement (without reference to the exhibits, schedules, and annexes thereto) shall govern.

14.03. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transactions, as applicable.

14.04. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter

hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto, other than any Confidentiality Agreement.

14.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Upon the commencement of the Chapter 11 Cases, each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in the Bankruptcy Court and, with respect to such claims, (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto.

14.06. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.07. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

14.08. Rules of Construction. This Agreement is the product of negotiations among the Company Parties, the Consenting Stakeholders, and the Second Lien Consenting Lenders. In the enforcement or interpretation of this Agreement, this Agreement shall 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 enforcement or interpretation hereof. The Company Parties, Consenting Stakeholders, and Second Lien Consenting Lenders were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

14.09. Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and, except as set forth in

Section 8, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

14.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Company Party, to:

ConvergeOne Holdings, Inc.
10900 Nesbitt Ave. S.
Bloomington, MN 55437
Attention: Rui Goncalves
E-mail: rgoncalves@onec1.com

with copies to:

White & Case LLP
111 S. Wacker Dr.
Chicago, IL 60606
Attention: Bojan Guzina, Andrew F. O'Neill, Erin R. Rosenberg, Blair M. Warner, and Adam T. Swingle
E-mail: bojan.guzina@whitecase.com
aoneill@whitecase.com
erin.rosenberg@whitecase.com
blair.warner@whitecase.com
adam.swingle@whitecase.com

(b) if to the PVKG Lender or a Consenting Sponsor, to:

PVKG Investment Holdings, Inc.
712 Fifth Avenue, Suite 43
New York, NY 10019

and

Latham & Watkins LLP
1271 6th Ave
New York, NY 10020
Attention: Keith A. Simon, Joshua Tinkelman, and David Hammerman
E-mail: Keith.Simon@lw.com
Joshua.Tinkelman@lw.com
David.Hammerman@lw.com

(c) if to the KL Lender, to:

Kennedy Lewis Investment Management LLC
225 Liberty Street, Suite 4210
New York, NY 10281

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Attention: Daniel I. Fisher

E-mail: dfisher@akingump.com

(d) if to a member of the First Lien Ad Hoc Group or to the First Lien Ad Hoc Group Advisors, to:

Gibson Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Scott J. Greenberg, Keith R. Martorana, and Michelle Choi
E-mail: SGreenberg@gibsondunn.com
KMartorana@gibsondunn.com
MChoi@gibsondunn.com

(e) if to a member of the Second Lien Ad Hoc Group or to the Second Lien Ad Hoc Group Advisors, to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: Adam L. Shpeen and Abraham Bane
E-mail: adam.shpeen@davispolk.com
abraham.bane@davispolk.com

Any notice given by electronic mail, courier, registered or certified mail shall be effective when received.

14.11. Independent Due Diligence and Decision Making. Each Consenting Stakeholder and Second Lien Consenting Lender hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial, and other conditions and prospects of the Company Parties.

14.12. Enforceability of Agreement. Each of the Parties to the extent enforceable waives any right to assert that the exercise of any termination rights under this Agreement is subject to the

automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

14.13. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights.

14.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

14.15. Several, Not Joint, Claims. The agreements, representations, warranties, and obligations of the Company Parties under this Agreement are joint and several. The agreements, representations, warranties, and obligations of the Consenting Stakeholders and Second Lien Consenting Lenders under this Agreement are, in all respects, several and neither joint nor joint and several.

14.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect.

14.17. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

14.18. Capacities of Consenting Stakeholders. Each Consenting Stakeholder and Second Lien Consenting Lender has entered into this agreement on account of all Company Claims or Interests that it holds (directly or through discretionary accounts that it manages or advises) and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Company Claims or Interests.

14.19. Relationship Among the Parties. None of the Consenting Stakeholders or Second Lien Consenting Lenders shall have any fiduciary duty, any duty or trust or confidence in any form, or other duties or responsibilities to each other, the Company Parties, or any of the Company Parties' other creditors or stakeholders, including without limitation any Holders of Company

Claims or Interests, and, other than as expressly set forth herein, there are no commitments among or between the Consenting Stakeholders or Second Lien Consenting Lenders. It is understood and agreed that any Consenting Stakeholders or Second Lien Consenting Lenders may trade in any equity securities, debt, or debt securities of the Company Parties without the prior written consent of the Company Parties or any other Party, subject to applicable securities laws, any Confidentiality Agreement, and this Agreement. No prior history, pattern, or practice of sharing confidences among or between any of the Consenting Stakeholders, Second Lien Consenting Lenders, or the Company Parties shall in any way affect or negate this understanding and agreement. All rights under this Agreement are separately granted to each Consenting Stakeholder or Second Lien Consenting Lender, or by the Company Parties, and vice versa, and the use of a single document is for the convenience of the Company Parties. The decision to commit to enter into the transactions contemplated by this Agreement has been made independently.

14.20. Survival. Notwithstanding (i) any Transfer of any Company Claims or Interests in accordance with this Agreement or (ii) the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in Sections 14.05, 14.06, 14.13, 14.14, and 14.22 and in the Confidentiality Agreements shall survive such Transfer or termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof and thereof.

14.21. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement by any Party, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

14.22. Confidentiality and Publicity. Other than to the extent required by applicable Law and regulation or by any governmental or regulatory authority, no Party shall disclose to any person (including for the avoidance of doubt, any other Consenting Stakeholder), other than legal, accounting, financial, and other advisors to the Company Parties (who are under obligations of confidentiality to the Company Parties with respect to such disclosure, and whose compliance with such obligations the Company Parties shall be responsible for), the principal amount or percentage of the Company Claims or Interests held by any First Lien Consenting Lender, any Second Lien Consenting Lender or any of their respective subsidiaries (including, for the avoidance of doubt, any Company Claims or Interests acquired pursuant to any Transfer) or the signature page of such First Lien Consenting Lender or Second Lien Consenting Lender; provided, however, that the Company Parties shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of, any class of the Company Claims or Interests held by the First Lien Consenting Lenders and Second Lien Consenting Lenders, collectively. Notwithstanding the foregoing, the First Lien Consenting Lenders and Second Lien Consenting Lenders hereby consent to the disclosure of the execution, terms, and contents of this Agreement by the Company Parties in the Definitive Documents to the extent required by law or regulation; provided, however, that (i) if any of the Company Parties determines that it is required to attach a copy of this Agreement, a Joinder, or a Transfer Agreement to any Definitive Documents or any other filing or similar document relating to the transactions contemplated hereby, to the extent permissible under applicable Law, it will redact any reference to or concerning a specific First Lien Consenting

Lender's holdings of Company Claims or Interests (including before filing any pleading with the Bankruptcy Court) and such First Lien Consenting Lender's and Second Lien Consenting Lender's signature page and (ii) if disclosure of additional information of any First Lien Consenting Lender or Second Lien Consenting Lender is required by applicable Law, advance notice of the intent to disclose, if permitted by applicable Law, shall be given by the disclosing Party to each applicable First Lien Consenting Lender or Second Lien Consenting Lender (who shall have the right to seek a protective order prior to disclosure). Notwithstanding the foregoing, the Company Parties will submit to the Required Consenting Lender Advisors and the Second Lien Ad Hoc Group Advisors all press releases, public filings, public announcements, or other communications with any news media, or material mass communications, other than in the ordinary course of business and unrelated to this Agreement or the Restructuring Transactions, with any customers, vendors, or current or former employees, in each case, to be made by the Company Parties relating to this Agreement or the transactions contemplated hereby and any amendments thereof at least two (2) Business Days in advance of release (it being understood that such period may be shortened to the extent there are exigent circumstances) and will use commercially reasonable, good faith efforts to incorporate any comments provided by the Required Consenting Lender Advisors and the Second Lien Ad Hoc Group Advisors. Nothing contained herein shall be deemed to waive, amend, or modify the terms of any Confidentiality Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

[*Signature pages follow*.]

Company Parties' Signature Page to
the Restructuring Support Agreement

PVKG Intermediate Holdings Inc., and
ConvergeOne Holdings Inc., on behalf of themselves
and each of their direct and indirect subsidiaries listed on Exhibit [A] hereto.

By: _____
Name: Rui Goncalves
Title: General Counsel

[*Consenting Stakeholders' and Second Lien Consenting Lenders' signature pages on file with the Company Parties]*

Exhibit A

Company Parties

Company Parties

AAA Network Solutions, Inc.
ConvergeOne Dedicated Services, LLC
ConvergeOne Government Solutions, LLC
ConvergeOne Holdings, Inc.
ConvergeOne Managed Services, LLC
ConvergeOne Systems Integration, Inc.
ConvergeOne Technology Utilities, Inc.
ConvergeOne Texas, LLC
ConvergeOne Unified Technology Solutions, Inc.
ConvergeOne, Inc.
Integration Partners Corporation
NetSource Communications Inc.
NuAge Experts LLC
Providea Conferencing, LLC
PVKG Intermediate Holdings Inc.
Silent IT, LLC
WrightCore, Inc.

Exhibit B

Restructuring Term Sheet

ConvergeOne Holdings, Inc., *et al.*
RESTRUCTURING TERM SHEET[1]

THIS TERM SHEET (THE "RESTRUCTURING TERM SHEET") SETS FORTH THE PRINCIPAL TERMS OF THE RESTRUCTURING TRANSACTIONS AND CERTAIN RELATED TRANSACTIONS CONCERNING THE COMPANY PARTIES AGREED TO BY THE COMPANY PARTIES AND THE CONSENTING STAKEHOLDERS. THIS RESTRUCTURING TERM SHEET DOES NOT CONTAIN A COMPLETE LIST OF ALL TERMS AND CONDITIONS OF THE POTENTIAL TRANSACTIONS DESCRIBED HEREIN. SUBJECT TO THE TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT TO WHICH THIS RESTRUCTURING TERM SHEET IS ATTACHED, THE RESTRUCTURING TRANSACTIONS SHALL BE CONSUMMATED THROUGH A PREPACKAGED PLAN OF REORGANIZATION IN THE CHAPTER 11 CASES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS RESTRUCTURING TERM SHEET AND THE UNDERTAKINGS CONTEMPLATED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE NEGOTIATION, EXECUTION, AND DELIVERY OF DEFINITIVE DOCUMENTATION ACCEPTABLE TO THE COMPANY PARTIES AND THE CONSENTING STAKEHOLDERS, AS APPLICABLE, AND SUBJECT TO ANY APPLICABLE CONSENT RIGHTS OF THE SECOND LIEN CONSENTING LENDERS SET FORTH IN THE RESTRUCTURING SUPPORT AGREEMENT. THIS RESTRUCTURING TERM SHEET IS PROFFERED IN THE NATURE OF A SETTLEMENT PROPOSAL IN FURTHERANCE OF SETTLEMENT DISCUSSIONS. ACCORDINGLY, THIS RESTRUCTURING TERM SHEET AND THE INFORMATION CONTAINED HEREIN ARE ENTITLED TO PROTECTION FROM ANY USE OR DISCLOSURE TO ANY PERSON OR ENTITY PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER APPLICABLE RULE, STATUTE, OR DOCTRINE OF SIMILAR IMPORT PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL SETTLEMENT DISCUSSIONS, WHETHER ARISING UNDER FEDERAL OR STATE LAW. UNTIL PUBLICLY DISCLOSED UPON THE PRIOR WRITTEN AGREEMENT OF THE COMPANY PARTIES AND CONSENTING STAKEHOLDERS, THIS RESTRUCTURING TERM SHEET SHALL REMAIN STRICTLY CONFIDENTIAL AND MAY NOT BE SHARED WITH ANY OTHER PARTY OR PERSON WITHOUT THE CONSENT OF THE COMPANY PARTIES AND CONSENTING STAKEHOLDERS.

THE REGULATORY, TAX, ACCOUNTING, AND OTHER LEGAL AND FINANCIAL MATTERS AND EFFECTS RELATED TO THE RESTRUCTURING TRANSACTIONS OR ANY RELATED RESTRUCTURING OR SIMILAR TRANSACTION HAVE NOT BEEN FULLY EVALUATED AND ANY SUCH EVALUATION MAY AFFECT THE TERMS AND STRUCTURE OF ANY RESTRUCTURING TRANSACTIONS OR RELATED TRANSACTIONS.

THIS RESTRUCTURING TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES, LOANS, OR OTHER INSTRUMENTS OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN, IT BEING UNDERSTOOD THAT SUCH AN OFFER OR SOLICITATION, IF ANY, WILL BE MADE ONLY IN COMPLIANCE WITH APPLICABLE LAW, INCLUDING THE BANKRUPTCY CODE.

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Restructuring Support Agreement.

Restructuring Term Sheet	
Restructuring Overview	
Debtors	The Company Parties that are listed on **Exhibit A** to the Restructuring Support Agreement, which shall also be signatories to the Restructuring Support Agreement (each a "***Debtor***" and collectively, the "***Debtors***").
Restructuring Overview	The Restructuring Transactions shall be implemented pursuant to the Definitive Documents through confirmation of a prepackaged chapter 11 plan (the "***Plan***") in cases to be commenced by the Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, *et seq.* (as amended, the "***Bankruptcy Code***") in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***" and such cases, the "***Chapter 11 Cases***"). The Restructuring Transactions shall be subject to the Definitive Documents, the terms of the Restructuring Support Agreement (including the exhibits thereto), and the consent rights set forth therein. The Restructuring Transactions provide for: (i) the incurrence of the ABL DIP Facility in accordance with the ABL DIP Documents, including the ABL DIP Term Sheet attached hereto as **Exhibit 1**, which, on the Effective Date, shall be (a) refinanced by the Exit ABL Facility by means of a cashless settlement or (b) indefeasibly paid in full in cash (or any combination thereof); (ii) the incurrence of the Term DIP Facility in accordance with the Term DIP Loan Documents, including the Term DIP Term Sheet attached hereto as **Exhibit 2**; (iii) the incurrence of the Exit ABL Facility on terms and conditions reasonably satisfactory to the Debtors and the Required Consenting Lenders, and the Exit Term Loan Facility in accordance with the Exit Term Loan Facility Documents, and in each case consistent with terms set forth below; (iv) a $245.0 million (subject to increase with the consent of the Debtors and the Required Consenting Lenders) equity rights offering (the "***Rights Offering***") which shall provide Rights Offering Rights, subject to the Holdback and the Put Option Premium (each as defined in the Rights Offering Term Sheet attached hereto as **Exhibit 3**) to the Holders of First Lien Claims eligible to participate in the Rights Offering on the terms and conditions set forth in the Rights Offering Term Sheet (as such terms may be modified subject to the consent rights set forth in the Restructuring Support Agreement) to be backstopped by the Investors (as defined in the Rights Offering Term Sheet) that commit to do so in accordance with the Backstop Agreement;

	(v) in full and final satisfaction of each First Lien Claim, each Holder of a First Lien Claim shall have the right to elect to receive its applicable pro rata share of (which elections shall be (i) adjusted on a pro rata basis, based on oversubscription, as necessary, so that participation in each recovery option is capped at 50% of the First Lien Claims) and (ii) subject to the DIP Term Loan Rights (as defined in the Term DIP Term Sheet): (a) the Takeback Term Loan Recovery Option; or (b) the Rights Offering Rights and Takeback Term Loan Recovery Option. (vi) the PVKG Note Claims shall be Allowed in the aggregate amount of $213.0 million; (vii) in full and final satisfaction of each Second Lien Claim, each Holder of a Second Lien Claim shall receive its applicable pro rata share of the Second Lien Recovery; (viii) all General Unsecured Claims shall be reinstated, paid in full, or otherwise provided such treatment as to render them unimpaired; and (ix) all Existing C1 Interests shall be cancelled and no consideration shall be paid to Holders of such Existing C1 Interests in respect thereof.
ABL DIP Facility	Subject to the terms of the ABL DIP Commitment Letter and ABL DIP Documents, the Debtors shall obtain a senior secured superpriority priming debtor-in-possession asset-based revolving credit facility, in the aggregate principal amount of up to $250.0 million (subject to the Borrowing Base (as such term is defined in the ABL DIP Term Sheet), which shall be approved by the Bankruptcy Court, and which shall provide for a roll-up and conversion of all Prepetition ABL Secured Obligations, on a cashless, dollar-for-dollar basis, into new loans or commitments that repay or effectively replace all such Prepetition ABL Secured Obligations in full and become indebtedness and obligations under the ABL DIP Facility. Upon the substantial consummation of the Plan, the remaining principal balance of the ABL DIP Loans (including any swingline loans, floorplan advances, and letters of credit issued thereunder) shall (a) if the ABL DIP Lenders (or a subset thereof) commit to provide the Exit ABL Facility (as defined below), automatically convert into asset-based revolving loans or letters of credit under an exit first lien asset based lending facility (the "***Exit ABL Facility***"), which shall be subject to (i) definitive documentation on terms to be agreed by the Debtors, the Required ABL DIP Lenders, and the Required Consenting Lenders, consistent with the consent rights set forth in the Restructuring Support Agreement, (ii) the Plan being in form and substance consistent in all material respects with the terms set forth in the Restructuring Support Agreement and such other terms to be agreed by the Debtors and the Required Consenting Lenders, consistent with the consent rights set forth in the Restructuring Support Agreement, and (iii) the

	consummation of such Plan, or (b) be indefeasibly paid in full in cash (or any combination thereof). The Exit ABL Facility shall be subject to an intercreditor agreement on substantially the same terms as the ABL Intercreditor Agreement (as such term is defined in the Prepetition First Lien Term Credit Agreement) (the "***Exit Intercreditor Agreement***"). The obligations under the ABL DIP Facility are referred to herein as the "***ABL DIP Facility Claims***."
Term DIP Facility	The Term DIP Lenders (as defined in the Term DIP Term Sheet) shall provide multiple draw term loans in an aggregate principal amount of $215.0 million (the "***Term DIP Loans***") of which (i) $145.0 million shall be available in one draw upon entry of the Interim DIP Order, and (ii) $70.0 million shall be available for borrowing upon entry of the Final DIP Order and the satisfaction of certain other conditions precedent set forth in the Term DIP Term Sheet, each in accordance with the terms and conditions set forth in the Term DIP Loan Documents. The obligations under the Term DIP Facility are referred to herein as the "***Term DIP Facility Claims***."
Exit Term Loan Facility	On the Effective Date, the Reorganized Debtors shall incur a secured term loan facility in the aggregate principal amount of not greater than $243 million (the "***Exit Term Loan Facility***") under an exit financing credit agreement (the "***Exit Term Loan Credit Agreement***"). The Exit Term Loan Facility shall consist of term loans issued to the Holders of First Lien Claims (the "***Takeback Term Loans***"), subject to the following material terms: Interest Rate: At the option of the Debtors, (i) SOFR (to be defined in a customary manner and subject to a floor of 0.00%) *plus* the Applicable Rate or (ii) Base Rate (to be defined in a customary manner and subject to a floor of 0.00%) *plus* the Applicable Rate, in each case payable in cash; *provided* that at any time an event of default exists under the Exit Term Loan Facility the Debtors shall not be able to elect SOFR. Applicable Rate: 4.75% in the case of Base Rate loans and 5.75% in the case of SOFR loans. Default Interest: During the continuance of an Event of Default, the Takeback Term Loans will bear interest at an additional 2.00% per annum and any overdue amounts (including overdue interest and fees) will bear interest at the applicable non-default interest rate plus an additional 2.00% per annum. Default interest shall be payable in cash on demand. Interest Payment Dates: Interest on (i) Base Rate loans shall be payable on the last business day of each fiscal quarter in arrears and (ii) SOFR loans shall be payable on the last day of each Interest Period in arrears (or, if earlier, the 3-month anniversary of the commencement of such Interest Period).

	Interest Period: At the option of the Debtors, one, three, or six months. Amortization: None. Tenor: 6 years, provided that if, in the reasonable determination of the Required Consenting Lenders in good faith consultation with the Debtors, the Restructuring Transactions cannot be effectuated in a manner that causes a taxable transaction to the lenders for U.S. federal and applicable state and local income tax purposes by causing a Reorganized Debtor, other than C1 Holdings, to be the issuer of the Takeback Term Loans, because such structure would reasonably be expected to result in material adverse tax consequences to the Reorganized Debtors as compared to the tax consequences to the Reorganized Debtors had C1 Holdings been the issuer of the Takeback Loans, subject to the consent of the Required Consenting Lenders, the tenor will be reduced to 4.75 years and in that case the Applicable Rate will be reduced to 4.25% in the case of Base Rate loans and 5.25% in the case of SOFR loans. Fees: None, other than annual agency fee. Security: A (x) first priority lien on all collateral securing the First Lien Claims and any other collateral not previously pledged, in each case, that constitute Term Loan Priority Collateral (as defined in the ABL Intercreditor Agreement (as such term is defined in the Prepetition First Lien Term Credit Agreement)), and a first-priority lien on (A) that certain real property of the Reorganized Debtors located at 2368 Corporate Lane, Suite 112, Naperville, IL 60563 and (B) any other owned real property of the Reorganized Debtors and (y) a second priority lien on all collateral securing the First Lien Claims and any other collateral not previously pledged, in each case, that constitutes ABL Priority Collateral (as defined in the ABL Intercreditor Agreement (as such term is defined in the Prepetition First Lien Term Credit Agreement)), which second priority liens shall be subordinated to the liens on such collateral securing the Exit ABL Facility, in the case of either clause (x) or (y) above, subject to customary exclusions consistent with the exclusions under the Prepetition First Lien Credit Agreement (including the exclusion of 35% of the equity interests of any first-tier foreign subsidiaries) and otherwise as may be agreed by the Reorganized Debtors and the Required Consenting Lenders. Documentation Principles: The Exit Term Loan Credit Agreement with respect to the Exit Term Loan Facility shall (i) be based upon the Prepetition First Lien Term Loan Credit Agreement; (ii) include such modifications as are necessary to reflect the Restructuring Transactions, as implemented through the Chapter 11 Cases, and the fact that the Exit Term Loan Facility is an exit financing; (iii) include appropriate modifications to reflect changes in law or accounting standards since the date of such precedent; and (iv) shall incorporate the following: • Affirmative Covenants: Consistent with the First Lien Term Loan Credit Agreement (but shall be modified in a manner acceptable to the Debtors and the Required Consenting Lenders to provide for modified reporting requirements and information rights that are customary for facilities of this type and relate to reporting and

	information readily available to the Debtors in the ordinary course of business). • Negative Covenants: Consistent with the First Lien Term Loan Credit Agreement, but shall be modified as may be required to effectuate the Restructuring Transactions, in each case, in a manner acceptable to the Debtors and the Required Consenting Lenders; *provided* that the Exit Term Loan Facility shall not include any financial covenants. • Miscellaneous: Shall also include certain customary liability management protections in form and substance acceptable to the Debtors and the Required Consenting Lenders. Intercreditor Agreements: The Exit Term Loan Facility shall be subject to the Exit Intercreditor Agreement. Ratings: The Reorganized Debtors shall use commercially reasonable efforts to have the Takeback Term Loans rated by Moody's and S&P within 60 days of the Effective Date.
Rights Offering	The Plan shall provide for the Rights Offering on the terms and conditions set forth in the Rights Offering Term Sheet. On the Effective Date, each Holder of a First Lien Claim that is an Eligible Offeree (as defined in the Rights Offering Term Sheet) or an Investor (as defined in the Rights Offering Term Sheet) or an entity designated by any of the foregoing shall receive, in accordance with the terms of the Rights Offering Term Sheet and relevant Definitive Documents, its applicable share of New Equity Interests (as defined in the Rights Offering Term Sheet).

Treatment of Claims and Interests

Each Holder of an allowed Claim or Interest, as applicable, shall receive the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's allowed Claim or Interest.

Type of Claim	Treatment	Impairment/ Voting
ABL DIP Facility Claims	On the Effective Date, in full and final satisfaction of the Allowed ABL DIP Facility Claims, (a) ABL DIP Facility Claims that are being converted to Exit ABL Facility Loans or other outstandings thereunder (such as letters of credit and floor plan advances, as provided below) shall be refinanced by the Exit ABL Facility in the amount of the remaining ABL DIP Facility Claims after such pay down by means of a cashless settlement, (b) ABL DIP Facility Claims that are not being converted to Exit ABL Facility Loans shall be indefeasibly paid in full in cash, and (c) accrued interest and fees under the ABL DIP Facility shall be paid in full	N/A

	in cash immediately prior to the conversion of ABL DIP Loans to Exit ABL Facility Loans. With respect to the amount of the ABL DIP Facility refinanced by means of a cashless settlement, (i) all principal amount of ABL DIP Loans (as defined in the ABL DIP Term Sheet) (including Swingline Loans and floorplan advances) shall be on a one-to-one basis automatically converted to and deemed to be Exit ABL Facility Loans, (ii) the Letters of Credit (as defined in the ABL DIP Term Sheet) issued and outstanding under the ABL DIP Credit Agreement shall automatically be converted to letters of credit deemed to be issued and outstanding under the Exit ABL Facility Documents, and (iii) all Collateral that secures the Obligations (each as defined in the ABL DIP Credit Agreement) under the ABL DIP Credit Agreement that shall also secure the Exit ABL Facility shall be reaffirmed, ratified and shall automatically secure all Obligations under the ABL Exit Facility Documents, subject to the priorities of liens set forth in the ABL Exit Facility Documents and the Exit Intercreditor Agreement. For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses shall be paid in full in cash in accordance with the terms of the DIP Orders and the Plan, as applicable.	
Term DIP Facility Claims	On the Effective Date, in full and final satisfaction of the Term DIP Facility Claims each Holder of a Term DIP Facility Claim shall receive its pro rata portion of cash on account of any principal, interest, fees, and expenses outstanding with respect to such Holder's Term DIP Facility Claim as of the Effective Date; *provided*, *however*, that any Holder of a Term DIP Facility Claim can, in lieu of such cash payment, exercise such Holder's Term DIP Loan Rights (as such term is defined in the Term DIP Term Sheet). For the avoidance of doubt, DIP Professional Fees and Restructuring Expenses shall be paid in full in cash in accordance with the terms of the DIP Orders and the Plan, as applicable.	N/A
Administrative Claims	Except to the extent that a Holder of an Allowed Administrative Claim and the Debtor against which such allowed Administrative Claim is asserted agree to less favorable treatment for such Holder, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Claim, payment in full in cash.	N/A

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 receive cash equal to the full amount of its Claim or such other treatment in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.	N/A
Other Secured Claims	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Other Secured Claim, each Holder of such Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor, either: (i) payment in full in cash of its Allowed Other Secured Claim; (ii) the collateral securing its Allowed Other Secured Claim; (iii) Reinstatement of its Allowed Other Secured Claim; or (iv) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.	Unimpaired / Deemed to Accept
Other Priority Claims	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Other Priority Claim, each Holder of an Other Priority Claims shall receive cash in an amount equal to such Allowed Other Priority Claim or such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.	Unimpaired / Deemed to Accept
First Lien Claims	Each Holder of a First Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive, in full and final satisfaction, settlement, release, and discharge of such Claim, on the Effective Date, its elected pro rata share of (which elections shall be adjusted on a pro rata basis, based on oversubscription, as necessary, so that participation in each recovery option is capped at 50% of the First Lien Claims): (i) Takeback Term Loans in a principal amount equal to such Holder's First Lien Claim multiplied by 20% (the "***Takeback Term Loan Recovery Option***"); or (ii) (a) Takeback Term Loans in a principal amount equal to such Holder's First Lien Claim multiplied by 15%, plus (b) its pro rata share of the Rights Offering	Impaired / Entitled to Vote

	Rights, subject to the Holdback and the Put Option Premium (the "***Rights Offering Rights and Takeback Term Loan Recovery Option***"). Each Holder of a First Lien Claim (or its designated Affiliate, managed fund or account or other designee) that properly exercises its Rights Offering Rights to purchase New Equity Interests shall receive such New Equity Interests on the Effective Date. In the event that a Holder of a First Lien Claim fails to timely elect its recovery, it shall receive the Rights Offering Rights and Takeback Term Loan Recovery Option.	
Second Lien Claims	Each Holder of a Second Lien Claim (or its designated Affiliate, managed fund or account or other designee) shall receive in full and final satisfaction, settlement, release, and discharge of such Claim, on or as soon as practicable after the Effective Date, its pro rata share of the Second Lien Recovery.	Impaired / Entitled to Vote
General Unsecured Claims	Each Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction, settlement, release, and discharge of such Claim, either: (i) Reinstatement of such Allowed General Unsecured Claim pursuant to section 1124 of the Bankruptcy Code; or (ii) Payment in full in cash on (A) the Effective Date or (B) the date due in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed General Unsecured Claim.	Unimpaired / Deemed to Accept
Intercompany Claims	Each Allowed Intercompany Claim shall be, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), either Reinstated, converted to equity, or otherwise set off, settled, distributed, contributed, cancelled, or released, in each case, in accordance with the Plan.	Impaired / Deemed to Reject or Unimpaired / Deemed to Accept
Section 510 Claims	On the Effective Date, all Section 510 Claims (including all claims on account of the Employee Partnership Sale Units) shall be cancelled, released, discharged, and extinguished and shall be of no further force or effect, and Holders of Section 510 Claims shall not receive any distribution on account of such Section 510 Claims.	Impaired / Deemed to Reject
Intercompany Interests	Each Allowed Intercompany Interest shall be, at the option of the applicable Debtor (with the consent of the Required Consenting Lenders), either Reinstated, converted, or otherwise set off,	Impaired / Deemed to Reject or

	settled, distributed, contributed, cancelled, or released, in each case, in accordance with the Plan.	Unimpaired / Deemed to Accept
Existing C1 Interests	On the Effective Date, Existing C1 Interests shall be cancelled, released, and extinguished and shall be of no further force and effect, and Holders of Existing C1 Interests shall not receive any distribution on account thereof.	Impaired / Deemed to Reject

Additional Terms	
Definitive Documents	This Restructuring Term Sheet does not include a description of all the terms, conditions, and other provisions that will be contained in the Definitive Documents, which shall be as set forth in the applicable term sheets referred to herein and otherwise and in form and substance acceptable to the Debtors and the Required Consenting Lenders, subject to the consent rights set forth in the Restructuring Support Agreement and herein.
Executory Contracts and Unexpired Leases	Prior to the Effective Date, the Debtors shall not assume or reject any material executory contract or material unexpired lease without the consent of the Required Consenting Lenders. The Plan shall provide that the executory contracts and unexpired leases that are not assumed or rejected as of the Effective Date (either pursuant to the Plan or a separate motion and in consultation with the Required Consenting Lenders) shall be deemed assumed pursuant to section 365 of the Bankruptcy Code.
Organizational Documents and Governance	The Governance Documents and any other documentation evidencing the corporate governance for the Reorganized Debtors, including charters, bylaws, limited liability company agreements, shareholder agreements (including minority shareholder protections), and any other customary organizational documents shall be consistent with the Governance Term Sheet attached hereto as **Exhibit 4** and the consent rights set forth in the Restructuring Support Agreement.
PVKG Note Claims	The PVKG Note Claims shall be Allowed pursuant to the Plan in the aggregate amount of $213.0 million and, for the avoidance of doubt, such claims shall be classified and treated as First Lien Claims under the Plan.
New C1 Board of Directors	The Chief Executive Officer of New C1 shall serve on the board of directors of New C1 (the "***New Board***"); all other directors shall be agreed by the Debtors and the Required Consenting Lenders, consistent with the terms set forth in the Governance Term Sheet; *provided* that each Initial First Lien Ad Hoc Group Member and the PVKG Lender shall each be entitled to appoint one director to serve on the New Board, so long as such entity is contemplated to receive no less than 10% of the fully-diluted New Equity Interests (excluding New Equity Interests reserved for the post-Effective Date Management Incentive Plan).

Management Incentive Plan	The Reorganized Debtors shall reserve a pool of up to 10% of the fully diluted New Equity Interests that are issued and outstanding on the Effective Date for a post-Effective Date management incentive plan (the "***Management Incentive Plan Pool***"), the terms of which, including with respect to participants, form, allocation, structure and vesting shall be determined by the New Board.
Employee Matters	The Debtors shall assume any employment, confidentiality, and non-competition agreements, bonus, gainshare and incentive programs (other than awards of stock options, restricted stock, restricted stock units, and other equity awards), vacation, holiday pay, severance, retirement, supplemental retirement, executive retirement, pension, deferred compensation, medical, dental, vision, life and disability insurance, flexible spending account, and other health and welfare benefit plans, programs and arrangements, and all other wage, compensation, employee expense reimbursement, and other benefit obligations of the Debtors that are in effect immediately prior to the Effective Date; *provided*, *however*, that the Debtors shall not enter into new agreements with insider employees absent the consent of the Required Consenting Lenders. Notwithstanding the foregoing, the Debtors shall not assume any agreements or obligations relating to the Employee Partnership Sale Units, which shall be cancelled as of the Effective Date and shall receive no payment on account thereof from the Debtors or the Reorganized Debtors.
Prepetition Indemnification Agreements	The Plan shall provide that, to the extent consistent with applicable law, all indemnification provisions currently in place (whether in the bylaws, constitutions, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for the current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, financial advisors, restructuring advisors, consultants and other professionals of the Debtors, as applicable, shall be reinstated and remain intact and irrevocable and shall survive effectiveness of the Restructuring Transactions.
Releases, Injunctions, and Exculpations	The Plan shall include customary releases, injunctions, and exculpations in each case to the fullest extent permitted by law and effective as of the Effective Date, as agreed by the Debtors and the Required Consenting Lenders.
Tax Matters	The Debtors, Required Consenting Lenders, and the Consenting Sponsors shall use reasonable best efforts to structure the Restructuring Transactions in a tax-efficient manner to the Reorganized Debtors and as a taxable transaction for U.S. federal and applicable state and local income tax purposes to the First Lien Consenting Lenders (other than PVKG Lender), ConvergeOne Investment LP, and PVKG Investment US L.P. as beneficial owner of ConvergeOne Investment, LP, and the tax structuring of the Restructuring Transactions shall be subject to the consent of the Required Consenting Lenders and the Consenting Sponsors, provided that, except for an adjustment to the tenor (and resultant change to the interest rate) as provided herein, neither such efforts nor such consent shall require a change to any other term provided herein.

Professional Fees	Upon entry of the Interim DIP Order, the Debtors shall open an escrow account to fund on an ongoing basis all unpaid Professional Fee Claims and other unpaid fees and expenses that Professionals estimate they have incurred or will incur in rendering services through the Effective Date.
Restructuring Expenses	The Debtors shall pay, as set forth in the Restructuring Support Agreement (and subject to any limitations set forth therein), the reasonable and documented fees and expenses of (i) the First Lien Ad Hoc Group Advisors; (ii) the KL Lender Advisor; (iii) the PVKG Lender Advisors; and (iv) the Second Lien Ad Hoc Group Advisors.
Milestones	The Restructuring Transactions shall be effectuated in accordance with the following deadlines (the "***Milestones***"): (a) By 11:59 p.m. (prevailing Central Time) on April 3, 2024, the Petition Date shall have occurred. (b) The Plan and Disclosure Statement shall have been filed no later than one (1) calendar day after the Petition Date. (c) The Interim DIP Order shall have been entered no later than three (3) calendar days after the Petition Date. (d) The order provisionally approving the adequacy of the Disclosure Statement shall have been entered no later than three (3) calendar days after the Petition Date. (e) The Final DIP Order shall have been entered no later than thirty-five (35) calendar days after the Petition Date. (f) The Disclosure Statement Order (which may be the Confirmation Order) shall have been entered no later than forty-five (45) calendar days after the Petition Date. (g) The Confirmation Order shall have been entered no later than forty-five (45) calendar days after the Petition Date. (h) The Effective Date shall have occurred no later than sixty (60) calendar days after the Petition Date.
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 (in accordance with customary waiver provisions to be contained in the Plan): (a) The Restructuring Support Agreement shall not have been terminated as to the Required Consenting Lenders and shall be in full force and effect; (b) The Bankruptcy Court shall have entered the Interim DIP Order and the Final DIP Order, the latter of which shall be in full force and effect; (c) The Bankruptcy Court shall have entered the Confirmation Order in form and substance consistent with and subject to the consent rights set forth in the Restructuring Support Agreement;

	(d) The Backstop Agreement shall have been approved by the Bankruptcy Court (which may be pursuant to the Confirmation Order) and shall be in full force and effect; (e) The Rights Offering (including the Rights Offering Procedures) shall have been approved by the Bankruptcy Court (which may be pursuant to the Confirmation Order) and shall have been consummated in accordance with its terms; (f) The Debtors shall have received a commitment for the Exit ABL Facility, which shall refinance the ABL DIP Facility on the Effective Date and the terms and conditions of which shall be reasonably satisfactory to the Debtors and the Required Consenting Lenders; (g) The Exit ABL Facility Documents and Exit Term Loan Facility Documents shall have been executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived (with the consent of the Debtors and the Required Consenting Lenders), other than such conditions that relate to the effectiveness of the Plan and related transactions; (h) The New Equity Interests shall have been issued; (i) All Restructuring Expenses shall have been paid in full in cash; (j) The Definitive Documents shall (i) be consistent with the Restructuring Support Agreement and otherwise approved by the applicable parties thereto consistent with their respective consent and approval rights as set forth in the Restructuring Support Agreement, (ii) have been executed or deemed executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived by the applicable party or parties, and (iii) shall be adopted on terms consistent with the Restructuring Support Agreement and this Restructuring Term Sheet; and (k) The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, actions, documents, and other agreements that are necessary to implement and effectuate the Plan and each of the other Restructuring Transactions.

Certain Plan Definitions	
Affiliate	With respect to any Entity, all Entities that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code if such Entity was a debtor in a case under the Bankruptcy Code.
Allowed	With respect to any Claim or Interest, a Claim or an Interest expressly allowed under the Plan, under the Bankruptcy Code, or by a Final Order, as applicable. For the avoidance of doubt, (a) there is no requirement to File a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim under the Plan, and (b) the Debtors (with the consent of the Required Consenting Lenders, which shall not be unreasonably withheld, delayed, or conditioned), may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable nonbankruptcy law; *provided, however* that the Reorganized Debtors shall retain all claims and defenses with respect to Allowed Claims that are Reinstated or otherwise Unimpaired pursuant to the Plan.
Confirmation	The Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases.
Confirmation Date	The date upon which the Bankruptcy Court confirms the Plan pursuant to section 1129 of the Bankruptcy Code.
Confirmation Hearing	The hearing held by the Bankruptcy Court on the confirmation of the Plan, pursuant to Bankruptcy Rule 3020(b)(2) and sections 1128 and 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.
DIP Professional Fees	As of the Effective Date, all accrued and unpaid professional fees and expenses payable under the DIP Orders to the professionals for the ABL DIP Agent, the Term DIP Agent, the ABL DIP Lenders, and the Term DIP Lenders (each as defined in the ABL DIP Term Sheet and the Term DIP Term Sheet, as applicable).
Effective Date	The date that is the first business day after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect and (b) all conditions precedent to the occurrence of the Effective Date set forth in the Plan have been satisfied or waived in accordance with the terms of the Plan. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable thereafter.
Employee Partnership Sale Units	Those certain partnership sale units issued to certain employees of the Debtors prior to the Petition Date in exchange for a waiver of the respective employee's then-existing equity interests in ConvergeOne Investment LP.
Exculpated Parties	Collectively, and in each case in their capacities as such: (a) the Debtors, (b) the directors, officers, managers, and employees of any Debtor, and (c) the Professionals.

Certain Plan Definitions	
Existing C1 Interests	The equity interests in PVKG Intermediate Holdings Inc. immediately prior to the Effective Date.
First Lien Claims	Collectively, the First Lien Term Loan Claims, the KL Note Claims, and the PVKG Note Claims.
First Lien Term Loan Claims	Any Claim against any Debtor derived from, based upon, or arising under the Prepetition First Lien Term Loan Credit Agreement.
General Unsecured Claims	Any Claim that is not an: (a) ABL DIP Facility Claim; (b) Administrative Claim; (c) First Lien Claim; (d) Intercompany Claim; (e) Other Priority Claim; (f) Other Secured Claim; (g) Priority Tax Claim; (h) Professional Fee Claim; (i) Second Lien Claim; (j) Section 510 Claim; or (k) Term DIP Facility Claim.
Governance Documents	As applicable, the organizational and governance documents for the Reorganized Debtors, which will give effect to the Restructuring Transactions, including, without limitation, any applicable certificates of incorporation, certificates of formation or certificates of limited partnership (or equivalent organizational documents), bylaws, limited liability company agreements, shareholder agreements (or equivalent governing documents), and registration rights agreements, which documents shall be consistent with the Restructuring Support Agreement and the Governance Term Sheet.
Holder	A Person or an Entity holding a Claim against, or an Interest in, any Debtor, as applicable.
Impaired	With respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code
Intercompany Claims	Any Claim against a Debtor held by another Debtor.
Intercompany Interests	Any Interest in a Debtor held by another Debtor.
KL Note Claims	Any Claim against any Debtor derived from, based upon, or arising under the Prepetition KL Note Purchase Agreement.
Management Incentive Plan	A post-Effective Date equity incentive plan providing for the issuance from time to time, of equity and equity-based awards with respect to New Equity Interests, as approved by the New Board following the Effective Date.

Certain Plan Definitions	
New C1	Either PVKG Investment Holdings, Inc., as reorganized pursuant to this Plan, or, if applicable, any successor or assign thereto, by merger, consolidation, or otherwise on and after the Effective Date, or a new entity, and each of its direct and indirect wholly-owned subsidiaries, which in any case shall be the ultimate parent of the other Company Parties on and after the Effective Date, and which entity shall be determined by agreement of the Debtors and the Required Consenting Lenders.
New Equity Interests	New common equity units in New C1, to be issued on the Effective Date.
Other Priority Claims	Any Claim, other than an Administrative Claim, Priority Tax Claim, ABL DIP Facility Claim, or Term DIP Facility Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.
Other Secured Claims	Any Secured Claim against the Debtors other than the ABL DIP Facility Claims, Term DIP Facility Claims, First Lien Claims, and Second Lien Claims.
Prepetition ABL Credit Agreement	That certain Amended and Restated ABL Credit Agreement dated as of January 4, 2019 (as amended by that certain Amendment No. 1 dated as of July 10, 2022, that certain Amendment No. 2 dated as of September 14, 2022, that certain Amendment No. 3 dated as of January 23, 2023, and that certain Amendment No. 4 dated as of August 29, 2023, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, certain subsidiary borrowers party thereto, Wells Fargo Commercial Distribution Finance, LLC, as administrative agent, collateral agent, floorplan funding agent, and swing line lender, and the lenders party thereto.
Prepetition ABL Secured Obligations	Any secured obligations arising under the Prepetition ABL Credit Agreement and related loan documents.
Prepetition First Lien Term Loan Credit Agreement	That certain First Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by that certain Amendment No. 1 dated as of March 14, 2019 and that certain Amendment No. 2 dated as of December 17, 2021, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and certain lenders from time to time party thereto.

Certain Plan Definitions	
Prepetition KL Note Purchase Agreement	That certain First Lien Secured Note Purchase Agreement dated as of July 10, 2020 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date) by and among C1 Holdings, as issuer, PVKG Intermediate, as holdings, Deutsche Bank Trust Company, as administrative agent and collateral agent, certain affiliates of Kennedy Lewis Investment Management LLC as holders party thereto, and each other holder from time to time party thereto.
Prepetition PVKG Note Purchase Agreement	That certain Amended Promissory Note and Purchase and Cashless Exchange Agreement dated as of July 6, 2023 (as amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as issuer, PVKG Intermediate, as holdings, PVKG Lender (PVKG Investment Holdings, Inc.), as administrative agent and collateral agent, and PVKG Lender as holder.
Prepetition Second Lien Term Loan Credit Agreement	That certain Second Lien Term Loan Credit Agreement dated as of January 4, 2019 (as amended by that certain Amendment No. 1 dated as of July 10, 2022, and as further amended, modified, supplemented, and/or restated and in effect immediately prior to the Petition Date), by and among C1 Holdings, as borrower, PVKG Intermediate, as holdings, UBS AG, Stamford Branch, as administrative agent and collateral agent, and certain lenders from time to time party thereto.
Professional	Any Entity: (a) employed pursuant to a Bankruptcy Court 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 Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.
Professional Fee Claim	Any Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.
PVKG Note Claims	Any Claim against any Debtor derived from, based upon, or arising under the Prepetition PVKG Note Purchase Agreement.

Certain Plan Definitions	
Related Party	With respect to an Entity, collectively, (a) such Entity's current and former Affiliates and (b) such Entity's and such Entity's current and former Affiliates' directors, managers, officers, shareholders, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, participants, successors, assigns (whether by operation of law or otherwise), subsidiaries, current, former, and future associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors, managers, fiduciaries, trustees, employees, agents (including any disbursing agent), advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, other representatives, and other professionals, representatives, advisors, predecessors, successors, and assigns, each solely in their capacities as such (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), and the respective heirs, executors, estates, and nominees of the foregoing.
Released Party	Collectively, and in each case in their capacities as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the ABL DIP Lenders; (d) the Term DIP Lenders; (e) the Consenting Stakeholders; (f) the Second Lien Consenting Lenders; (g) the Agents/Trustees; (h) all Releasing Parties; and (i) each Related Party of each Entity in clause (a) through (h); *provided*, *however*, that any Holder of a Claim or Interest that opts out of the releases contained in the Plan shall not be a "Released Party."
Releasing Party	Collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the ABL DIP Lenders; (d) the Term DIP Lenders; (e) the Consenting Stakeholders; (f) the Second Lien Consenting Lenders; (g) the Agents/Trustees; (h) all Holders of Claims that vote to accept the Plan; (i) all Holders of Claims or Interests that are deemed to accept the Plan and who do not affirmatively opt out of the releases provided by the Plan; (j) all Holders of Claims or Interests that are deemed to reject the Plan and who do not affirmatively opt out of the releases provided by the Plan; (k) all Holders of Claims who abstain from voting on the Plan and who do not affirmatively opt out of the releases provided by the Plan; (l) all Holders of Claims who vote to reject the Plan and who do not affirmatively opt out of the releases provided by the Plan; and (m) each Related Party of each Entity in clause (a) through (l); *provided*, *however*, that, for the avoidance of doubt, each Holder of Claims or Interests that is party to or has otherwise signed the Restructuring Support Agreement shall not opt out of the releases provided by the Plan.
Reorganized Debtors	A Debtor, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date, unless otherwise dissolved pursuant to the Plan.

Certain Plan Definitions	
Section 510 Claims	Any Claim against any Debtor: (a) arising from the rescission of a purchase or sale of an equity security as defined in section 101(17) of the Bankruptcy Code (including the Employee Partnership Sale Units) of any Debtor or an Affiliate of any Debtor; (b) for damages arising from the purchase or sale of such an equity security made to the Debtors prior to the Petition Date; (c) for reimbursement or contribution allowed under section 502(e) of the Bankruptcy Code on account of such a Claim; and (d) any other claim determined to be subordinated under section 510 of the Bankruptcy Code.
Second Lien Claims	Any Claim against any Debtor derived from, based upon, or arising under the Prepetition Second Lien Term Loan Credit Agreement.
Second Lien Recovery	4.375% of the New Equity Interests (subject to dilution by the Management Incentive Plan Pool).
Unimpaired	With respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

Exhibit 1

ABL DIP Term Sheet

ConvergeOne Holdings, Inc
ABL DIP Facility Term Sheet

This term sheet (together with all annexes, exhibits and schedules attached hereto, this "**Term Sheet**") sets forth certain material terms of the proposed ABL DIP Facility (as defined below). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the commitment letter, dated as of April 3, 2024 (as amended, supplemented or modified in accordance with its terms, the "**Commitment Letter**"), to which this Term Sheet is attached.

This Term Sheet does not address all terms that would be required in connection with the ABL DIP Facility or that will be set forth in the ABL DIP Documents (as defined below), which are subject to negotiation and further subject to execution of definitive documents and the preparation of pleadings and proposed forms of orders that are consistent with this Term Sheet and the Documentation Principles and otherwise in form and substance acceptable to the ABL DIP Agent and the Borrowers.

THIS TERM SHEET DOES NOT CONSTITUTE (NOR WILL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN, IT BEING UNDERSTOOD THAT SUCH AN OFFER, IF ANY, ONLY WILL BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY, AND/OR OTHER APPLICABLE LAWS.

Borrowers	ConvergeOne Holdings, Inc. (the "**Company**") and each subsidiary borrower thereof that is a debtor and debtor-in-possession (collectively, the "**Borrowers**") in the cases (the "**Borrowers' Cases**") to be filed under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for Southern District of Texas (the "**Bankruptcy Court**"), which shall be jointly administered with the Guarantors' Cases (as defined below).
Guarantors	PVKG Intermediate Holdings Inc, a Delaware corporation ("**Holdings**"), in its capacity as a debtor and debtor-in-possession, and each subsidiary guarantor thereof that is a debtor and debtor-in-possession (other than the Company and each other Borrower), each in their respective capacities as debtors and debtors-in-possession (the "**Guarantors**" and, collectively with the Company and the other Borrowers, the "**Loan Parties**" or the "**Debtors**") in the cases to be filed under the Bankruptcy Code with the Bankruptcy Court contemporaneously and jointly administered with the Borrowers' Cases (the "**Guarantors' Cases**" and, collectively with the Borrowers' Cases, the "**Chapter 11 Cases**"). The date of commencement of the Chapter 11 Cases is referred to herein as the "**Petition Date**". SPS-Providea Limited and ConvergeOne India Private Limited shall not guarantee, and shall not provide security for, the ABL DIP Facility (as defined below) or the Term Loan DIP Facility (as defined below) and shall not be Loan Parties (consistent with the Prepetition ABL Credit Agreement in effect immediately prior to the Petition Date).
Administrative Agent and	Wells Fargo Commercial Distribution Finance, LLC shall act as administrative agent and the collateral agent for the ABL DIP Lenders (as defined below) with

Collateral Agent	respect to the ABL DIP Facility (in such capacities, the "**ABL DIP Agent**").
Floorplan Facility Funding Agent	Wells Fargo Commercial Distribution Finance, LLC shall act as floorplan facility funding agent for the ABL DIP Facility.
ABL DIP Lenders	Wells Fargo Commercial Distribution Finance, LLC, Deutsche Bank AG New York Branch, UBS AG, Stamford Branch, and/or one or more of their respective designated affiliates and/or related funds or accounts (each an "**ABL DIP Lender**", and collectively, the "**ABL DIP Lenders**", and together with the ABL DIP Agent, the "**ABL DIP Secured Parties**").
Prepetition ABL Facility	Senior secured asset-based revolving credit facility (the "**Prepetition ABL Facility**") made available to the Company and the other borrowers thereunder pursuant to that certain Amended and Restated ABL Credit Agreement, dated as of January 4, 2019 (as amended by Amendment No. 1 to Amended and Restated ABL Credit Agreement, dated as of July 10, 2022, Amendment No. 2 to Amended and Restated ABL Credit Agreement, dated as of September 14, 2022, Amendment No. 3 to Amended and Restated ABL Credit Agreement, dated as of January 23, 2023 and Amendment No. 4 to Amended and Restated ABL Credit Agreement, dated as of August 29, 2023) among the Borrowers, Holdings, Wells Fargo Commercial Distribution Finance, as administrative agent, collateral agent, floorplan funding agent and swing line lender (in such capacity, the "**Prepetition ABL Representative**") and the lenders party thereto (the "**Prepetition ABL Lenders**", and together with the Prepetition ABL Representative and the other secured parties under the Prepetition ABL Credit Agreement and related loan documents, the "**Prepetition ABL Secured Parties**") (as amended, restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "**Prepetition ABL Credit Agreement**"; the obligations thereunder and under the related loan documents, the "**Prepetition ABL Obligations**"; and the liens and security interests granted in connection therewith, the "**Prepetition ABL Liens**"). ABL DIP Agent and ABL DIP Lenders acknowledge and agree that there shall not be deemed to be a termination of the commitments, an acceleration of the Prepetition ABL Obligations or any occurrence of any other event or condition that automatically occurs, in each case under the Prepetition ABL Credit Agreement solely as a result of the commencement of the Chapter 11 Cases; provided, that the Interim DIP Order shall have been entered no later than three (3) calendar days after the Petition Date, provided, further, that all other terms and conditions applicable to the commitments in the Prepetition ABL Credit Agreement (including the other conditions precedent set forth in Section 4.02 of the Prepetition ABL Credit Agreement) shall remain in full force and effect (this paragraph, the "**Prepetition ABL Credit Agreement Acknowledgment**").
Existing ABL Intercreditor Agreement	That certain ABL Intercreditor Agreement, dated as of January 4, 2019 (as amended by that certain Joinder and Amendment to ABL Intercreditor Agreement dated as of July 10, 2020 and supplemented by that certain ABL

	Intercreditor Agreement Joinder dated as of May 15, 2023), among the Prepetition ABL Representative, the Prepetition First Lien Term Loan Agent (as defined below), UBS AG, Stamford Branch as the Initial Junior Lien Term Loan Agent, Deutsche Bank Trust Company Americas, as a New Term Loan Agent and PVKG Investment Holdings, Inc., as a New Term Loan Agent (the "**Existing ABL Intercreditor Agreement**").
Prepetition First Lien Term Facility	Senior secured first lien term loan facility (the "**Prepetition First Lien Term Loan Facility**"; the loans thereunder, the "**Prepetition First Lien Term Loans**" and, the lenders thereunder, the "**Prepetition First Lien Term Loan Lenders**") made available to the Company pursuant to that certain First Lien Term Loan Credit Agreement, dated as of January 4, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Prepetition First Lien Term Loan Credit Agreement**"; the liens and security interests granted in connection therewith, the "**Prepetition First Lien Term Loan Liens**"; and the obligations arising thereunder, the "**Prepetition First Lien Term Loan Secured Obligations**") among the Company, Holdings, Deutsche Bank AG New York Branch, as administrative agent and collateral agent (in such capacities, the "**Prepetition First Lien Term Loan Agent**", and together with the First Lien Term Loan Lenders, the "**Prepetition First Lien Term Loan Secured Parties**"), and the other parties party thereto.
Prepetition First Lien KL Notes	Senior secured first lien notes (the "**First Lien KL Notes**" and, the holders of such notes, the "**First Lien KL Noteholders**") made available to the Company pursuant to that certain Note Purchase Agreement, dated as of July 10, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Prepetition First Lien KL Note Purchase Agreement**"; the liens and security interests granted in connection therewith, the "**Prepetition First Lien KL Notes Liens**"; the obligations arising thereunder, the "**Prepetition First Lien KL Notes Secured Obligations**") among the Company, Holdings, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent (in such capacities, the "**Prepetition First Lien KL Notes Agent**", and together with the Prepetition First Lien KL Noteholders, the "**Prepetition First Lien KL Notes Secured Parties**"), and the other parties party thereto.
Prepetition First Lien CVC Notes	Senior secured first lien notes (the "**Prepetition First Lien CVC Notes**" and, the holders of such notes, the "**Prepetition First Lien CVC Noteholders**") made available to the Company pursuant to that certain Note Purchase Agreement, dated as of July 6, 2023 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Prepetition First Lien CVC Note Purchase Agreement**"; the liens and security interests granted in connection therewith, the "**Prepetition First Lien CVC Notes Liens**", and together with the Prepetition First Lien Term Loan Liens and the Prepetition First Lien KL Notes Liens, the "**Prepetition First Lien Liens**"); and the obligations arising thereunder, the "**Prepetition First Lien CVC Notes Secured Obligations**", and, together with the Prepetition First Lien Term Loan Secured Obligations and the Prepetition First Lien KL Notes Secured

	Obligations, the "**Prepetition First Lien Secured Obligations**") among the Company, Holdings, PVKG Investment Holdings, Inc., as administrative agent and collateral agent (in such capacities, the "**Prepetition First Lien CVC Notes Agent**", and together with the Prepetition First Lien CVC Noteholders, the "**Prepetition First Lien CVC Notes Secured Parties**"; the Prepetition First Lien CVC Notes Secured Parties, together with the Prepetition First Lien Term Loan Secured Parties and the Prepetition First Lien KL Notes Secured Parties, the "**Prepetition First Lien Secured Parties**") and the other parties party thereto.
Prepetition Second Lien Term Facility	Senior secured second lien term loan facility (the "**Prepetition Second Lien Facility**"; and the lenders thereunder, the "**Prepetition Second Lien Lenders**") made available to the Company pursuant to that certain Second Lien Term Loan Credit Agreement, dated as of January 4, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time); the liens and security interests granted in connection therewith, the "**Prepetition Second Lien Liens**" and, together with the Prepetition First Lien Liens, the "**Prepetition Liens**"; and the obligations arising thereunder, the "**Prepetition Second Lien Secured Obligations**") among the Company, Holdings, UBS AG, Stamford Branch, as administrative agent and collateral agent (in such capacities, the "**Prepetition Second Lien Agent**", and together with the Prepetition Second Lien Lenders, the "**Prepetition Second Lien Secured Parties**"; and together with the Prepetition First Lien Secured Parties, the "**Prepetition Secured Parties**")), and the other parties party thereto.
ABL DIP Facility	Upon the Closing Date, the Prepetition ABL Facility shall be ratified and amended pursuant to a customary Ratification and Amendment Agreement (the "**Ratification and Amendment Agreement**") consistent with this Term Sheet and the Documentation Principles (as defined below) and otherwise in form and substance satisfactory to ABL DIP Agent and the ABL DIP Lenders (the "**DIP ABL Credit Agreement**"). Pursuant to the DIP ABL Credit Agreement, the ABL DIP Agent and the ABL DIP Lenders will provide a senior secured superpriority priming debtor-in-possession asset-based revolving credit facility, in the aggregate principal amount of up to $250 million, subject to the Borrowing Base (the "**ABL DIP Facility**"; and the loans outstanding under the ABL DIP Facility from time to time, the "**ABL DIP Loans**" and the commitments outstanding under the ABL DIP Facility from time to time, the "**ABL DIP Commitments**") will be available to the Borrowers from and after the Closing Date, subject to the terms expressly set forth in the DIP ABL Credit Agreement, and such ABL DIP Facility shall provide for a gradual roll-up and conversion of all Prepetition ABL Obligations under the Interim DIP Order (as defined below), and upon entry of the Final DIP Order (as defined below), any remaining Prepetition ABL Obligations shall be fully rolled-up and converted into ABL DIP Obligations (as defined below) (the "**Roll-Up**"); provided that all Letters of Credit and Floorplan Approvals issued pursuant to the Prepetition ABL Credit Agreement shall automatically be deemed to have been issued pursuant to the DIP ABL Credit Agreement upon entry of the Interim DIP Order. All indebtedness and obligations from time to time arising under the

	ABL DIP Facility, including the Roll-Up, are hereinafter referred to as the "**ABL DIP Obligations**". The DIP ABL Credit Agreement and the other ABL DIP Documents shall be in form and substance, and upon terms and conditions, consistent with this Term Sheet and the Documentation Principles (as defined below). The ABL DIP Loans may be incurred, subject to the satisfaction or waiver of all conditions thereto set forth in this Term Sheet (with such conditions in the Term Sheet to be set forth in the ABL DIP Documents), in accordance with the terms of the ABL DIP Documents, including as follows: (a) following the entry by the Bankruptcy Court of the Interim DIP Order (as defined below), in form and substance acceptable to the Required ABL DIP Lenders and the Required Consenting Lenders (as defined in the Restructuring Support Agreement, to be dated on or around April 3, 2024 (the "**RSA**")), authorizing the Roll-Up and (b) on and after the entry by the Bankruptcy Court of the Final DIP Order authorizing the ABL DIP Facility on a final basis, which shall be in form and substance acceptable to the Required ABL DIP Lenders and the Required Consenting Lenders (as defined in the RSA). The definition of "Borrowing Base" (and any component definitions thereof) shall be consistent with the Prepetition ABL Credit Agreement in effect immediately prior to the Petition Date, except that (i) clause (2) of the definition of "Borrowing Base" shall be replaced by the following: "(2) 50% of the Eligible Unbilled Accounts (net of Unbilled Accounts Reserves) owned by any Borrowing Base Party; provided that the amount calculated this clause (2) shall not exceed 15% of the Borrowing Base; plus" and (ii) an availability block of $25,000,000 shall be implemented. In addition, the definition of Eligible Accounts shall be modified to include as ineligible any Accounts (as defined in the Prepetition ABL Credit Agreement) owing by an account debtor which has any bonded projects. The ability to impose additional Availability Reserves, Accounts Reserves, Dilution Reserves, Inventory Reserves, Landlord Lien Reserves, Secured Cash Management Reserves, Secured Hedging Reserves, Unbilled Account Reserves and other Reserves shall remain consistent with the Prepetition ABL Credit Agreement in effect on the Petition Date, except that (i) Availability Reserves may be implemented to account for the Carve Out (as defined below) as provided below, including with respect to the projected amount of professional fees and expenses for each rolling 2-week period and the amount of the Post-Carve Out Trigger Notice Cap (as defined below), as well as any other allowed administrative expense or priority claims arising in the Borrowers' Cases that, in the ABL DIP Agent's good faith determination, require payment prior to the full repayment of the ABL DIP Obligations, (ii) any such reserves will take immediate effect to the extent the Borrowers request to borrow any ABL DIP Loans during the three (3) business day notice period normally required for the imposition of such reserves, (iii) reserves may be implemented in respect of claims or amounts payable or which may reasonably be expected to be incurred in connection with surety bonds and bonded projects in amounts determined by Agent in its Permitted Discretion, and (iv) any implementation of any new

	reserves (other than reserves implemented in respect of surety bonds and bonded projects), or increase in any existing reserves, after the Closing Date shall be based on any material facts or circumstances which arise after the Closing Date or which otherwise first become known to the ABL DIP Agent after the Closing Date. In addition, references to "Closing Date" in the definition of Permitted Discretion (other than with respect to reserves or ineligibility criteria implemented in respect of surety bonds and bonded projects), clause (23) of the definition of Eligible Accounts and clause (15) of the definition of Eligible Inventory, in each case, under the Prepetition ABL Credit Agreement, shall be changed to a reference to the Closing Date as defined herein. The ABL DIP Documents shall permit, subject to the DIP Intercreditor Arrangements (as defined below), the Loan Parties to incur a senior secured postpetition term loan facility on a superpriority basis in form and substance reasonably acceptable to the Required ABL DIP Lenders (as defined below), it being understood and agreed that (a) such term loan facility shall be secured by liens consistent with the priority set forth on Annex III, (b) such a term loan facility that is on terms substantially consistent with the terms set forth in the DIP Term Loan term sheet attached to the RSA (the "**Term Loan DIP Term Sheet**") shall be deemed to be acceptable to the Required ABL DIP Lenders (the "**Term Loan DIP Facility**," the loans outstanding thereunder, the "**Term DIP Loans**", the liens securing the Term Loan DIP Facility, the "**Term DIP Liens**", and the agent thereunder, the "**Term DIP Agent**"). The DIP Order shall provide for intercreditor arrangements that govern certain intercreditor arrangements between the ABL DIP Facility and the Term Loan DIP Facility (the "**DIP Intercreditor Arrangements**") with such arrangements to be on terms generally consistent with the Existing ABL Intercreditor Agreement and otherwise acceptable to the ABL DIP Agent, the Required ABL DIP Lenders (in their discretion), Required Consenting Lenders (in their discretion) and the Loan Parties.
Floorplan Facility	The ABL DIP Facility will be available for floorplan advances and floorplan approvals to approved vendors in respect of inventory to be acquired by the Company or any of its Restricted Subsidiaries (to be defined in a manner consistent with the Prepetition ABL Facility) from such vendors substantially on the same terms and conditions contained in the Floorplan Facility under, and as defined in, the Prepetition ABL Credit Agreement (the "**DIP Floorplan Facility**"). Any floorplan advances and other obligations under the Floorplan Facility arising under the Prepetition ABL Facility shall be deemed "rolled-up" and converted into ABL DIP Obligations upon the Closing Date.
Letters of Credit	A portion of the ABL DIP Facility not in excess of an amount to be agreed (but, in any event, not less than $85 million) will be available for the issuance of letters of credit ("**Letters of Credit**") by the ABL DIP Agent, sharing ratably in such Letters of Credit commitment (in such capacity, the "**Issuing Lender**"), to be on terms consistent with the Letter of Credit provisions under, and as

	defined in, the Prepetition ABL Credit Agreement. The face amount of any outstanding Letter of Credit (and, without duplication, any unpaid drawing in respect thereof) will reduce availability under the ABL DIP Facility on a dollar-for-dollar basis. Letters of Credit may be issued on the Closing Date to backstop or replace surety bonds, letters of credit or similar instruments outstanding on the Closing Date (including by "grandfathering" such existing surety bonds, letters of credit or similar instruments into the ABL DIP Facility)**.**
Swingline Loans	A portion of the ABL DIP Facility not in excess of the lesser of $10.0 million or 5% of the ABL DIP Commitments will be available for swingline loans (the "**Swingline Loans**") on same-day notice from the ABL DIP Agent (in such capacity, the "**Swingline Lender**") to be on terms consistent with the Swing Line Loan provisions under, and as defined in, the Prepetition ABL Credit Agreement. Any Swingline Loans will reduce availability under the ABL DIP Facility on a dollar-for-dollar basis (other than for purposes of calculating the Non-Use Fee). Each ABL DIP Lender under the ABL DIP Facility will be irrevocably and unconditionally required to purchase, under certain circumstances, a participation in each Swingline Loan on a pro rata basis.
Permitted Liens	(A) Any valid liens ("**Permitted Prior Liens**") that are (1) in existence on the Petition Date, (2) are either perfected as of the Petition Date or perfected subsequent to the Petition Date under section 546(b) of the Bankruptcy Code, (3) senior in priority to the Prepetition First Lien Liens, (4) non-avoidable under the Bankruptcy Code or other applicable law, and (5) are permitted to be incurred under the First Lien Term Loan Credit Agreement, the Prepetition First Lien KL Note Purchase Agreement and the Prepetition First Lien CVC Note Purchase Agreement; and (B) liens permitted to have seniority over the ABL DIP Liens (as defined below) securing the ABL DIP Facility as specified in the DIP ABL Credit Agreement (the liens referenced in (A) and (B) above, collectively, the "**Permitted Liens**").
DIP Orders	The order approving the Term Loan DIP Facility (as defined below) and the ABL DIP Facility on an interim basis, which shall be in form and substance, and upon terms and conditions, acceptable in all respects to the Loan Parties, the ABL DIP Agent, the Required ABL DIP Lenders (as defined below) and the Required Consenting Lenders (the "**Interim DIP Order**"), shall authorize and approve, among other matters, (i) the Loan Parties' entry into the Term DIP Documents (as defined below) and the ABL DIP Documents, as applicable, (ii) the making of the Term DIP Loans (as defined below) and the ABL DIP Loans (including Swingline Loans, floorplan advances, other obligations under the Floorplan Facility, and the issuance of Letters of Credit under the DIP ABL Credit Agreement) (including the Roll-Up and conversion of all amounts outstanding under the Prepetition ABL Facility into the ABL DIP Facility upon entry of the Interim DIP Order and Final DIP Order, as applicable), (iii) the

	granting of the super-priority claims and liens against the Loan Parties and their assets in accordance with the Term DIP Documents, the ABL DIP Documents (as applicable), the Existing ABL Intercreditor Agreement and the DIP Intercreditor Arrangements, respectively, with respect to the DIP Collateral (as defined below), (iv) the use of cash collateral solely in accordance with the terms of the ABL DIP Documents and the Term Loan DIP Documents, (v) the granting of adequate protection to the Prepetition First Lien Secured Parties and the Prepetition ABL Secured Parties, (vi) granting waivers of Debtors' rights to seek non-consensual use of cash collateral under Section 363 of the Bankruptcy Code, and (vii) granting other waivers (including, without limitation, surcharge waivers under Section 506(c) of the Bankruptcy Code, equities of the case waiver under Section 552 of the Bankruptcy Code, and marshaling requirements) with respect to the ABL DIP Obligations and the DIP Collateral. The order approving the Term Loan DIP Facility and the ABL DIP Facility on a final basis, which shall be in form and substance acceptable to the Required ABL DIP Lenders and the Required Consenting Lenders, shall be the "**Final DIP Order**" and, together with the Interim DIP Order, shall be the "**DIP Orders**". The Final DIP Order shall grant (or reaffirm, as the case may be) waivers (including, without limitation, surcharge waivers under Section 506(c) of the Bankruptcy Code), equities of the case waiver under Section 552 of the Bankruptcy Code, rights to seek non-consensual use of cash collateral under Section 363 of the Bankruptcy Code, and marshaling requirements) with respect to the Prepetition ABL Obligations, the Prepetition First Lien Secured Obligations, the Prepetition Collateral, the DIP Collateral, the ABL DIP Obligations and the obligations under the Term Loan DIP Facility, and releases in favor of the Prepetition ABL Secured Parties and Prepetition First Lien Secured Parties.
Adequate Protection	As adequate protection against the risk of any diminution in the value of the respective Prepetition Liens in all collateral securing the Prepetition ABL Obligations, the Prepetition First Lien Secured Obligations and the Prepetition Second Lien Secured Obligations (collectively, the "**Prepetition Collateral**") (as applicable), including as a result of the imposition of the automatic stay, the Loan Parties' use, sale, or lease of such collateral, including Cash Collateral (as defined below), during the Chapter 11 Cases, the granting of priming liens and claims on a dollar-for-dollar basis as set forth herein, and the imposition of the Carve Out, the Prepetition Secured Parties shall be granted the following adequate protection, subject in all cases to the Carve Out and the priority set forth on Annex III: The Prepetition ABL Secured Parties shall be entitled to receive, subject in all cases to the Carve Out and Permitted Prior Liens, the following as adequate protection: (A) to the extent of any diminution in value of the Prepetition ABL Liens in Prepetition Collateral, validly perfected replacement liens on any security interests in all DIP Collateral (the "**Prepetition ABL Adequate Protection Liens**"), which replacement liens shall have the priority set forth on **Annex III** attached hereto, as applicable; (B) to the extent of any diminution in value of the Prepetition ABL Liens in Prepetition Collateral, a superpriority

	administrative expense claim as contemplated by section 507(b) of the Bankruptcy Code against each of the Debtors, on a joint and several basis, which claim shall have priority over all other claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b), 1113 and 1114 of the Bankruptcy Code or otherwise (other than the Carve Out) (the "**Prepetition ABL Adequate Protection Claims**"), which claims shall be subject to the priorities set forth on **Annex III** attached hereto, as applicable; (C) the payment of the reasonable and documented fees and out-of-pocket expenses of the Prepetition ABL Representative, and the payment of the reasonable and documented fees of the Prepetition ABL Representative's legal counsel and any financial advisors or consultants retained by Prepetition ABL Representative (including without limitation, the prepetition and post-petition fees and expenses of (i) Otterbourg P.C., as counsel to the Prepetition ABL Representative, (ii) M3 Advisory Partners, LP, as financial advisor to the Prepetition ABL Representative, and (iii) local Texas counsel to the Prepetition ABL Representative); and (E) financial reporting consistent with the "Budget" section set forth below. The Prepetition First Lien Secured Parties shall be entitled to receive, subject in all cases to the Carve Out and Permitted Prior Liens, the following as adequate protection: (A) to the extent of any diminution in value of the Prepetition First Lien Liens in Prepetition Collateral, validly perfected replacement liens on any security interests in all DIP Collateral (the "**First Lien Adequate Protection Liens**"), which replacement liens shall have the priority set forth on **Annex III** attached hereto, as applicable; (B) to the extent of any diminution in value of the Prepetition First Lien Liens in Prepetition Collateral, a superpriority administrative expense claim as contemplated by section 507(b) of the Bankruptcy Code against each of the Debtors, on a joint and several basis, which claim shall have priority over all other claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b), 1113 and 1114 of the Bankruptcy Code or otherwise (other than the Carve Out) (the "**First Lien Adequate Protection Claims**"), which claims shall be subject to the priorities set forth on **Annex III** attached hereto, as applicable; (C) the payment of the reasonable and documented fees and out-of-pocket expenses of the Prepetition First Lien Term Loan Agent, the Prepetition First Lien KL Notes Agent and the Prepetition First Lien CVC Notes Agent, and the payment of the reasonable and documented fees of the First Lien Ad Hoc Group (as such term is defined in the RSA) (the "**First Lien Ad Hoc Group**") (including without limitation, the prepetition and post-petition fees and expenses of (i) Gibson Dunn & Crutcher LLP, as counsel to the First Lien Ad Hoc Group, (ii) PJT Partners, as financial advisor to the First Lien Ad Hoc Group, (iii) Latham & Watkins LLP, as counsel to the Prepetition First Lien CVC Notes Secured Parties and (iv) with the Borrower's consent (not to be unreasonably withheld), such other attorneys, financial

	advisors or professionals retained by the First Lien Ad Hoc Group; and (D) financial reporting consistent with the "Budget" section set forth below. The Prepetition Second Lien Secured Parties shall be entitled to receive, subject in all cases to the Carve Out and Permitted Prior Liens, the following as adequate protection: (A) to the extent of any diminution in value of the Prepetition Second Lien Liens in Prepetition Collateral, validly perfected replacement liens on any security interests in all DIP Collateral (the "**Second Lien Adequate Protection Liens**"), which replacement liens shall have the priority set forth on **Annex III** attached hereto, as applicable; (B) to the extent of any diminution in value of the Prepetition Second Lien Liens in Prepetition Collateral, a superpriority administrative expense claim as contemplated by section 507(b) of the Bankruptcy Code against each of the Debtors, on a joint and several basis, which claim shall have priority over all other claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b), 1113 and 1114 of the Bankruptcy Code or otherwise (other than the Carve Out) (the "**Second Lien Adequate Protection Claims**"), which claims shall be subject to the priorities set forth on **Annex III** attached hereto, as applicable; and (C) the payment of the reasonable and documented fees and out-of-pocket expenses of the Prepetition Second Lien Agent and, subject to the terms of the RSA, the payment of the reasonable and documented fees of the Second Lien Ad Hoc Group (as such term is defined in the RSA) (the "**Second Lien Ad Hoc Group**") (including without limitation, the prepetition and post-petition fees and expenses of (i) Davis Polk & Wardwell LLP, as counsel to the Second Lien Ad Hoc Group, (ii) Guggenheim Securities, LLC, as financial advisor to the Second Lien Ad Hoc Group, and (iii) with the Borrower's consent (not to be unreasonably withheld), such other attorneys, financial advisors or professionals retained by the Second Lien Ad Hoc Group.
Carve Out	The liens on and security interests in the DIP Collateral (as defined below), the adequate protection liens, and all super-priority administrative expense claims granted under the DIP Orders, shall be subject and subordinate to the Carve Out. For purposes hereof, "**Carve Out**" means, without duplication, an amount equal to 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 under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (the "**Chapter 7 Trustee Carve-Out**"); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all accrued and unpaid fees, disbursements, costs, and expenses (the "**Allowed Professional Fees**") incurred by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the "**Debtors' Professionals**") and to the extent set forth in the Budget as of the date of determination by the Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and, together with the

	Debtors' Professionals, "**Professional Persons**") at any time before or on the first business day following delivery by the ABL DIP Agent or Term 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, less the amount of any retainers or other amounts held by any such Professional Person as of the Petition Date; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1,000,000 incurred after the first business day following delivery by the ABL DIP Agent or Term 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**"). For purposes of the foregoing, "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the ABL DIP Agent or Term DIP Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, counsel to the Creditors' Committee, and the ABL DIP Agent and Term DIP Agent, as applicable, which notice may be delivered following the occurrence and during the continuation of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked. Not later than 7:00 p.m. New York time on the Tuesday of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses incurred during the preceding week by such Professional Person (through Saturday of such week, the "**Calculation Date**") (collectively, "**Estimated Fees and Expenses**"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "**Weekly Statement**"); provided, that within one business day of the occurrence of the Termination Declaration Date, each Professional Person shall deliver one additional Weekly Statement (the "**Final Statement**") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date (and the Debtors shall cause such Weekly Statement and Final Statement to be delivered on the same day received to the ABL DIP Agent and Term DIP Agent). If any Professional Person fails to timely deliver a Weekly Statement within one business day after such Weekly Statement is due, such Professional Person shall not be entitled to any funds in the Carve Out Reserves with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period. The ABL DIP Agent shall at all times maintain a Reserve (as defined in the ABL DIP Credit Agreement) in an amount equal to the Post-Carve Out Trigger Notice Cap, plus the aggregate amount of projected fees for all Professional Persons set forth in the Approved Budget for the week subsequent to the date of determination for such Reserve; provided that nothing set forth herein shall limit the ability of the ABL DIP Agent to increase such reserve if ABL DIP Agent

	determines that the aggregate amount of Allowed Professional Fees are likely to exceed the amount set forth in the Approved Budget for such week.
ABL DIP Facility Availability	From and after the Closing Date (as defined below), subject to the entry of the Interim DIP Order and the satisfaction of the other conditions set forth in this Term Sheet, the ABL DIP Facility will be made available to the Borrower in the aggregate principal amount of up to $250,000,000 (subject to the Borrowing Base). Amounts borrowed under the ABL DIP Facility may be reborrowed.
Use of Proceeds of ABL DIP Facility and Term Loan DIP Facility	The proceeds of the ABL DIP Loans under the ABL DIP Facility shall be used only for the following purposes: (i) the Roll-Up, (ii) payment of certain prepetition amounts of the type contemplated in the then current Approved Budget (including prepetition payments to critical vendors identified by the Loan Parties) and solely as authorized by the Bankruptcy Court pursuant to orders approving the first day motions filed by the Loan Parties, which orders shall be in form and substance reasonably satisfactory to the Required ABL DIP Lenders, (iii) to the extent of the type contemplated in the then current Approved Budget and in accordance with the terms of the ABL DIP Facility and the Interim DIP Order/Final DIP Order, and (iv) payment of the costs and expenses of administering the Cases (including payments benefiting from the Carve Out) subject to the terms and conditions of the ABL DIP Facility, in each case of the forgoing, solely in accordance with and subject to the credit agreement governing the terms of the ABL DIP Facility, Interim DIP Order and Final DIP Order. Solely in accordance with and subject to the credit agreement governing the terms of the Term Loan DIP Facility (the "**Term DIP Credit Agreement**", and together with all security and collateral agreements related thereto, the "**Term DIP Documents**"), the proceeds of the Term Loan DIP Facility may be used only to (i) pay down certain Prepetition ABL Loans under the Prepetition ABL Facility (without a corresponding reduction in commitments thereunder), and (ii) for the other purposes described in the Term Loan DIP Term Sheet, in each case, in accordance with and subject to the Term DIP Documents, the DIP Orders and the Approved Budget (as defined below).
ABL DIP Documents Control	The provisions of the ABL DIP Documents shall, upon execution, supersede the provisions of this Term Sheet.
Maturity	The "**ABL DIP Termination Date**" with respect to the ABL DIP Facility shall be the earliest to occur of: (i) the date that is six (6) months after the Petition Date (or if such day shall not be a business day, the next succeeding business day) (the "**Scheduled Termination Date**"); (ii) 11:59 p.m. New York City Time on the date that is thirty five (35) calendar days after the Petition Date, if the Final DIP Order has not been entered by the Bankruptcy Court prior to such date and time,

	unless otherwise extended by the Required ABL DIP Lenders; (iii) the substantial consummation (as defined in Section 1101 of the Bankruptcy Code and which for purposes hereof shall be no later than the "effective date" thereof) of a plan of reorganization filed in the Chapter 11 Cases that is confirmed pursuant to an order entered by the Bankruptcy Court (the "**Plan**"); (iv) dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases into a case under Chapter 7 of the Bankruptcy Code; (v) the acceleration of the ABL DIP Loans and the termination of the commitments under the ABL DIP Facility in accordance with the ABL DIP Documents; and (vi) the consummation of a sale of all or substantially all assets of the Loan Parties pursuant to Section 363 of the Bankruptcy Code (other than to another Loan Party). Subject to the provisions of the DIP Orders, as applicable, on the ABL DIP Termination Date (or such earlier date on which the ABL DIP Facility shall have been terminated), the Loan Parties shall repay all obligations arising under the ABL DIP Facility in full in cash and provide such amounts necessary to cash collateralize Letters of Credit and floorplan approvals under the Floorplan Facility (to the extent not backstopped), in each case subject to arrangements satisfactory to the ABL DIP Agent (provided that such payment may, in the case of any ABL DIP Lender who agrees to participate in any "exit financing", take the form of a cashless roll-up into such new "exit financing" and not cash; provided further that, to the extent any ABL DIP Lender does not participate or provide commitment to "exit financing", such payment shall be made in full in cash and such ABL DIP Lender's commitment shall be terminated).
Amortization	None.
Payments and Interest Rates	Consistent with the Prepetition ABL Facility except as set forth on **Annex II** attached hereto.
Line Cap	Consistent with the Prepetition ABL Facility, except that an availability block of $25,000,000 shall be implemented with respect to the Revolving Commitment component of the Line Cap calculation.
Excess Availability	At any time, (a) the Line Cap then in effect, plus (b) 100% of Qualified Cash (to be defined in a manner consistent with the Prepetition ABL Facility, except reference to accounts subject to control agreements shall include accounts that are subject to control agreements on the Petition Date or other accounts held at the ABL DIP Agent or any of its affiliates, and any cash in such accounts that is used for cash collateralizing the pre-funded ACH Treasury Management services provided through Wells Fargo Commercial Distribution Finance, LLC shall be excluded as Qualified Cash) not to exceed for this purpose 25% of the Borrowing Base, minus (c) the sum, without duplication, of (i) the then

	aggregate outstanding principal amount of ABL DIP Loans (including Swingline Loans and floorplan advances), (ii) unreimbursed drawings under letters of credit under the DIP ABL Credit Agreement and (iii) the undrawn face amount of outstanding letters of credit under the DIP ABL Credit Agreement ("**Excess Availability**")
Cash Dominion	Consistent with the Prepetition ABL Facility.
Mandatory Prepayments	Consistent with the Prepetition ABL Facility.
Voluntary Prepayments	Consistent with the Prepetition ABL Facility.
Collateral and Priority	Subject to the Carve Out, as security for the prompt payment and performance of all amounts due under the ABL DIP Facility, including, without limitation, all principal, interest, premiums, payments, fees, costs, expenses, indemnities or other amounts (collectively, the "**ABL DIP Obligations**"), effective as of the Petition Date, the ABL DIP Agent, for the benefit of itself and the ABL DIP Lenders, shall be granted automatically and properly perfected liens and security interests ("**ABL DIP Liens**") in all assets and properties of each of the Loan Parties and their bankruptcy estates, whether tangible or intangible, real, personal or mixed, wherever located, whether now owned or consigned by or to, or leased from or to, or hereafter acquired by, or arising in favor of the Loan Parties, whether prior to or after the Petition Date, including all unencumbered assets of the Loan Parties (except for all claims and causes of action arising under Chapter 5 of the Bankruptcy Code ("**Avoidance Actions**"), but including, upon entry of the Final DIP Order, the proceeds of property recovered, whether by judgment, settlement or otherwise from Avoidance Actions ("**Avoidance Action Proceeds**")) (collectively, "**Unencumbered Property**") (collectively, the "**DIP Collateral**"); *provided*, that DIP Collateral shall exclude Excluded Assets but shall include any and all proceeds and products of Excluded Assets, unless such proceeds and products otherwise separately constitute Excluded Assets. "**Excluded Assets**" has the meaning set forth in the Collateral Agreement (as defined in the Prepetition ABL Credit Agreement). The ABL DIP Liens shall have the following priorities (subject in all cases to the Carve Out): i. *First Liens on Unencumbered Property*. Pursuant to Section 364(c)(2) of the Bankruptcy Code, the ABL DIP Liens shall be valid, binding, continuing, enforceable, non-avoidable, fully and automatically perfected first priority liens and security interests in all DIP Collateral that is not subject to valid, perfected and non-avoidable liens or security interests in existence as of the Petition Date (or perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code), including Unencumbered Property, which ABL DIP Liens in Unencumbered Property shall be *pari passu* with any Term DIP Liens

	in such Unencumbered Property, subject to the priorities set forth in **Annex III** attached hereto and the Carve Out. ii. *Priming DIP Liens and Liens Junior to Certain Other Liens*. The ABL DIP Liens shall be valid, binding, continuing, enforceable, non-avoidable, fully and automatically perfected in all DIP Collateral (other than as described in clause (i) above), which ABL DIP Liens (a) shall be, pursuant to Section 364(c)(3) of the Bankruptcy Code, subject and subordinate only to the (1) Carve Out, (2) Permitted Prior Liens, and (3) solely with respect to Term Loan Priority Collateral (as defined in the Existing ABL Intercreditor Agreement) and DIP Collateral of a type that would otherwise constitute Term Loan Priority Collateral (as defined in the Existing ABL Intercreditor Agreement), the Term DIP Liens, as applicable (to the extent the Term Loan DIP Facility asserts a first priority lien on such Term Loan Priority Collateral (as defined in the Existing ABL Intercreditor Agreement)), (b) pursuant to Section 364(d)(1) of the Bankruptcy Code, shall be senior to any and all other liens and security interests in DIP Collateral, including, without limitation, all liens and security interests in the ABL Priority Collateral (as defined in the Existing ABL Intercreditor Agreement) or any DIP Collateral that would otherwise constitute ABL Priority Collateral (as defined in the Existing ABL Intercreditor Agreement) (including, without limitation, any Term DIP Liens, as applicable, in ABL Priority Collateral), and (c) shall otherwise be subject to the priorities set forth in **Annex III** attached hereto. iii. *Liens Senior to Other Liens*. Except to the extent expressly permitted hereunder, subject to the Carve Out, the ABL DIP Liens and the ABL DIP Superpriority Claims (as defined below) (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any successor cases, including any lien or security interest granted in favor of any federal, state, municipal or other governmental unit (including any regulatory body), commission, board or court for any liability of the Debtors, (B) any lien or security interest that is avoided or preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien or security interest of the Debtors or their affiliates, or (D) any other lien, security interest or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof.
Guarantees	Each Guarantor shall unconditionally guarantee, on a joint and several basis, all ABL DIP Obligations arising under or in connection with the ABL DIP Facility.
ABL DIP Superpriority Claims	Subject to the Carve Out, the ABL DIP Obligations shall be allowed super-priority administrative expense claims under Section 364(c) of the Bankruptcy Code against each of the Debtors, on a joint and several basis, which claims shall have priority over all other claims against the Debtors, of any kind or nature whatsoever, including, without limitation, administrative expenses of the

	kind specified in or so ordered pursuant to Sections 105, 326, 328, 330, 331, 365, 503(a), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b), 1113 and 1114 of the Bankruptcy Code or otherwise, with recourse against all DIP Collateral (the "**ABL DIP Superpriority Claims**"), which ABL DIP Superpriority Claims shall be subject to the priorities set forth in **Annex III** attached hereto.
Term DIP Superpriority Claims	Subject to the Carve Out, all amounts due under the Term Loan DIP Facility, including, without limitation, all principal, interest, premiums, payments, fees, costs, expenses indemnities or other amounts shall be allowed super-priority administrative expense claims under Section 364(c) of the Bankruptcy Code against each of the Debtors, on a joint and several basis, which claims shall have priority over all other claims against the Debtors, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kind specified in or so ordered pursuant to Sections 105, 326, 328, 330, 331, 365, 503(a), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b), 1113 and 1114 of the Bankruptcy Code or otherwise, with recourse against all DIP Collateral (the "**Term DIP Superpriority Claims**"), which Term DIP Superpriority Claims shall be subject to the priorities set forth in **Annex III** attached hereto.
Documentation Principles	The ABL DIP Facility (including the terms and conditions applicable thereto) will be documented pursuant to and evidenced by (a) a credit agreement and other guarantee, security, intercreditor, and other relevant documentation (the "**ABL DIP Documents**") based on the Prepetition ABL Credit Agreement and relevant guarantee, security and intercreditor documents, negotiated in good faith, in form and substance acceptable to the Loan Parties and the Required ABL DIP Lenders, which shall (i) reflect the terms set forth herein, (ii) reflect the terms of the Interim DIP Order or the Final DIP Order, as applicable, (iii) have usual and customary provisions for debtor-in-possession financings of this kind and provisions that are necessary to effectuate the financing contemplated hereby and (iv) otherwise be mutually agreed among the Borrower and the each ABL DIP Lender, (b) the Interim DIP Order and (c) the Final DIP Order (this paragraph, the "**Documentation Principles**").
Representations and Warranties	The ABL DIP Documents will contain representations and warranties consistent with the Prepetition ABL Credit Agreement (modified as necessary to reflect the commencement of the Cases and to include those representations and warranties customarily found in loan documents for similar debtor-in-possession ABL Financings, and subject to the Documentation Principles).
Budget	The Loan Parties shall deliver: • a rolling 13-week cash flow forecast (the "**DIP Budget**") in form and substance satisfactory to the Required ABL DIP Lenders delivered on or prior to the Petition Date initially covering the period commencing on or about the Petition Date (the "**Initial DIP Budget**"), which reflects on a line-item basis, the Debtors' (a) weekly projected cash receipts ("**Budgeted Cash Receipts**"), (b) weekly projected disbursements (including ordinary course operating expenses, capital expenditures and bankruptcy related expenses) under the Chapter 11 Cases ("**Budgeted**

	Disbursement Amounts") and (c) the weekly projected liquidity of the Debtors, and which shall be updated on the first Wednesday that is two full weeks after the Petition Date and every two weeks thereafter, which such proposed updated DIP Budget shall modify and supersede any prior agreed DIP Budget unless the ABL DIP Agent, acting at the direction of the Required ABL DIP Lenders, notifies (through counsel or otherwise) the Loan Parties in writing that such proposed DIP Budget is not in form and substance satisfactory to the Required ABL DIP Lenders within five Business Days after receipt thereof, in which case the existing Approved Budget shall remain in effect until superseded by an updated DIP Budget in form and substance satisfactory to the Required ABL DIP Lenders (as so updated, each an "**Approved Budget**"); • on each Wednesday following each Variance Testing Period (beginning with the first Wednesday following the first Variance Testing Period), the delivery to the ABL DIP Lender Advisors of a variance report, which reflects for the applicable Variance Testing Period (defined below), (a) all variances, on a line item by line item basis and a cumulative basis, from the Budgeted Cash Receipts and the Budgeted Disbursement Amounts for such period as set forth in the Approved Budget as in effect for such period, (b) containing an indication as to whether each variance is temporary or permanent and analysis and explanations for all material variances, (c) certifying compliance or non-compliance with the Permitted Variances (defined below), and (d) including explanations for all violations, if any, of such covenant and if any such violation exists, setting forth the actions which the Debtors have taken or intend to take with respect thereto (each, a "**Variance Report**"); • together with each DIP Budget and each Variance Report, a reasonably detailed schedule listing all bank accounts of the Debtors with a balance in excess of $25,000 and their associated balances as of the applicable reporting date, including an identification of accounts covered by a deposit account control agreement; and • such other financial reporting readily available to the Debtors and reasonably requested by the ABL DIP Agent. "**Variance Testing Period**" shall mean (i) initially, the two-week period ending on the Friday of the second calendar week occurring after the Petition Date, and (ii) thereafter, each rolling two-week period ending on Friday of every second calendar week.
Affirmative and Negative Covenants	The ABL DIP Documents will contain the affirmative and negative covenants set forth in the Prepetition ABL Credit Agreement (modified as necessary to reflect the commencement of the Cases and to include those affirmative and negative covenants customarily found in loan documents for similar debtor-in-possession ABL financings, subject to the Documentation Principles) other than the Minimum Fixed Charge Coverage Ratio contained in Section 6.10(1) of the

	Prepetition ABL Credit Agreement; *provided, that*, without limitation, the ABL DIP Documents shall require: (i) update meetings and/or calls with the Debtors' senior management and advisors, the ABL DIP Lender Advisors and the ABL DIP Lenders every two weeks (or to the extent requested by ABL DIP Lender Advisors, every week), which update calls may cover the Debtors' financial performance and the other documentation provided pursuant to the reporting covenant described above; (ii) compliance with the DIP Orders; (iii) delivery of internal management prepared unaudited monthly financial statements, including an income statement for such month, balance sheet as of the end of such month and a cash flow statement for such month, within 30 days of month-end; and (iv) monthly (springing to weekly consistent with the Prepetition ABL Credit Agreement) delivery of Borrowing Base Certificates and related deliverables (including those deliverables that have been delivered with the Borrowing Base Certificates delivered under the Prepetition ABL Credit Agreement plus such additional deliverables as may be reasonably required by ABL DIP Agent, including, without limitation, supporting materials and information related to bonded contracts) through the DIP process; (v) Variances against the Approved Budget not to exceed the following permitted variances, with the covenant tested on a cumulative rolling two-week basis at the delivery of each Variance Report (collectively, the "**Permitted Variances**"): • Aggregate receipts for the Variance Testing Period shall not be less than 85% of the Budgeted Cash Receipts for such Variance Testing Period; • Aggregate disbursements (including ordinary course operating expenses, capital expenditures and bankruptcy related expenses but excluding professional fees and expenses and any costs or cash collateralization associated with surety bonds) for the Variance Testing Period shall not be greater than 115% of the Budgeted Disbursement Amounts for such Variance Testing Period; (vi) the requirement to satisfy the following milestones: • By 8:00 a.m. (prevailing Central Time) on April 8, 2024, the Petition Date shall have occurred. • The Interim DIP Order shall have been entered no later than three (3) calendar days after the Petition Date.

	• The Plan, Disclosure Statement (as defined in the RSA) and Backstop Motion (as defined in the RSA) shall have been filed no later than five (5) business days after the Petition Date. • The Final DIP Order shall have been entered no later than thirty-five (35) calendar days after the Petition Date. • The Disclosure Statement Order (as defined in the RSA) and Backstop Order (as defined in the RSA) shall have been entered no later than sixty (60) calendar days after the Petition Date. • The Confirmation Order (as defined in the RSA) shall be in form and substance satisfactory to ABL DIP Agent and Required ABL DIP Lenders, and shall have been entered no later than 105 calendar days after the Petition Date. • The Effective Date (as defined in the RSA) shall have occurred no later than 120 calendar days after the Petition Date. (vii) Minimum Excess Revolving Availability covenant to be deleted and replaced with an availability block in the Borrowing Base as noted in the "ABL DIP Facility" section above. (viii) Minimum Liquidity (which shall be defined as the sum of (i) all cash and cash equivalents of Loan Parties plus (ii) Excess Availability (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) and which shall not count Qualified Cash (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) in the calculation of clause (i) above) of $20,000,000 and tested in a manner as provided for in the Term DIP Credit Agreement. (ix) Within seven (7) Business Day after entry of the Final DIP Order, Borrowers shall have received not less than $70,000,000 (net of fees and expenses set forth in the Approved Budget) in proceeds of loans under the Term DIP Credit Agreement (which, for the avoidance of doubt, shall be in addition to the amount set forth in clause (vi) of Annex I), and not less than $35,000,000 of such net proceeds shall be paid to the ABL DIP Agent on such date to repay the loans under the ABL DIP Facility (without a corresponding reduction in commitments thereunder). *provided, further, that*, (x) the covenant baskets contained in Sections 6.01(2)(b), 6.01(3)(b), 6.03(3), 6.04(3), 6.04(4), 6.04(33), 6.04(38), 6.05(32), 6.06(15), 6.06(16), 6.09(2)(a) and 6.09(2)(b) of the Prepetition ABL Credit Agreement shall not be included in the DIP ABL Credit Agreement (it being understood and agreed that any use of such baskets prior to the Petition Date shall be separately grandfathered in under the DIP ABL Credit Agreement), (y) the covenant baskets contained in 6.01(33) and 6.02(33) shall be reduced to an aggregate amount not to exceed $1,000,000 (it being understood and agreed that any use of such baskets prior to the Petition Date shall be separately grandfathered in under the DIP ABL Credit Agreement), and (z) certain other covenant baskets shall be modified or deleted in a manner consistent with

	debtor-in-possession facilities of this type and in form and substance acceptable to the Company and the Required ABL DIP Lenders.
Equity Cure	The equity cure contained in Section 8.02 of the Prepetition ABL Credit Agreement shall not be included in the DIP ABL Credit Agreement.
Conditions Precedent to Closing and the Initial Borrowing	The closing of the ABL DIP Facility (the "**Closing Date**") shall occur as promptly as practical after the entry of the Interim DIP Order by the Bankruptcy Court, subject to the conditions precedent set forth on **Annex I** attached hereto.
Conditions to Each Borrowing	As set forth on **Annex II** attached hereto. For the avoidance of doubt, such conditions precedent shall not apply to any ABL DIP Loan deemed made as a result of the Roll-Up.
Events of Default	The ABL DIP Documents will contain events of default consistent with those set forth in the Prepetition ABL Credit Agreement as well as additional events of default customarily found in loan documents for similar debtor-in-possession financing and other events of default reasonably agreed among the Loan Parties and the Required ABL DIP Lenders, subject to the Documentation Principles, including without limitation (a) any request made by the Loan Parties for, or the reversal, modification, amendment, stay, reconsideration or vacatur of a DIP Order, as entered by the Bankruptcy Court which adversely effects the ABL DIP Lenders, without the prior written consent of the Required ABL DIP Lenders, (b) the occurrence and continuance of an "Event of Default" under the Term Loan DIP Facility, (c) the allowance of any superpriority claim arising under section 507(b) of the Bankruptcy Code which is pari passu with (other than the superpriority claims of the DIP Term Loan Facility) or senior to those of the DIP ABL Agent and the ABL DIP Lenders; (d) the dismissal of the Cases, or conversion of the Cases to cases under chapter 7 of the Bankruptcy Code; (e) the termination of the RSA; (f) if a surety declares a default or exercises any remedies in respect of a bonded contract, which default will or could reasonably be expected to result in claims against or payments by the Debtors in an aggregate amount of $7,500,000; and (g) the filing of any Plan that does not provide for the repayment in full in cash (provided that such payment may, in the case of any ABL DIP Lender who agrees to participate in any "exit financing", take the form of a cashless roll-up into such new "exit financing" and not cash; provided further that, to the extent any ABL DIP Lender does not participate or provide commitment to "exit financing", such payment shall be made in full in cash and such ABL DIP Lender's commitment shall be terminated). of the Prepetition ABL Obligations and ABL DIP Obligations on the Effective Date of such Plan. Upon the occurrence and during the continuation of an Event of Default, subject to the DIP Intercreditor Arrangements or Existing ABL Intercreditor Agreement (as applicable), without further order from or application to the Bankruptcy Court, the automatic stay provisions of Section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the ABL DIP

	Agent, acting at the request of the Required ABL DIP Lenders, to (A) deliver to the Borrowers a notice declaring the occurrence of an Event of Default, (B) declare the termination, reduction, or restriction of the commitments under the ABL DIP Facility, (C) declare the ABL DIP Loans then outstanding to be due and payable, (D) declare the termination, reduction or restriction on the ability of the Loan Parties to use any Cash Collateral, (E) terminate the ABL DIP Facility, (F) charge the default rate of interest under the ABL DIP Facility, (G) freeze all monies in any deposit accounts of the Debtors, (H) exercise any and all rights of setoff, (I) exercise any other right or remedy with respect to the DIP Collateral or the ABL DIP Liens, or (J) take any other action or exercise any other right or remedy permitted under the ABL DIP Documents, the DIP Orders or applicable law; *provided, however*, that in the case of the enforcement of rights against the DIP Collateral pursuant to clauses (I) and (J) above, (i) the ABL DIP Agent, acting at the request of the Required ABL DIP Lenders, shall provide counsel to the Loan Parties, counsel to the Official Committee, the Term DIP Agent and the Office of the United States Trustee with five (5) Business Days' prior written notice (such period, the "**Remedies Notice Period**"). Immediately upon the expiration of the Remedies Notice Period, the Bankruptcy Court shall hold an emergency hearing when the Bankruptcy Court is available (the "**Enforcement Hearing**") at which the Debtors, any Official Committee, and/or any other party in interest shall be entitled to seek a determination from the Bankruptcy Court solely as to whether an Event of Default has occurred, and at the conclusion of the Enforcement Hearing, the Bankruptcy Court may fashion an appropriate remedy that is consistent with the terms of the DIP Orders; *provided*, that during the Remedies Notice Period, the Loan Parties shall be permitted to use Cash Collateral solely to fund expenses critically necessary to preserve the value of the Debtors' businesses, as determined by the Required ABL DIP Lenders and the Required Term DIP Lenders (as such term is defined in the Term Loan DIP Term Sheet) in their sole discretion. Except as otherwise set forth in the DIP Orders or ordered by the Bankruptcy Court prior to the expiration of the Remedies Notice Period, after the Remedies Notice Period, the Loan Parties shall waive their right to and shall not be entitled to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the ABL DIP Secured Parties or the Term DIP Secured Parties (as such term is defined in the Term Loan DIP Term Sheet) under the DIP Orders. No enforcement rights set forth in clauses (I) and (J) above shall be exercised prior to the Bankruptcy Court holding an Enforcement Hearing, subject to Bankruptcy Court availability, and the expiration of the Remedies Notice Period, and the Remedies Notice Period shall not expire until the conclusion of the Enforcement Hearing and the issuance of a ruling by the Bankruptcy Court if such Enforcement Hearing is conducted by the Bankruptcy Court. Furthermore, upon the occurrence and during the continuation of an Event of Default, the ABL DIP Agent shall have the right, subject only to any separate applicable agreement between landlord and ABL DIP Agent, to enter upon any leased premises of the Debtors or any other party for the purpose of exercising

	any remedy with respect to ABL DIP Collateral located thereon and shall be entitled to all of the Debtors' rights and privileges as lessee under such lease without interference from the landlords thereunder.
Stipulations, Waivers, Releases and Protections	1. Upon entry of the Interim DIP Order, the Debtors shall waive any right to surcharge the DIP Collateral with respect to the ABL DIP Secured Parties. 2. Upon entry of the Interim DIP Order, the Debtors shall waive the equitable doctrine of "marshaling" against the DIP Collateral with respect to the ABL DIP Secured Parties. 3. The Debtors shall waive any right that they may have to seek further authority (a) to use Cash Collateral other than as provided in the DIP Order, (b) to obtain post-petition loans or other financial accommodations pursuant to Section 364(c) or 364(d) of the Bankruptcy Code that does not provide for the indefeasible repayment in full of all Prepetition ABL Obligations and ABL DIP Obligations in cash at the time any such post-petition loans or financial accommodations are provided, extended or otherwise made available to Debtors, (c) to challenge the application of any payments authorized by the Interim DIP Order as pursuant to Section 506(b) of the Bankruptcy Code, or (d) to seek relief under the Bankruptcy Code, including without limitation, under Section 105 of the Bankruptcy Code, to the extent any such relief would in any way restrict or impair the rights and remedies of the ABL DIP Agent or any of the ABL DIP Secured Parties or the ABL DIP Agent's or any of the ABL DIP Secured Parties' exercise of such rights or remedies. 4. The Debtors shall waive, subject to "Challenge Rights", and forever release and discharge any and all claims and causes of action against each of the ABL DIP Secured Parties (and their respective related parties and representatives) as of the date of the applicable DIP Order. 5. No Cash Collateral, proceeds of the ABL DIP Facility, or any cash or other amounts may be used to (a) investigate, challenge, object to or contest the extent, validity, enforceability, security, perfection or priority of any of the the Prepetition ABL Liens, the Prepetition ABL Obligations, ABL DIP Liens or ABL DIP Obligations, (b) investigate or initiate any claim or cause of action against any of the Prepetition ABL Secured Parties or the ABL DIP Secured Parties, (c) object to or seek to prevent, hinder or delay or take any action to adversely affect the rights or remedies of the ABL DIP Secured Parties, (d) seek to approve superpriority claims or grant liens or security interests (other than those expressly permitted under the ABL DIP Documents and the DIP Orders) that are senior to or *pari passu* with the ABL DIP Liens, ABL DIP Superpriority Claims, or the adequate protection liens or claims granted hereunder, or (e) propose, support or have a plan of reorganization or liquidation that does not provide for Payment in Full of

	all Prepetition ABL Obligations and DIP ABL Obligations in cash (provided that such payment may, in the case of any ABL DIP Lender who agrees to participate in any "exit financing", take the form of a cashless roll-up into such new "exit financing" and not cash; provided further that, to the extent any ABL DIP Lender does not participate or provide commitment to "exit financing", such payment shall be made in full in cash and that ABL DIP Lender's commitment shall be terminated) on or before the Effective Date of such plan in accordance with the terms and conditions contained herein without the prior written consent of the ABL DIP Required Lenders. 6. The ABL DIP Secured Parties shall have the unqualified right to credit bid all ABL DIP Obligations, in each case, subject to the DIP Intercreditor Arrangements or the Existing ABL Intercreditor Agreement, as applicable. 7. The ABL DIP Secured Parties shall be entitled to good faith protection under Section 364(e) of the Bankruptcy Code.
Expenses and Indemnification	The DIP ABL Credit Agreement shall provide for the payment of all costs and expenses of the ABL DIP Agent and the ABL DIP Lenders, including, without limitation, the payment of all reasonable and documented fees and expenses of the ABL DIP Lender Advisors. The DIP ABL Credit Agreement shall also provide for customary indemnification by each of the Loan Parties, on a joint and several basis, of each of the ABL DIP Secured Parties (together with their related parties and representatives).
Assignments and Participations	The DIP ABL Credit Agreement shall contain assignment and participation provisions that are usual and customary for financings of this type and as determined in accordance with the Documentation Principles. Each assignment or participation of ABL DIP Loans shall be subject to a right of first refusal for the benefit of the initial ABL DIP Lenders providing ABL DIP Commitments.
Required ABL DIP Lenders	"**Required ABL DIP Lenders**" shall mean ABL DIP Lenders holding greater than 50% of the aggregate amount of ABL DIP Commitments and ABL DIP Loans; provided that if there are two or more ABL DIP Lenders that are not Affiliates of each other, an affirmative vote of the "Required ABL DIP Lenders" shall require the affirmative vote of no fewer than two ABL DIP Lenders that are not Affiliates of each other.
Amendments	Amendments shall require the consent of the Required ABL DIP Lenders consistent with the consent required by the Prepetition ABL Credit Agreement, except for amendments customarily requiring approval by affected ABL DIP Lenders under the ABL DIP Facility.
Governing Law	This Term Sheet and the ABL DIP Documents will be governed by the laws of

	the State of New York (except as otherwise set forth therein). The Bankruptcy Court shall maintain exclusive jurisdiction with respect to the interpretation and enforcement of the ABL DIP Documents and the exercise of the remedies by the ABL DIP Secured Parties and preservation of the value of the DIP Collateral.
ABL DIP Lender Advisors	Otterbourg P.C., as counsel to the ABL DIP Agent and the ABL DIP Lenders and M3 Advisory Partners, LP as financial advisor to the ABL DIP Agent and the ABL DIP Lenders (the "**ABL DIP Lender Advisors**").

Annex I

Conditions Precedent to Closing and the Initial Borrowing

The Closing Date under the ABL DIP Facility, and the initial borrowing thereunder, shall be subject to the following conditions:

(i) the Bankruptcy Court shall have entered the Interim DIP Order, and the Interim DIP Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed without the prior written consent of the Required ABL DIP Lenders;

(ii) the preparation, authorization and execution of the ABL DIP Documents with respect to the ABL DIP Facility, in form and substance consistent with this Term Sheet and otherwise acceptable to the Loan Parties, the ABL DIP Lenders and the ABL DIP Agent;

(iii) the ABL DIP Lenders and the ABL DIP Agent shall have received and approved the Initial Budget;

(iv) the delivery of customary legal opinions, which shall be satisfactory to the ABL DIP Agent and the ABL DIP Lenders;

(v) the delivery of (i) a secretary's (or other officer's) certificate of the Borrowers and each of the other Loan Parties, dated as of the Closing Date and in such form as is customary for the jurisdiction in which the relevant Loan Party is organized, with appropriate insertions and attachments (including good standing certificates); and (ii) a customary closing officer's certificate of the Borrower;

(vi) the preparation, authorization and execution of the Term DIP Documents with respect to the Term Loan DIP Facility, the Term Loan DIP Facility shall be in full force and effect and there shall not be a default or event of default thereunder, and Borrowers shall receive not less than $145,000,000 in gross proceeds of loans and a further $70,000,000 of gross proceeds of loans to be funded into escrow, in each case, under the Term DIP Documents, and not less than $75,000,000 of such net proceeds shall be paid to the ABL DIP Agent on the Closing Date to repay the revolving loans under the Prepetition ABL Facility (without a corresponding reduction in commitments thereunder);

(vii) all premiums, payments, fees, costs and expenses (including, without limitation, the fees and expenses of the ABL DIP Lender Advisors and all other counsel, financial advisors and other professionals of the ABL DIP Lenders and ABL DIP Agent (whether incurred before or after the Petition Date) to the extent earned, due and owing, and including estimated fees and expenses through the Closing Date) shall have been paid;

(viii) ABL DIP Agent shall have received at least five (5) Business Days prior to the Closing Date all documentation and information as is reasonably requested by ABL DIP Agent that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations in applicable jurisdictions, including, without limitation, the PATRIOT Act and Beneficial Ownership Regulation, in each case to the extent requested in writing at least seven (7) Business Days prior to the Closing Date, provided, that, the Loan Parties will use reasonable efforts to promptly provide any additional information requested thereafter;

(ix) the ABL DIP Agent shall have a fully perfected lien on the DIP Collateral to the extent required by the ABL DIP Documents and the Interim DIP Order, having the priorities set forth in the Interim DIP Order;

(x) each Uniform Commercial Code financing statement and each intellectual property security

agreement required by the ABL DIP Documents to be filed in order to create in favor of the ABL DIP Agent a perfected lien on the DIP Collateral having the priorities set forth in the DIP Orders shall have been filed;

(xi) all first day motions filed by the Loan Parties on the Petition Date and related orders entered by the Bankruptcy Court in the Chapter 11 Cases (including any motions related to cash management or any critical vendor or supplier motions) shall be in form and substance reasonably satisfactory to the Required ABL DIP Lenders;

(xii) the Closing Date shall have occurred on or before the date that is five calendar days after the date of entry of the Interim DIP Order;

(xiii) other than in respect of any projections, estimates or information of a general or industry specific nature, there shall be no material misstatements in (or omissions of material facts necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements are made) the materials (when taken as a whole and after giving effect to any updates or supplements thereto) previously furnished to the ABL DIP Agent and the ABL DIP Secured Parties by the Loan Parties in connection with the transactions contemplated herein. The ABL DIP Agent shall not have become aware of any material information or other matter after the date of the Commitment Letter and prior to the Closing Date that is inconsistent in a material and adverse manner with any previous due diligence, information or matter (including any financial information) in connection with the transactions contemplated herein;

(xiv) after giving effect to the transactions occurring on the Closing Date, there shall be no default or event of default under the Prepetition ABL Credit Agreement as amended by the Ratification and Amendment Agreement;

(xv) The amount of the opening Excess Availability (to be defined in a manner consistent with the Prepetition ABL Facility), but excluding any Qualified Cash in the determination of such Excess Availability, as calculated after giving effect to any credit extensions under the ABL DIP Facility, the repayment of any credit extensions under the ABL DIP Facility with the proceeds of the Term Loan DIP Facility and after provision for payment of all fees and expenses of the transactions paid or payable on or about the Closing Date, shall be not less than $35,000,000; and

(xvi) ABL DIP Agent shall have received, in form and substance reasonably satisfactory to ABL DIP Agent, an updated Borrowing Base Certificate which calculates the Borrowing Base as of February 29, 2024.

Conditions Precedent to Each Credit Extension

In addition to the conditions precedent noted above, each borrowing or other credit extension under the ABL DIP Facility shall be subject to the following conditions:

(i) the Bankruptcy Court shall have entered the Interim DIP Order or the Final DIP Order;

(ii) the representations and warranties set forth in the ABL DIP Documents shall be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or material adverse effect, in all respects) as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or material adverse effect, in all respects) as of such earlier date);

(iii) at the time of and immediately after any such borrowing, no default or event of default under the DIP ABL Credit Agreement shall have occurred and be continuing or would result therefrom;

(iv) the ABL DIP Agent shall have received a signed borrowing request from the relevant Borrower; and

(v) at the time of and immediately after such borrowing, Availability (to be defined in a manner consistent with the Prepetition ABL Facility) is not less than $0.

Annex II

Interest and Certain Payments

Interest Rate:	At the option of the Borrowers, the ABL DIP Loans and Swingline Loans shall bear interest at a rate per annum equal to (i) the Adjusted SOFR Rate (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) (subject to a floor of 0.00%) plus the Applicable Rate or (ii) ABR (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) (subject to a floor of 0.00%) plus the Applicable Rate. "**Applicable Rate**" means 2.75% in the case of ABR Loans and 3.75% in the case of SOFR Loans.
Interest Payment Dates:	Interest on ABR Loans and SOFR Loans shall be payable on the last business day of each month in arrears; other interest payment dates shall be consistent with the Prepetition ABL Facility.
Non-Use Fee:	A payment equal to 0.50% per annum on the undrawn ABL DIP Commitments under the ABL DIP Facility, which shall be paid monthly.
Letter of Credit Fees:	Consistent with the Prepetition ABL Facility.
Default Rate:	Consistent with the Prepetition ABL Facility.
Rate Computation and Payment Basis:	Consistent with the Prepetition ABL Facility.
Arrangement Fees	Consistent with Fee Letter between Loan Parties and ABL DIP Agent.
Structuring Fees:	$2,500,000 Structuring Fee to be shared pro rata with all ABL DIP Lenders
Other Fees and Charges:	Consistent with the Prepetition ABL Facility.

* * *

Annex III

Priority	DIP Collateral (other than Avoidance Action Proceeds) that constitutes ABL Priority Collateral or that would otherwise constitute ABL Priority Collateral	DIP Collateral (other than Avoidance Action Proceeds) that constitutes Term Loan Priority Collateral or that would otherwise constitute Term Loan Priority Collateral	DIP Collateral that constitutes Avoidance Action Proceeds
First	Carve Out and Permitted Liens described in clause (B) of the definition thereof	Carve Out and Permitted Liens	Carve Out
Second	ABL DIP Liens ABL DIP Superiority Claims	Term DIP Liens Term DIP Superpriority Claims	ABL DIP Liens and Term DIP Liens, on a *pari passu* basis ABL DIP Superiority Claims and Term DIP Superpriority Claims, on a *pari passu* basis
Third	Prepetition ABL Adequate Protection Liens Prepetition ABL Adequate Protection Claims	First Lien Adequate Protection Liens First Lien Adequate Protection Claims	Prepetition ABL Adequate Protection Liens and First Lien Adequate Protection Liens, on a *pari passu* basis Prepetition ABL Adequate Protection Claims and First Lien Adequate Protection Claims, on a *pari passu* basis
Fourth	Prepetition ABL Liens Prepetition ABL Claims	Prepetition First Lien Liens Prepetition First Lien Claims	N/A
Fifth	Term DIP Liens Term DIP Superpriority Claims	Second Lien Adequate Protection Liens Second Lien Adequate Protection Claims	N/A

Sixth	First Lien Adequate Protection Liens First Lien Adequate Protection Claims	Prepetition Second Lien Liens Prepetition Second Lien Claims	N/A
Seventh	Prepetition First Lien Liens Prepetition First Lien Claims	ABL DIP Liens ABL DIP Superpriority Claims	N/A
Eighth	Second Lien Adequate Protection Liens Second Lien Adequate Protection Claims	Prepetition ABL Adequate Protection Liens Prepetition ABL Adequate Protection Claims	N/A
Ninth	Prepetition Second Lien Liens Prepetition Second Lien Claims	Prepetition ABL Liens Prepetition ABL Claims	

Exhibit 2

Term DIP Term Sheet

CONVERGEONE HOLDINGS, INC., ET AL.
$215 MILLION SUPER-PRIORITY SENIOR SECURED
DEBTOR-IN-POSSESSION CREDIT FACILITY

The terms set forth in this Summary of Principal Terms and Conditions (the "Term DIP Term Sheet") are being provided on a confidential basis as part of a comprehensive proposal, each element of which is consideration for the other elements and an integral aspect of the proposed Term DIP Facility (as defined below). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Restructuring Support Agreement (the "RSA") or the Restructuring Term Sheet (the "RTS"), as applicable.

Summary of Proposed Terms and Conditions

Term DIP Facility:	A super-priority senior secured debtor-in-possession term loan facility in an aggregate principal amount of $215 million (the "Term DIP Facility"; the Term DIP Lenders' commitments thereunder, the "Term DIP Commitments"; the loans thereunder, the "Term DIP Loans" and, together with the Term DIP Commitments, the "Term DIP Loan Exposure"; the Term DIP Lenders' claims thereunder, the "Term DIP Superpriority Claims"; and the proceeds received by the Borrower from the Term DIP Loans, the "Term DIP Proceeds"), subject to the terms and conditions set forth in this Term DIP Term Sheet and the Term DIP Loan Documents (as defined below). The Term DIP Loans will be available to be made in two draws, with the first draw being in an amount equal to $145 million and occurring substantially concurrently with the entry of the Interim DIP Order (the "Initial Draw") and the second draw being in an amount equal to $70 million and occurring at the same time as the Initial Draw with net proceeds funded into escrow as provided below with the release of such proceeds from escrow to occur upon entry of the Final DIP Order and satisfaction of the applicable conditions precedent set forth herein (the "Second Draw"); provided that the portion of the Term DIP Facility attributable to the Second Draw shall be funded into escrow substantially concurrently with the funding of the Initial Draw (such portion of the Term Facility, the "Escrowed Amount" and the agent in connection with the escrow arrangements, the "Escrow Agent") subject to escrow arrangements consistent with this Term Sheet and otherwise reasonably satisfactory to the Borrower and the Required Term DIP Lenders. The Escrowed Amount shall accrue interest and fees, commencing with the funding into escrow thereof.
ABL DIP Facility:	The Term DIP Loan Documents shall permit the Debtors to incur the ABL DIP Facility on terms and conditions acceptable to the Required Term DIP Lenders, it being understood and agreed that the terms and conditions set forth in the ABL DIP Facility Term Sheet attached to the fully executed RSA shall be deemed to be acceptable to the Required Term DIP Lenders.
Relevant Prepetition Debt and Documents:	That certain First Lien Term Loan Credit Agreement, dated as of January 4, 2019 (as amended, restated, amended and restated, modified, or otherwise supplemented from time to time, the "First Lien Credit Agreement"), by and among, PVKG Intermediate Holdings, Inc. as holdings, ConvergeOne Holdings, Inc., as borrower, Deutsch Bank AG New York Branch, as

administrative agent, and the lenders party thereto from time to time (the "First Lien Term Loan Lenders");

That certain Note Purchase Agreement, dated as of July 10, 2020 (as amended, restated, amended and restated, modified, or otherwise supplemented from time to time, the "First Lien KL Note Purchase Agreement"), by and among, PVKG Intermediate Holdings, Inc. as holdings, ConvergeOne Holdings, Inc., as issuer, Deutsch Bank Trust Company Americas, as administrative agent, and the holders party thereto from time to time (the "KL Noteholder");

That certain Note Purchase Agreement, dated as of July 6, 2023 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "First Lien CVC Note Purchase Agreement," and together with the First Lien Credit Agreement and the First Lien KL Note Purchase Agreement, the "First Lien Debt Agreements" the obligations thereunder, the "Prepetition First Lien Claims," and the liens related thereto, the "Prepetition First Lien Liens") among ConvergeOne Holdings, Inc., PVKG Intermediate Holdings Inc., PVKG Investment Holdings, Inc., as administrative agent and collateral agent, and the holders party thereto from time to time (the "CVC Noteholder," and together with the First Lien Term Loan Lenders and the KL Noteholder, the "First Lien Lenders");

That certain senior secured asset-based revolving credit facility made available to the Company and the other borrowers thereunder pursuant to that certain Amended and Restated ABL Credit Agreement (the "Prepetition ABL Credit Agreement"), dated as of January 4, 2019 (as amended by Amendment No. 1 to Amended and Restated ABL Credit Agreement, dated as of July 10, 2022, Amendment No. 2 to Amended and Restated ABL Credit Agreement, dated as of September 14, 2022, Amendment No. 3 to Amended and Restated ABL Credit Agreement, dated as of January 23, 2023 and Amendment No. 4 to Amended and Restated ABL Credit Agreement, dated as of August 29, 2023) among ConvergeOne Holdings, Inc., PVKG Intermediate Holdings, Inc., Wells Fargo Commercial Distribution Finance, as administrative agent, collateral agent, floorplan funding agent and swing line lender, and the lenders party thereto (the "Prepetition ABL Lenders") (as amended, restated, supplemented or otherwise modified from time to time, the "Prepetition ABL Facility," the liens thereunder, the "Prepetition ABL Liens," and the claims thereunder, the "Prepetition ABL Claims");

That certain Second Lien Term Loan Credit Agreement, dated as of January 4, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time the "Second Lien Credit Agreement" and the claims thereunder, the "Prepetition Second Lien Claims") by and among ConvergeOne Holdings, Inc., PVKG Intermediate Holdings Inc., UBS AG, Stamford Branch, as administrative agent and collateral agent, and the lenders party thereto from time to time (the "Second Lien Term Loan Lenders");

	That certain ABL Intercreditor Agreement dated as of January 4, 2019 (as amended, restated, amended and restated, modified, or otherwise supplemented from time to time, the "ABL Intercreditor Agreement") among, *inter alios*, Wells Fargo Commercial Distribution Finance, LLC, as the ABL Agent, Deutsche Bank AG New York Branch, as the Initial Senior Lien Term Loan Agent, and UBS AG, Stamford Branch, as the Initial Junior Lien Term Loan Agent; and That certain First Lien Pari Passu Intercreditor Agreement dated as of July 10, 2020 (as amended, restated, amended and restated, modified, or otherwise supplemented from time to time) among, *inter alios*, Deutsche Bank AG New York Branch, as Initial First Lien Representative and Initial First Lien Collateral Agent, and Deutsche Bank Trust Company Americas, as the Initial Other Representative and Initial Other Collateral Agent.
Borrower:	ConvergeOne Holdings, Inc. (the "Borrower"), as a debtor and debtor-in-possession in a case under chapter 11 of the Bankruptcy Code to be filed in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") contemporaneously and jointly-administered with the other Chapter 11 Cases (the date of filing of the Chapter 11 Cases, the "Petition Date").
Guarantors:	Each of the guarantors under the First Lien Debt Agreements, which are debtors and debtors-in-possession in the Chapter 11 Cases (collectively, the "Guarantors"). All obligations of the Borrower under the Term DIP Facility will be unconditionally guaranteed on a joint and several basis by the Guarantors. The Borrower and the Guarantors are referred to herein as "Loan Parties" and each, a "Loan Party", or as "Debtors" and each, a "Debtor."
Administrative Agent/Administrative Agent Fee:	A financial institution acceptable to the Required Term DIP Lenders (as defined below) (in such capacity, the "Term DIP Agent"). The Term DIP Agent shall be paid an annual agency fee to be agreed by the Term DIP Agent, the Borrower and the Required Term DIP Lenders.
Term DIP Lenders:	Each of the entities set forth on Annex 1 hereto, which entities are either members of the First Lien Ad Hoc Group represented by Gibson, Dunn & Crutcher LLP ("Gibson") and PJT Partners ("PJT"), the CVC Noteholder or an entity that is related to or affiliated with any of the foregoing (collectively, the "Term DIP Lenders" and each, a "Term DIP Lender") that commits to provide the amount of the Term DIP Facility set forth opposite its name on Annex 1. For the avoidance of doubt, CVC Noteholder's principal and accrued interest holdings under the First Lien Debt Agreements on the Petition Date shall be deemed to be $213 million in the aggregate. Each Term DIP Lender may participate in the Term DIP Facility on behalf of some or all accounts and funds managed by such Term DIP Lender and

some or all accounts and funds managed by the investment manager, or any affiliate of the investment manager, of such Term DIP Lender or any other affiliate of such Term DIP Lender (any such managed account or fund, or affiliate, a "Lender Affiliate"), and may allocate its Term DIP Commitments among Lender Affiliates in its sole discretion; provided that any such Lender Affiliate to which any such allocation is made shall immediately become a party to the RSA and commit to provide its applicable portion of the Term DIP Facility; provided further that any Term DIP Lender may elect to participate in the Term DIP Facility, initially, through a fronting lender and any associated fees and expenses in connection with such fronting arrangement shall be paid out of the Term DIP Proceeds.

"Required Term DIP Lenders" means one or more Term DIP Lenders holding at least 50.1% of the aggregate Term DIP Loan Exposure.

Term DIP Premiums: The following premiums shall be applicable to all Term DIP Loans (the "Term DIP Premiums"):

- "Term DIP Commitment Premium": a premium totaling 7.00% of the Term DIP Loans, payable in-kind in the form of additional Term DIP Loans to all Term DIP Lenders on a *Pro Rata* basis, earned and payable upon entry of the Interim DIP Order.

- "Term DIP Exit Premium": a premium totaling 3.00% of the Term DIP Loans (inclusive of the capitalized Term DIP Commitment Premium), payable in-kind in the form of additional Term DIP Loans to all Term DIP Lenders on a *Pro Rata* basis, earned upon entry of the Interim DIP Order and payable upon, but immediately prior to the occurrence of, the earlier of the Plan Effective Date or the Maturity Date (defined below).

Maturity: All obligations under the Term DIP Loan Documents (collectively, the "Term DIP Obligations") will be due and payable in full in cash (subject to the DIP Term Loan Rights (defined below)) on the earliest of: (i) the date that is six months after the Closing Date (as defined below); (ii) the date of acceleration of the Term DIP Loans pursuant to the terms of the Term DIP Credit Agreement and the other Term DIP Loan Documents; (iii) the date the Bankruptcy Court orders a conversion of any Chapter 11 Case to a chapter 7 liquidation or the dismissal of the Chapter 11 Case of any Debtor; (iv) the substantial consummation of a plan of reorganization or liquidation of the Debtors, which has been confirmed by an order entered by the Bankruptcy Court (the "Plan"); (v) the appointment of a chapter 11 trustee or other Bankruptcy Court-mandated fiduciary with decision-making authority (including an examiner with expanded powers), (vi) the date of consummation of a sale of all or substantially all of the Debtors' assets, and (vii) the date of the Milestone relating to entry of the Final DIP Oder, to the extent the Final DIP Order is not entered into on or prior to such date (the earliest date to occur, the "Maturity Date").

On the Maturity Date, the Term DIP Loan Obligations shall be paid in full in cash; provided, however, that for convenience purposes in the event of a Maturity Date triggered pursuant to clause (iv) above as a result of the consummation of the Plan that is consistent with the RSA and acceptable to the Required Term DIP Lenders, then (such options (i) and (ii) below, collectively, the "DIP Term Loan Rights")

(i) each Term DIP Lender that is, or is a Lender Affiliate of, or is related to, (A) an Initial First Lien Ad Hoc Group Member, (B) CVC Noteholder, or (C) a Subsequent First Lien Ad Hoc Group Member (in each case, at its sole option) shall be entitled to exchange some or all of the Allocated Portion (defined below) of its Term DIP Obligations, on a dollar for dollar basis, for New Equity Interests pursuant to the terms of the Rights Offering, Backstop Commitment and Direct Investment (with the remainder of such Term DIP Obligations to be satisfied in cash), and

(ii) each Term DIP Lender that is, or is a Lender Affiliate of, or is related to, a Subsequent First Lien Ad Hoc Group Member (A) shall be entitled (at its sole option) to exchange the Allocated Portion (defined below) of its Term DIP Obligations, on a dollar for dollar basis, for Takeback Term Loans (with the remainder of such Term DIP Obligations to be satisfied in cash), and (B) any Subsequent First Lien Ad Hoc Group Member that is a Term DIP Lender or is a Lender Affiliate thereof of is related thereto, that elects the option described in clause (A), shall utilize the Takeback Term Loan recovery portion of its First Lien Claims as currency, on a dollar for dollar basis, for New Equity Interests issuable under and pursuant to the terms of the Rights Offering, Backstop Commitment and Direct Investment (whether in their capacities as Investors or Eligible Offerees).

For purposes of the foregoing, the "Allocated Portion" shall mean Term DIP Obligations in an amount equal to the Rights, Direct Investment and Backstop Commitment (as each such term is defined in the Plan or the Rights Offering Term Sheet) that are allocated to an applicable Term DIP Lender under the Plan and the Backstop Agreement as either an Investor or Eligible Offeree; provided that, in the case of the Subsequent First Lien Ad Hoc Group Members, the amount of Term DIP Obligations exchanged for New Equity Interests and Takeback Term Loans pursuant to clauses (i) and (ii) above, respectively, on an aggregate basis, shall not exceed such Subsequent First Lien Ad Hoc Group Member's respective Allocated Portion.

Use of Proceeds: Solely in accordance with and subject to the Approved Budget ((as defined below) subject to Permitted Variances), and the DIP Orders, the Term DIP Proceeds may be used only (i) to pay down Loans under the Prepetition ABL Facility (without a corresponding reduction in commitments thereunder), (ii) to pay reasonable and documented transaction and administrative costs, fees and expenses that are incurred in connection with the Chapter 11 Cases (including payments benefiting from the Carve Out), (iii) for working capital and general corporate purposes of the Loan Parties, and (iv) for such other purposes as may be detailed in the Approved Budget

(subject to Permitted Variances).

Interest: Interest on the Term DIP Loans shall be payable in cash at the end of each month in arrears. At all times prior to the occurrence of an Event of Default (as defined below), interest on the outstanding principal amount of the Term DIP Loans shall accrue at a rate equal to SOFR + 8.00% *per annum* (subject to a SOFR floor of 4.00%).

Interest shall be calculated on the basis of the actual number of days elapsed in a 360 day year.

Default Interest: During the continuance of an Event of Default, the Term DIP Loans will bear interest at an additional 2.00% *per annum* and any overdue amounts (including overdue interest and fees) will bear interest at the applicable non-default interest rate plus an additional 2.00% *per annum*. Default interest shall be payable in cash on demand.

Permitted Liens:

(A) Any valid liens ("Permitted Prior Liens") that are (1) in existence on the Petition Date, (2) are either perfected as of the Petition Date or perfected subsequent to the Petition Date under section 546(b) of the Bankruptcy Code, (3) senior in priority to the ABL Liens, (4) non-avoidable under the Bankruptcy Code or other applicable law, and (5) are permitted to be incurred under the Prepetition ABL Facility; and

(B) liens permitted to have seniority over the Term DIP Liens (as defined below) securing the Term DIP Facility as specified in the Term DIP Credit Agreement (the liens referenced in (A) and (B) above, collectively, the "Permitted Liens").

Collateral: The Term DIP Obligations shall constitute claims against each Loan Party entitled to the benefits of Bankruptcy Code section 364(c)(1), having super-priority over any and all administrative expenses and claims, of any kind or nature whatsoever, and subject to the priorities set forth in **Annex 2** attached hereto.

The Term DIP Facility shall be secured by (collectively, the "DIP Collateral," and the liens thereon, the "Term DIP Liens") (i) a first priority lien on all unencumbered assets of the Loan Parties (except for all claims and causes of action arising under Chapter 5 of the Bankruptcy Code ("Avoidance Actions"), but including, upon entry of the Final DIP Order, the proceeds of property recovered, whether by judgment, settlement or otherwise from Avoidance Actions ("Avoidance Action Proceeds")) (collectively, "Unencumbered Property"), which Term DIP Liens in Unencumbered Property shall be pari passu with any ABL DIP Liens (as defined below) in Unencumbered Property but subject to the priorities set forth in Annex 2 attached hereto, (ii) a priming first priority lien on all assets currently securing the First Lien Debt Agreements that constitute Term Loan Priority Collateral (as defined in the ABL Intercreditor Agreement), subject only to Permitted Liens and (iii) a priming junior priority lien on all assets currently securing the First Lien Credit Agreement that constitute ABL Priority Collateral (as defined in the ABL Intercreditor

Agreement), subject only to Permitted Liens, the Prepetition ABL Facility and any super priority debtor-in-possession asset-based loan credit facility provided by the Prepetition ABL Lenders that is consented to by the Required Term DIP Lenders (an "ABL DIP Facility," and the liens and claims thereunder, the "ABL DIP Liens" and "ABL DIP Superpriority Claims," respectively), all subject to the Carve-Out and the priorities set forth in **Annex 2** attached hereto; *provided,* that DIP Collateral shall exclude Excluded Assets but shall include any and all proceeds and products of Excluded Assets, unless such proceeds and products otherwise separately constitute Excluded Assets.

"Excluded Assets" shall be defined in a manner customary for facilities of this type and shall be based on such definition in the First Lien credit Agreement (it being understood and agreed that the definition of "Excluded Assets" shall include equity interests in excess of 65% of the issued and outstanding equity interests of non-U.S. subsidiaries but shall exclude all owned real property of the Loan Parties).

Covenants, Etc.:

The Term DIP Loan Documents will contain representations, warranties, reporting requirements, mandatory prepayment requirements, voluntary prepayment requirements, affirmative covenants, negative covenants, and "sacred rights" based on the First Lien Credit Agreement (and consistent with the consent rights of the RSA) with the following modifications and such other modifications consistent with debtor-in-possession facilities of this type and in form and substance acceptable to the Company and the Required Term DIP Lenders:

(i) update meetings and/or calls with the Debtors' senior management and advisors, the Term DIP Advisors and the Term DIP Lenders every two weeks (or to the extent requested by the Term DIP Advisors, every week), which update calls may cover the Debtors' financial performance and the other documentation provided pursuant to the reporting covenant described below,

(ii) delivery of internal management prepared unaudited monthly financial statements, including an income statement for such month, balance sheet as of the end of such month and a cash flow statement for such month, within 30 days of month-end (the "Monthly Reports"),

(iii) a rolling 13-week cash flow forecast (the "DIP Budget") in form and substance satisfactory to the Required Term DIP Lenders delivered on or prior to the Petition Date initially covering the period commencing on or about the Petition Date (the "Initial DIP Budget"), which reflects on a line-item basis, the Debtors' (a) weekly projected cash receipts ("Budgeted Cash Receipts"), (b) weekly projected disbursements (including ordinary course operating expenses, capital expenditures and bankruptcy related expenses) under the Chapter 11 Cases ("Budgeted Disbursement Amounts") and (c) the weekly projected liquidity of the Debtors, and which shall be updated on the first Wednesday that is two full weeks after the Petition Date and every two weeks thereafter, which such proposed updated DIP Budget shall modify and supersede any prior agreed DIP Budget unless the Required

Term DIP Lenders, through counsel or otherwise, notify the Loan Parties in writing that such proposed DIP Budget is not in form and substance satisfactory to the Required Term DIP Lenders within five business days after receipt thereof, in which case the existing Approved Budget shall remain in effect until superseded by an updated DIP Budget in form and substance satisfactory to the Required Term DIP Lenders (as so updated, each an "Approved Budget"),

(iv) on each Wednesday following each Variance Testing Period (beginning with the first Wednesday following the first Variance Testing Period), the delivery to the Term DIP Advisors of a variance report, which reflects for the applicable Variance Testing Period (defined below), (a) all variances, on a line item by line item basis and a cumulative basis, from the Budgeted Cash Receipts and the Budgeted Disbursement Amounts for such period as set forth in the Approved Budget as in effect for such period, (b) containing an indication as to whether each variance is temporary or permanent and analysis and explanations for all material variances, (c) certifying compliance or non-compliance with the Permitted Variances (defined below), and (d) including explanations for all violations, if any, of such covenant and if any such violation exists, setting forth the actions which the Debtors have taken or intend to take with respect thereto (each, a "Variance Report"),

(v) the requirement to satisfy the Milestones set forth in the RTS;

(vi) compliance with the DIP Orders; and

(vii) such other financial reporting readily available to the Debtors and reasonably requested by the Term DIP Agent or any Term DIP Lender, including, if requested by any Term DIP Lender, deliver to each requesting Term DIP Lender monthly bookings and backlog reports.

"Variance Testing Period" shall mean (i) initially, the two-week period ending on the Friday of the second calendar week occurring after the Petition Date, and (ii) thereafter, each rolling two-week period ending on Friday of every second calendar week.

Financial Covenants: Financial covenants and tests will be limited to:

(i) Variances against the Approved Budget not to exceed the following permitted variances, with the covenant tested on a cumulative rolling two-week basis at the delivery of each Variance Report (collectively, the "Permitted Variances"):

- Aggregate receipts for the Variance Testing Period shall not be less than 85% of the Budgeted Cash Receipts for such Variance Testing Period;

- Aggregate disbursements (including ordinary course operating expenses, capital expenditures and bankruptcy related expenses but excluding professional fees and expenses and any costs or cash

collateralization associated with surety bonds) for the Variance Testing Period shall not be greater than 115% of the Budgeted Disbursement Amounts for such Variance Testing Period.

(ii) Minimum Liquidity (which shall be defined as the sum of (i) all cash and cash equivalents of Loan Parties plus (ii) Excess Availability (to be defined in a manner consistent with the Prepetition ABL Credit Agreement but excluding Qualified Cash (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) from the calculation of Excess Availability) of $20,000,000.

Events of Default:

The Term DIP Loan Documents will contain events of default based on those set forth in the First Lien Credit Agreement as well as additional events of default customarily found in loan documents for similar debtor-in-possession financing and other events of default agreed among the Debtors and the Required Term DIP Lenders, including without limitation (a) any request made by the Debtors for, or the reversal, modification, amendment, stay, reconsideration or vacatur of a DIP Order, as entered by the Bankruptcy Court which adversely affects the Term DIP Lenders, without the prior written consent of the Required Term DIP Lenders, (b) the occurrence and continuance of an "Event of Default" under the ABL DIP Facility, (c) the allowance of any superpriority claim arising under section 507(b) of the Bankruptcy Code which is pari passu with (other than the superpriority claims of the ABL DIP Facility) or senior to those of the Term DIP Agent and the Term DIP Lenders; (d) the dismissal of the Chapter 11 Cases, or conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (e) the termination of the RSA and (f) the filing of any Plan that is inconsistent with the RSA unless consented to by the Required Term DIP Lenders.

Upon the occurrence and during the continuation of an Event of Default, subject to the Existing ABL Intercreditor Agreement, without further order from or application to the Bankruptcy Court, the automatic stay provisions of Section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the Term DIP Agent, acting at the request of the Required Term DIP Lenders, to (A) deliver to the Borrower a notice declaring the occurrence of an Event of Default, (B) declare the termination, reduction, or restriction of the commitments under the Term DIP Facility, (C) declare the Term DIP Loans then outstanding to be due and payable, (D) declare the termination, reduction or restriction on the ability of the Loan Parties to use any Cash Collateral, (E) terminate the Term DIP Facility, (F) charge the default rate of interest under the Term DIP Facility (which default rate shall be charged automatically in accordance with the terms of the Term DIP Facility), (G) freeze all monies in any deposit accounts of the Debtors, (H) exercise any and all rights of setoff, (I) exercise any other right or remedy with respect to the DIP Collateral or the Term DIP Liens, or (J) take any other action or exercise any other right or remedy permitted under the Term DIP Documents, the DIP Orders or applicable law; *provided, however*, that in the case of the enforcement of rights against the DIP Collateral pursuant to clauses (I) and (J) above, (i) the Term DIP Agent, acting at the request of the Required

Term DIP Lenders, shall provide counsel to the Loan Parties, counsel to the Official Committee, the ABL DIP Agent and the Office of the United States Trustee with five (5) Business Days' prior written notice (such period, the "Remedies Notice Period"). Immediately upon the expiration of the Remedies Notice Period, the Bankruptcy Court shall hold an emergency hearing when the Bankruptcy Court is available (the "Enforcement Hearing") at which the Debtors, any Official Committee, and/or any other party in interest shall be entitled to seek a determination from the Bankruptcy Court solely as to whether an Event of Default has occurred, and at the conclusion of the Enforcement Hearing, the Bankruptcy Court may fashion an appropriate remedy that is consistent with the terms of the DIP Orders; *provided*, that during the Remedies Notice Period, the Loan Parties shall be permitted to use Cash Collateral solely to fund expenses critically necessary to preserve the value of the Debtors' businesses, as determined by the Required Term DIP Lenders and the Required ABL DIP Lenders (as such term is defined in the ABL DIP Facility Term Sheet) in their sole discretion. Except as otherwise set forth in the DIP Orders or ordered by the Bankruptcy Court prior to the expiration of the Remedies Notice Period, after the Remedies Notice Period, the Loan Parties shall waive their right to and shall not be entitled to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the Term DIP Agent or Term DIP Lenders (together the "Term DIP Secured Parties") or the ABL DIP Secured Parties under the DIP Orders. No enforcement rights set forth in clauses (I) and (J) above shall be exercised prior to the Bankruptcy Court holding an Enforcement Hearing, subject to Bankruptcy Court availability, and the expiration of the Remedies Notice Period, and the Remedies Notice Period shall not expire until the conclusion of the Enforcement Hearing and the issuance of a ruling by the Bankruptcy Court.

Rating: The Loan Parties shall use commercially reasonable efforts to obtain a rating for the Term DIP Facility by Moody's and S&P within 120 days of entry of the Final DIP Order.

Term DIP Loan Documents: The Term DIP Facility will be documented by a Senior Secured Superpriority Debtor-in-Possession Term Loan Credit Agreement (the "Term DIP Credit Agreement") and other guarantee, security and loan documentation (together with the Term DIP Credit Agreement, the "Term DIP Loan Documents") in each case based on documentation related to the First Lien Credit Agreement (and the Loan Documents as defined thereunder) and shall reflect the terms and provisions set forth in this Term DIP Term Sheet and otherwise in form and substance satisfactory to the Required Term DIP Lenders.

Interim and Final DIP Orders: The Interim DIP Order, which shall be satisfactory in form and substance to the Term DIP Agent and the Required Term DIP Lenders, shall authorize and approve, among other matters to be agreed, (i) the Debtors' entry into the Term DIP Loan Documents, (ii) the making of the Term DIP Loans, (iii) the granting of the super-priority claims and liens against the Loan Parties and their assets as required by this Term DIP Term Sheet in

	accordance with the Term DIP Loan Documents with respect to the DIP Collateral, (iv) the granting of adequate protection as set forth below, (v) the Term DIP Premiums, (vi) the waivers and marshalling provisions set forth below, (vii) stipulations as to the amount, validity, enforceability, perfection and priority of the prepetition indebtedness, (viii) waiver of any requirement of the Term DIP Lenders and prepetition secured lenders to file any proof of claim, (ix) the "Carve Out" referenced and defined below, and (x) customary indemnification and payment of all fees and expenses of Gibson, as counsel to the Term DIP Lenders, Latham & Watkins LLP, as counsel to the CVC Noteholder, PJT, as financial advisor to the Term DIP Lenders, applicable local counsel, and other necessary advisors (collectively, the "Term DIP Advisors"), as well as advisors to the Term DIP Agent. The Final DIP Order shall be in form and substance satisfactory to the Required Term DIP Lenders (the Final DIP Order and the Interim DIP Order, collectively, the "DIP Orders").
Adequate Protection:	The DIP Orders shall approve customary adequate protection to be provided to the holders of Prepetition ABL Claims, Prepetition First Lien Claims and Prepetition Second Lien Claims (and the applicable Agents/Trustees on their behalf) to the extent of any diminution in value, including (i) replacement or new liens on the unencumbered and encumbered assets of the Loan Parties junior to the liens securing the Term DIP Facility and ABL DIP Facility (as applicable) (such liens, the "Prepetition ABL Adequate Protection Liens," the "First Lien Adequate Protection Liens" and the "Second Lien Adequate Protection Liens," as applicable), and (ii) super-priority claims against the Loan Parties as provided in section 507(b) of the Bankruptcy Code junior to the Term DIP Obligations and ABL DIP Obligations (as applicable) (such claims, the "Prepetition ABL Adequate Protection Claims," the "First Lien Adequate Protection Claims," and the "Second Lien Adequate Protection Claims", as applicable), subject in all cases to the Carve Out and the priorities set forth in **Annex 2** attached hereto, and (iii) with respect to the Prepetition ABL Claims and Prepetition First Lien Claims, delivery of the Monthly Reports, Initial Budget, and any updated DIP Budget via posting to the lender website maintained for the holders of Prepetition First Lien Claims.
Carve Out	The liens on and security interests of the Term DIP Lenders in the DIP Collateral, the adequate protection liens, and all super-priority administrative expense claims granted under the DIP Orders, shall be subject and subordinate to the Carve Out. For purposes hereof, "Carve Out" means, without duplication, an amount equal to 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 under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (the "Chapter 7 Trustee Carve-Out"); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all accrued and unpaid fees, disbursements, costs, and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to sections

327, 328, or 363 of the Bankruptcy Code (the "Debtors' Professionals") and to the extent set forth in the Budget as of the date of determination by the Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtors' Professionals, "Professional Persons") at any time before or on the first business day following delivery by the ABL DIP Agent or Term 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, less the amount of any retainers or other amounts held by any such Professional Person as of the Petition Date; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1,000,000 incurred after the first business day following delivery by the ABL DIP Agent or Term 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"). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the ABL DIP Agent or Term DIP Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, counsel to the Creditors' Committee, and the ABL DIP Agent and Term DIP Agent, as applicable, which notice may be delivered following the occurrence and during the continuation of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

Not later than 7:00 p.m. New York time on the Tuesday of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses incurred during the preceding week by such Professional Person (through Saturday of such week, the "Calculation Date") (collectively, "Estimated Fees and Expenses"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "Weekly Statement"); provided, that within one business day of the occurrence of the Termination Declaration Date, each Professional Person shall deliver one additional Weekly Statement (the "Final Statement") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date (and the Debtors shall cause such Weekly Statement and Final Statement to be delivered on the same day received to the ABL DIP Agent and Term DIP Agent). If any Professional Person fails to timely deliver a Weekly Statement within one business day after such Weekly Statement is due, such Professional Person shall not be entitled to any funds in the Carve Out Reserves with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period. The ABL DIP Agent shall at all times maintain a Reserve (as defined in the DIP ABL Credit Agreement (as such term is defined in the ABL DIP Facility Term Sheet)) in an amount equal to the Post-Carve Out

Trigger Notice Cap, plus the aggregate amount of projected fees for all Professional Persons set forth in the Approved Budget for the week subsequent to the date of determination for such Reserve; provided that nothing set forth herein shall limit the ability of the ABL DIP Agent to increase such reserve if ABL DIP Agent determines that the aggregate amount of Allowed Professional Fees are likely to exceed the amount set forth in the Approved Budget for such week.

Waivers; Marshaling

The Interim DIP Order shall provide for waivers of (i) section 506(c) and the "equities of the case" exception set forth in section 552 of the Bankruptcy Code and (ii) the doctrine of marshaling with respect to the Term DIP Loans and the DIP Collateral. The Final DIP Order shall provide for waivers of (i) section 506(c) and the "equities of the case" exception set forth in section 552 of the Bankruptcy Code and (ii) the doctrine of marshaling with respect to the Prepetition ABL Claims, the Prepetition First Lien Claims and the collateral securing the Prepetition ABL Obligations, the Prepetition First Lien Claims and the Prepetition Second Lien Claims.

Conditions Precedent to the Closing:

The closing date (the "Closing Date") under the Term DIP Facility shall be subject solely to the following conditions:

(i) execution and delivery of the Term DIP Credit Agreement and any other Term DIP Loan Document being executed and delivered on the Closing Date, in form and substance consistent with this Term Sheet and otherwise acceptable to the Loan Parties, the Term DIP Lenders, the Term DIP Agent and the Escrow Agent;

(ii) delivery of the Initial DIP Budget, in form and substance satisfactory to the Required Term DIP Lenders;

(iii) entry of the Interim DIP Order, and the Interim DIP Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed without the prior written consent of the Required Term DIP Lenders;

(iv) the payment of (x) all fees required to be paid on the Closing Date under the Term DIP Credit Agreement and the other Term DIP Loan Documents (including any applicable fee letters) and (y) all reasonable and documented fees and expenses of the Term DIP Advisors;

(v) delivery of a borrowing request;

(vi) the Chapter 11 Cases shall have been commenced by the Debtors and the same shall each be a debtor and a debtor in possession; the Chapter 11 Cases of the Debtors shall not have been dismissed or converted to cases under Chapter 7 of the Bankruptcy Code; no trustee under chapter 7 or chapter 11 of the Bankruptcy Code shall have been appointed in the Chapter 11 Cases;

(vii) delivery of a secretary's (or other officer's) certificate of the Loan Parties, dated as of the Closing Date and in such form as is customary for

the jurisdiction in which the relevant Loan Party is organized, with appropriate insertions and attachments (including good standing certificates);

(viii) Term DIP Agent shall have received at least five (5) Business Days prior to the Closing Date all documentation and information as is reasonably requested by Term DIP Agent or any Term DIP Lender that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations in applicable jurisdictions, including, without limitation, the PATRIOT Act, in each case to the extent requested in writing at least seven (7) Business Days prior to the Closing Date, provided, that, the Loan Parties will use reasonable efforts to promptly provide any additional information requested thereafter;

(ix) the representations and warranties set forth in the Term DIP Credit Agreement and any other Term Loan DIP Facility Documents entered into on the Closing Date shall be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) on and as of the Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date);

(xi) on the Closing Date and immediately after giving effect to the Initial Draw, no default or Event of Default shall have occurred and be continuing or would result therefrom;

(xii) the RSA shall be in full force and effect and shall not have been modified in a fashion that is adverse to the Term DIP Lenders without the consent of the Required Term DIP Lenders;

(xiii) delivery of customary legal opinions;

(xiv) delivery of executed ABL DIP Facility Documents with respect to the ABL DIP Facility, which shall be consistent with the ABL DIP Facility Term Sheet and otherwise acceptable to the Term DIP Lenders; the ABL DIP Facility Documents shall be in full force and effect and there shall not be a default or event of default thereunder; provided that the amount of the opening Excess Availability (to be defined in a manner consistent with the Prepetition ABL Facility), but excluding any Qualified Cash (to be defined in a manner consistent with the Prepetition ABL Credit Agreement) in the determination of such Excess Availability under the DIP ABL Credit Agreement, as calculated after giving effect to any credit extensions under the ABL DIP Facility, the repayment of any credit extensions under the ABL DIP Facility with the proceeds of the Term DIP Facility and after provision for payment of all fees and expenses of the transactions paid or payable on or about the Closing Date, shall be not less than $35,000,000;

(xv) the Term DIP Agent shall have a fully perfected lien on the DIP Collateral to the extent required by the Term DIP Loan Documents and the Interim DIP Order, having the priorities set forth in the Interim DIP Order;

(xvi) all first day motions filed by the Loan Parties on the Petition Date and related orders entered by the Bankruptcy Court in the Chapter 11 Cases shall be in form and substance reasonably satisfactory to the Required Term DIP Lenders;

(xvii) the Closing Date shall have occurred on or before the date that is five calendar days after the date of entry of the Interim DIP Order;

(xviii) after giving effect to the transactions occurring on the Closing Date, there shall be no default or event of default under the Prepetition ABL Credit Agreement as amended by the Ratification and Amendment Agreement (as such term is defined in the ABL DIP Facility Term Sheet); and

(xix) delivery of an officer's certificate of the Borrower confirming compliance with the each of the conditions precedent (other than any matters which are to be delivered by, provided by, or subject to the satisfaction of, any party other than the Loan Parties).

Conditions Precedent to the Second Draw:

The conditions to release from escrow of the proceeds of the Second Draw shall be subject solely to the following conditions:

(i) the Loan Parties being in compliance with the Approved Budget (subject to Permitted Variances) in all respects and the proceeds of any such Term DIP Loan being made being used or intending to be used solely in accordance with the Approved Budget, subject to Permitted Variances;

(ii) the Final DIP Order shall have been entered by the Bankruptcy Court and shall not have been amended, modified, repealed or stayed in any respect without the Required Term DIP Lenders' consent;

(iii) the representations and warranties set forth in the Term DIP Credit Agreement and any other Term Loan DIP Facility Documents shall be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) on and as of the date of the release from escrow of the proceeds of the Second Draw with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date);

(iv) on the date of release from escrow of the proceeds of the Second Draw and immediately after giving effect to such release, no default or Event of Default under the Term DIP Credit Agreement shall have occurred and be

continuing or would result therefrom;

(v) receipt of a withdrawal request; and

(vi) the RSA shall be in full force and effect and shall not have been modified in a fashion that is adverse to the Term DIP Lenders without the consent of the Required Term DIP Lenders.

Annex 2

Priority	DIP Collateral (other than Avoidance Action Proceeds) that constitutes ABL Priority Collateral or that would otherwise constitute ABL Priority Collateral	DIP Collateral (other than Avoidance Action Proceeds) that constitutes Term Loan Priority Collateral or that would otherwise constitute Term Loan Priority Collateral	DIP Collateral that constitutes Avoidance Action Proceeds
First	Carve Out and Permitted Liens	Carve Out and Permitted Liens described in clause (B) of the definition thereof	Carve Out
Second	ABL DIP Liens ABL DIP Superiority Claims	Term DIP Liens Term DIP Superpriority Claims	ABL DIP Liens and Term DIP Liens, on a *pari passu* basis ABL DIP Superiority Claims and Term DIP Superpriority Claims, on a *pari passu* basis
Third	Prepetition ABL Adequate Protection Liens Prepetition ABL Adequate Protection Claims	First Lien Adequate Protection Liens First Lien Adequate Protection Claims	Prepetition ABL Adequate Protection Liens and First Lien Adequate Protection Liens, on a *pari passu* basis Prepetition ABL Adequate Protection Claims and First Lien Adequate Protection Claims, on a *pari passu* basis
Fourth	Prepetition ABL Liens Prepetition ABL Claims	Prepetition First Lien Liens Prepetition First Lien Claims	N/A
Fifth	Term DIP Liens Term DIP Superpriority Claims	Second Lien Adequate Protection Liens Second Lien Adequate Protection Claims	N/A
Sixth	First Lien Adequate Protection Liens First Lien Adequate Protection Claims	Prepetition Second Lien Liens Prepetition Second Lien Claims	N/A
Seventh	Prepetition First Lien Liens Prepetition First Lien Claims	ABL DIP Liens ABL DIP Superpriority Claims	N/A
Eighth	Second Lien Adequate	Prepetition ABL Adequate Protection	N/A

	Protection Liens Second Lien Adequate Protection Claims	Liens Prepetition ABL Adequate Protection Claims	
Ninth	Prepetition Second Lien Liens Prepetition Second Lien Claims	Prepetition ABL Liens Prepetition ABL Claims	

Exhibit 3

Equity Rights Offering Term Sheet

CONVERGEONE HOLDINGS, INC.

Summary of Principal Terms of Proposed Equity Rights Offering

*This Summary of Principal Terms (this "**Rights Offering Term Sheet**") provides an outline of a proposed equity rights offering of the Issuer identified below in connection with the emergence of the Issuer and certain of its affiliates (collectively, the "**Debtors**" and as reorganized pursuant to the Joint Chapter 11 Plan of Reorganization of ConvergeOne Holdings, Inc. and Its Debtor Affiliates (the "**Plan**"), "**ConvergeOne**" or the "**Company**") from chapter 11 proceedings (the "**Chapter 11 Cases**") pursuant to the Plan.*

*This Rights Offering Term Sheet is referenced in, and appended to, that certain Restructuring Support Agreement dated as of April 3, 2024, by and among the Debtors and the Consenting Stakeholders (as amended, supplemented, or otherwise modified from time to time, the "**RSA**"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the RSA or the Restructuring Term Sheet attached thereto as **Exhibit B**, to which this Rights Offering Term Sheet is attached.*

The statements contained in this Rights Offering Term Sheet and all discussions between and among the parties in connection therewith constitute privileged settlement communications entitled to protection under Rule 408 of the Federal Rules of Evidence and shall not be treated as an admission regarding the truth, accuracy or completeness of any fact or the applicability or strength of any legal theory.

THIS RIGHTS OFFERING TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR OTHER INSTRUMENTS OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN, IT BEING UNDERSTOOD THAT SUCH AN OFFER OR SOLICITATION, IF ANY, WILL BE MADE ONLY IN COMPLIANCE WITH APPLICABLE LAW.

Issuer	PVKG Investment Holdings, Inc. ("***PVKG Investment***").
Security Description	New shares of common stock (the "***New Equity Interests***") in PVKG Investment, which shall be issued to applicable holders of First Lien Claims and/or Term DIP Facility Claims, in each case on the Effective Date as set forth herein.[1]
Offering	In connection with the Plan, the Debtors shall commence an equity rights offering (the "***Rights Offering***") (subject to the terms below) of $245.0 million, which may be increased with the consent of the Debtors and the Required Consenting Lenders (the applicable amount, the "***Rights Offering Amount***"). 35% of the Rights Offering Amount shall be available solely for the Investors (the "***Holdback***"), while 65% of the Rights Offering Amount shall be available to all holders of First Lien Claims (the "***Non-Holdback Rights Offering Amount***"). Each holder of a First Lien Claim (or its designated Affiliate, managed fund or account or other designee, in accordance with the terms of the Backstop Agreement (as defined below) that elects the Rights Offering Rights and Takeback Term Loan

[1] The structure for effectuating the Rights Offering is subject to the Description of Transaction Steps (as defined in the Plan) to be included in the Plan Supplement.

	Recovery Option and is either (A) a "qualified institutional buyer" (a "***QIB***"), as such term is defined in Rule 144A under the Securities Act of 1933, as amended (the "***Securities Act***"), or (B) an institutional "accredited investor" (an "***IAI***") within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act or an entity in which all of the equity investors are IAIs (which, in the case of (A) and (B), for the avoidance of doubt, may not include any natural person) (collectively, the "***Eligible Offerees***") will be offered rights (the "***Rights***") to participate in the Rights Offering, in an amount not to exceed such holder's pro rata share of the Non-Holdback Rights Offering Amount based upon a fraction (expressed as a percentage) the numerator of which is the First Lien Claims held by such Eligible Offeree(s) and the denominator of which is all First Lien Claims held by all Eligible Offerees. For the avoidance of doubt, such elections shall be adjusted on a pro rata basis, based on oversubscription, as necessary, so that participation in the Rights Offering Rights and Takeback Term Loan Recovery Option is capped at 50% of the First Lien Claims. New Equity Interests issued pursuant to the Rights Offering, including the Holdback, the Non-Holdback Rights Offering Amount, and the Put Option Premium, shall be offered at a 35% discount to the stipulated equity value of the reorganized Debtors under the Plan (the "***Plan Discount***"). For the avoidance of doubt, each Eligible Offeree may exercise all or a portion of its Rights, but upon exercising its Rights, such Eligible Offeree shall be committed to participate for its full amount of exercised Rights in the Rights Offering, and will receive New Equity Interests as set forth in this Rights Offering Term Sheet. The Rights may be exercised only in exchange for (x) cash or (y) to the extent that a holder of Rights is a Term DIP Lender under the Term DIP Facility, the exercise of such holders' DIP Term Loan Rights (as such term is defined in the Term DIP Term Sheet) on the terms set forth in the Term DIP Term Sheet appended as **Exhibit 2** to the Restructuring Term Sheet. The RSA and subscription documents for the Rights Offering will provide that all Eligible Offerees that exercise their Rights must vote to accept the Plan and not object to the confirmation of the Plan.
Use of Proceeds	Proceeds of the Rights Offering shall be used for (i) refinancing of the Term DIP Facility, and (ii) for general corporate and working capital purposes.
Transferability of Rights	The Rights shall not be transferable, assignable, or detachable other than in connection with the transfer of the corresponding First Lien Claims. The holder shall not transfer or assign any First Lien Claims unless such holder transfers or assigns with such First Lien Claims the right to receive the corresponding Rights in the Rights Offering, subject to compliance with applicable securities laws relating to the transfer of restricted securities. After a Right has been exercised by submitting an election form, the underlying First Lien Claims will cease to be transferrable.
Oversubscription Privilege	The Rights shall not have an oversubscription privilege.

Investors	The entities that will backstop the Rights Offering and are party to the Backstop Agreement (or their designated Affiliate(s), managed fund(s) or account(s) or other designee(s) in accordance with the Backstop Agreement) (collectively, the "***Investors***"). The Investors will be the parties set forth on Schedule I hereto (or their designated Affiliate(s), managed fund(s) or account(s) or other designee(s) in accordance with the Backstop Agreement).
Holdback	The Investors shall have the sole right and obligation to purchase the Holdback, at the Investor Percentages (as defined below) set forth in Schedule I hereto.
Backstop Commitment	The Investors will, pursuant to a backstop agreement to be entered into among the Company and the Investors (the "***Backstop Agreement***"), backstop the Rights Offering by committing in the respective percentages (the "***Investor Percentages***") set forth on Schedule I hereto (the "***Backstop Commitment***") to purchase from the Company in the Rights Offering the New Equity Interests that are not purchased by the Eligible Offerees in the Rights Offering for an aggregate amount equal to the Rights Offering Amount, which purchase may be in cash or may utilize the currency of DIP Loan Obligations or Takeback Loans pursuant to the DIP Term Loan Rights. The Backstop Agreement shall contain the terms and conditions set forth in this Rights Offering Term Sheet and other customary terms and conditions, including representations, warranties, conditions, covenants and indemnification for transactions of this type, and shall be acceptable to the Required Consenting Lenders and the Company Parties. The Investors will also be obligated to fully exercise all Rights issued to the Investors and their Affiliates in the Rights Offering.
Put Option Premium	The "***Put Option Premium***" means, as consideration for the Investors providing the Backstop Commitment, a fully earned non-refundable aggregate premium, which shall in the event of a Closing (as defined in the Backstop Agreement), be payable on the Effective Date of the Plan to the Investors in additional units of New Equity Interests equal to 10% of the Rights Offering Amount (issued at the Plan Discount); it being understood that any Investor that breaches the Backstop Agreement as set forth in the Backstop Agreement shall not be entitled to its pro rata share of the Put Option Premium under any circumstances. The Put Option Premium shall be allocated pro rata among the Investors based on the Investor Percentages.
Transferability of Backstop Commitments	The Investors' respective Backstop Commitments under the Backstop Agreement shall be transferrable from (i) one Investor to another Investor, with the consent of the Required Consenting Lenders, (ii) from any Investor to any of its Affiliates, managed funds or accounts (so long as such Investor remains liable for such transferred Backstop Commitment), and (iii) to any other person approved in advance by the Company (acting reasonably) and the Required Consenting Lenders, in each case as long as such transferees are or become signatories to the Backstop Agreement.

Several Obligations	The Investors' respective Backstop Commitments and obligations under the Backstop Agreement shall be several obligations and neither joint nor joint and several obligations and, unless otherwise expressly agreed in writing by an Investor, no Investor shall have any liability for any obligation of another Investor.
Funding Failures	If an Investor fails to satisfy its Backstop Commitment (a "Backstop Shortfall"), the other non-defaulting Investors shall have the right, but not the obligation, severally and not jointly in their sole discretion, to assume their pro rata share of the Backstop Shortfall based on the Investor Percentages.
Conditions Precedent	The Backstop Agreement will contain conditions precedent to the obligations of the parties to consummate the transactions contemplated by the Backstop Agreement that are customary for transactions of the type contemplated by the Backstop Agreement, and otherwise acceptable to the Required Consenting Lenders and the Company Parties, including: Conditions Precedent for the Company: • the Bankruptcy Court shall have approved the Backstop Agreement; • the Bankruptcy Court shall have entered the order confirming the Plan; • the concurrent occurrence of the Effective Date; • receipt of required regulatory approvals and the absence of legal impediments to closing; and • other customary conditions. Conditions precedent for Investors: • the Bankruptcy Court shall have approved the Backstop Agreement; • the Bankruptcy Court shall have entered the order confirming the Plan; • the concurrent occurrence of the Effective Date; • receipt of required regulatory approvals and the absence of legal impediments to closing; and • other customary conditions.
No Shop; Termination Payment	The Backstop Agreement will include a customary no-shop provision for competing proposals to restructure or acquire the Company with a customary fiduciary out for a superior proposal. The Backstop Agreement will provide that if the Backstop Agreement is terminated as a result of a "fiduciary-out" by the Company, then the Company shall pay the Investors a termination payment of 5% of the Rights Offering Amount. The Backstop Agreement will provide that the termination payment shall be fully earned upon execution of the Backstop Agreement.
Securities Law Matters	The issuance of the New Equity Interests (except for any units of New Equity Interests issued in respect of the Backstop Commitments or Put Option Premium) shall be exempt from the registration requirements of the securities laws as a result

	of section 1145 of the Bankruptcy Code to the maximum extent available by law or, if section 1145 is not available, then otherwise exempt from registration under the Securities Act of 1933, as amended (the "***Securities Act***") and any other applicable securities laws. Any units of New Equity Interests issued in respect of the Backstop Commitments or Put Option Premium shall be exempt from registration requirements of the securities laws pursuant to Section 4(a)(2) of the Securities Act, and/or the safe harbor of Regulation D, or such other exemption as may be available from any applicable registration requirements.

Exhibit 4

Governance Term Sheet

ConvergeOne Holdings, Inc., *et al.*
GOVERNANCE TERM SHEET[1]

THIS TERM SHEET (THE "GOVERNANCE TERM SHEET") SETS FORTH THE PRINCIPAL TERMS OF THE PROPOSED GOVERNANCE STRUCTURE OF THE COMPANY AFTER ITS EMERGENCE FROM THE CHAPTER 11 PROCESS. THIS GOVERNANCE TERM SHEET IS REFERENCED IN, AND APPENDED TO, THAT CERTAIN RESTRUCTURING SUPPORT AGREEMENT DATED AS OF APRIL 3, 2024, BY AND AMONG THE COMPANY PARTIES AND THE CONSENTING STAKEHOLDERS (AS AMENDED, SUPPLEMENTED, OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "RSA").

THIS GOVERNANCE TERM SHEET DOES NOT CONSTITUTE (NOR WILL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN OF REORGANIZATION, IT BEING UNDERSTOOD THAT SUCH A SOLICITATION, IF ANY, ONLY WILL BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY AND OTHER APPLICABLE LAW.

UNLESS OTHERWISE SET FORTH HEREIN, TO THE EXTENT THAT ANY PROVISION OF THIS GOVERNANCE TERM SHEET IS INCONSISTENT WITH THE RSA, THE TERMS OF THIS GOVERNANCE TERM SHEET WITH RESPECT TO SUCH PROVISION SHALL CONTROL.

Governance Term Sheet	
General	PVKG Investment Holdings, Inc. (or an affiliate thereof or newly formed holding company) ("**New C1**") shall indirectly hold the equity of ConvergeOne Holdings, Inc. and New C1 shall be managed on a day-to-day basis by its Chief Executive Officer and executive officers with oversight from the New Board (as defined below).
Corporate Form	New C1 is expected to be managed by a Board of Directors (the "**New Board**") subject to a determination by the Debtors, the Company Parties, and Consenting Stakeholders.
Board of Directors	**Number of Directors**: New C1 will be governed by the New Board. The Chief Executive Officer of New C1 shall serve on the New Board; all other initial directors shall be appointed by the Required Consenting Lenders, with representation being proportionate to anticipated post-emergence equity ownership; for the avoidance of doubt, each Initial First Lien Ad Hoc Group Member and the PVKG Lender shall each be entitled to appoint one director to serve on the New Board, so long as such entity is contemplated to receive no less than 10% of the fully-diluted New Equity Interests (excluding New Equity Interests reserved for the post-Effective Date Management Incentive Plan). The identities of directors on the New Board shall be set forth in the Plan Supplement to the extent known at the time of filing. Any action, agreement,

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the RSA or the Restructuring Term Sheet, as applicable.

	undertaking or authorization of New C1 or any of its subsidiaries outside of the ordinary course of business or that is material to C1 or any of its subsidiaries must be approved by the New Board. In addition, and without limiting the foregoing, certain significant corporate actions (to be specified in the definitive documentation) will require the approval of the New Board. Representation on each committee of the New Board shall also be proportionate to the Required Consenting Lenders' equity ownership. If any subsidiary of New C1 has a board of directors (or similar governing body) which includes anyone other than employees of New C1 or its subsidiaries, then such board or governing body will be composed in the same manner as the New Board and be subject to the same governance terms.
Board Observer	The Subsequent First Lien Ad Hoc Group Members and the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative as a non-voting observer to the New Board; *provided* that such entitlement shall expire if such holders, at any time, cease to hold in excess of 12.5% of the New Equity Interests in the aggregate. In addition, the Required Consenting Initial Second Lien Ad Hoc Group Members shall be entitled (but not required) to collectively (by vote or consent of a majority in interest) designate one representative to receive materials that were presented to the New Board at any board meeting; *provided, however*, that such representative shall sign a customary non-disclosure agreement (which shall provide that such representative may share such materials with Required Consenting Initial Second Lien Ad Hoc Group Members that are subject to confidentiality restrictions and whose individual holdings exceed 1% of the New Equity Interests), and New C1 shall be entitled to not include any privileged or competitively sensitive information, and such entitlement shall expire if such holders, at any time, cease to hold in excess of 1.0% of the New Equity Interests in the aggregate.
Minority Protections	The Governance Documents will include customary minority shareholder protections and rights for the benefit of each of the Subsequent First Lien Ad Hoc Group Members, the Initial Second Lien Ad Hoc Group Members and other minority shareholders, including, but not limited to, drag rights, tag- along rights, preemptive rights, information rights and prohibition on amendments with respect to the foregoing without the consent of majority of holders disproportionately affected by any such amendment (the "**Minority Protections**"). The Minority Protections will be in a form and substance reasonably acceptable to the Required Consenting First Lien Lenders, Subsequent First Lien Ad Hoc Group Members and Required Consenting Initial Second Lien Ad Hoc Group Members.

Exhibit C

Joinder

Joinder to Restructuring Support Agreement

The undersigned hereby acknowledges that it has reviewed and understands the Restructuring Support Agreement (as amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**RSA**") dated as of April 3, 2024, by and among the Company Parties, Consenting Stakeholders, and Second Lien Consenting Lenders.[1]

The undersigned hereby makes the applicable representations and warranties set forth in Section 9 and Section 11 of the RSA to each other Party, effective as of the date hereof and agrees to be bound by the terms and conditions of the RSA.

This joinder agreement shall be governed by the governing law set forth in the RSA.

Date: _____, 2024

[JOINING PARTY]

_____

Name:

Title:

Address:

E-mail address(es):

Aggregate Principal Amounts Beneficially Owned or Managed on Account of:	
First Lien Term Loan Claims	
KL Note Claims	
PVKG Note Claims	
Second Lien Term Loan Claims	

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the RSA.

Exhibit D

Transfer Agreement

Transfer Agreement to Restructuring Support Agreement

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of April 3, 2024 (the "**RSA**"),[1] by and among the Company Parties, Consenting Stakeholders, and Second Lien Consenting Lenders, including the transferor of the Company Claims or Interests referenced herein ("**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent the Transferor was thereby bound.

The Transferee specifically agrees to be bound by the terms and conditions of the RSA and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer set forth herein.

Date: _____, 2024

[TRANSFEREE]

_____

Name:

Title:

Address:

E-mail address:

Aggregate Principal Amounts Beneficially Owned or Managed on Account of:	
First Lien Term Loan Claims	
KL Note Claims	
PVKG Note Claims	
Second Lien Term Loan Claims	

[1] Capitalized terms used by not defined herein shall have the meanings ascribed to them in the RSA.

Exhibit C

Financial Projections

FINANCIAL PROJECTIONS

Introduction[1]

The Debtors believe that the Plan 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 thereto under the Plan. In connection with the planning and development of the Plan and for the purposes of determining whether the Plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their post-Effective Date financial obligations while maintaining sufficient liquidity and capital resources.

In connection with the Disclosure Statement, the Debtors' management team ("**Management**") prepared the following financial projections for the for the post-emergence portion of 2024 and years 2025 through 2028 (the "**Financial Projections**"). The Financial Projections were prepared by Management, with the assistance of the Debtors' Advisors, and are based on several assumptions made by Management with respect to the potential future performance of the Reorganized Debtors' operations, assuming the consummation of the Plan.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or the Financial Projections to Holders of Claims or Interests or other parties in interest going forward, or to include such information in documents required to be filed with the SEC or otherwise make such information public, unless required to do so by the SEC or other regulatory bodies pursuant to the provisions of the Plan.

Management prepared the Financial Projections based on information available to them, including information derived from public sources that have not been independently verified. No representations or warranties, expressed or implied, are provided in relation to fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein.

Accounting Policies and Disclaimer

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC OR THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE FINANCIAL PROJECTIONS DO NOT REFLECT THE FORMAL IMPLEMENTATION OF REORGANIZATION ACCOUNTING PURSUANT TO FINANCIAL ACCOUNTING STANDARDS BOARD ACCOUNTING STANDARDS CODIFICATION TOPIC 852, REORGANIZATIONS ("**ASC 852**") OR THE IMPACT SUCH IMPLEMENTATION MAY HAVE ON DIRECT OR PASS-THROUGH TAX LIABILITIES. MANAGEMENT CONTINUES TO EVALUATE THE COMBINED COMPANY CARRYFORWARD TAX BASIS UPON EMERGENCE. OVERALL, THE IMPLEMENTATION OF ASC 852 IS NOT ANTICIPATED TO HAVE A MATERIAL IMPACT ON THE UNDERLYING ECONOMICS OF THE PLAN. THE FINANCIAL PROJECTIONS HAVE BEEN PREPARED USING METHODOLOGIES THAT ARE MATERIALLY CONSISTENT WITH THOSE APPLIED IN THE DEBTORS' HISTORICAL FINANCIAL STATEMENTS. THE

[1] Capitalized terms used but not defined herein have the meanings ascribed to them in the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of ConvergeOne Holdings, Inc. and its Debtor Affiliates* (the "**Disclosure Statement**"), to which this exhibit is attached, or in the *Joint Prepackaged Chapter 11 Plan of Reorganization of ConvergeOne Holdings, Inc. and its Debtor Affiliates* (as may be amended, supplemented, or otherwise modified from time to time, and including all exhibits and supplements thereto, the "**Plan**"), as applicable.

FINANCIAL PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT ACCOUNTING FIRM. ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL 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 FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE DISCLOSURE STATEMENT, THE RISK FACTORS SET FORTH THEREIN, AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

Principal Assumptions for the Financial Projections

The Financial Projections (the "**Long Range Plan**" or the "**LRP**") are based upon, and assume the successful implementation of, the Debtors' Plan. Both the LRP and the Financial Projections reflect numerous assumptions, including various assumptions regarding 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 or their advisors. In addition, the assumptions do not take into account the uncertainty and disruption of business that may accompany a restructuring pursuant to the Bankruptcy Code.

Therefore, although the Financial Projections are necessarily presented with numerical specificity, the actual results achieved during the Projection Period will likely vary from the projected results. These variations may be material. Accordingly, no definitive representation can be or is being made with respect to the accuracy of the Financial Projections or the ability of the Debtors to achieve the projected results of operations.

In deciding whether to vote to accept or reject the Plan, Holders of Claims entitled to vote to accept or reject the Plan must make their own determinations as to the reasonableness of such assumptions and the reliability of the Financial Projections.

Moreover, the Financial Projections were prepared solely in connection with the restructuring pursuant to the Plan.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995

The Financial Projections contain certain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the Exchange Act. Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and Management with respect to the timing of, completion of, and scope of the current restructuring, Plan, LRP, bank financing, and debt and equity market conditions and the Debtors' future liquidity, as well as the assumptions upon which such statements are based.

While the Debtors believe that their intentions, beliefs, and expectations reflected in the forward-looking statements are based upon reasonable assumptions within the bounds of their knowledge of their business and operations, parties in interest are cautioned that any such forward-looking statements are not guarantees of future performance. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety as well as the notes and assumptions set forth below.

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond Management's control. Although Management believes these assumptions are reasonable under the circumstances, such assumptions are subject to significant uncertainties, including, but not limited to:

a) the willingness of customers to invest in technology and the manner in which customers procure such technology and services;
b) the impact of general macroeconomic conditions and adoption of new technology;
c) the continuation of existing relationships with OEM partners and distributors;
d) the Debtors' ability to execute on its product and technology redevelopment roadmap;
e) the ability to implement operational improvements and organization structures contemplated in the forecast;
f) the Debtors' ability to retain key staff and attract key employees; and
g) the potential impact, if any, of the Chapter 11 Cases (if filed) on customers' purchasing behavior.

Additional details regarding these uncertainties are described in the Disclosure Statement. Should one or more of the risks or uncertainties referenced in the Disclosure Statement occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the Financial Projections. Further, new factors could cause actual results to differ materially from those described in the Financial Projections, and it is not possible to predict all such factors, or to the extent to which any such factor or combination of factors may cause actual results to differ from those contained in the Financial Projections. The Financial Projections herein are not, and must not be viewed as, a representation of fact, prediction or guaranty of the Reorganized Debtors' future performance.

The Financial Projections were prepared using an approach that incorporated multiple detailed information sources. Key personnel from the Debtors' operating areas and across various functions provided input in the development of the Financial Projections. In preparation of the Financial Projections, the Debtors considered the current competitive environment, historical operating/production performance and operating costs. The Financial Projections should be read in conjunction with the significant assumptions, qualifications, and notes set forth herein.

The Financial Projections may not be comparable to historical financials found in the Debtor's public disclosures and may contain financial metrics which do not conform to GAAP. The Financial Projections do not reflect all of the adjustments necessary to implement Fresh Start accounting pursuant to Accounting Standards Certification 852-10, as issued by the Financial Accounting Standards Board.

The Financial Projections assume an Effective Date of May 31, 2024.

Business Overview

ConvergeOne Holdings, Inc. and its Debtor and Non-Debtor Affiliates (collectively "**C1**") is a leading global information technology ("**IT**") services company. C1 provides connected human experiences by working with its channel partners, delivering IT services, and developing and commercializing its own technology products. C1 invites its customers to reimagine customer interactions, enables the future of work and collaboration, and builds cyber-resilient enterprises in an ever-evolving IT landscape. The

Company designs, implements, and supports thousands of state-of-the-art IT solutions across its core technology markets: pure and hybrid cloud solutions, business applications, customer experiences, contact center design and enablement, modern workplace infrastructure, cyber security, and enterprise networking. C1 is supported by a dynamic global workforce of more than 3,000 employees and independent contractors. C1 serves more than 6,000 private and public sector customers worldwide across a range of industries, including education, energy, financial services, government, healthcare, manufacturing, media and communications, retail, and transportation. C1's customers include many of the companies listed on the Fortune 100, some of the largest school districts in the country, other large municipal entities, the federal government, the largest healthcare providers in the country, and a variety of leading global companies.

C1's operations are divided into two distinct revenue segments: (a) the "**Services Segment**" and (b) the "**Product Segment**." The Services Segment contains three offerings: "**Professional Services**," "**Managed Services**," and "**Resale Services**."

Services Segment

- **Professional Services:** Provides customers with consultation, design, integration and implementation, application development, program management, and maintenance services for customized collaboration, enterprise networking, data center, cloud, and security offerings. Customers retain C1's engineers to create custom-designed, complex IT solutions which are then produced, sold, and implemented as standalone offerings or combined with OEM products and software and C1's own intellectual property to facilitate bespoke solutions for C1's customers.

- **Managed Services:** C1 administers and maintains customers' mission critical IT infrastructure, typically over long-term contracts with high renewal rates. Through C1's relationships with leading and next-generation technology partners, and through the utilization of C1's own proprietary intellectual property, C1's engineers maintain and enhance customers' existing IT infrastructure. The engineers monitor performance and troubleshoot and support rapid resolutions for their customers' IT data center portfolios. Additionally, they provide IT helpdesk support, maintenance services, and technological infrastructure enhancements, including upgrades or modifications to software.

- **Resale Services:** Consists of selling products and software subscriptions developed by C1's third-party OEM partners. C1 actively markets products purchased from leading technology vendors in response to its customers' specifications. C1's engineers utilize these products and software subscriptions to develop bespoke solutions to support the customers' IT infrastructure requirements and to augment their capabilities.

Product Segment

- **Product:** Procures hardware products and software services from C1's OEM and distribution partners and sells those products to C1's customers. Sales through the Product Segment may consist of standalone products, including products improved by C1's proprietary intellectual property, or may be included in a more holistic technology solution that is combined with C1's Professional Services expertise.

NON-GAAP FINANCIAL PROJECTIONS

The following table provides a summary of Financial Projections for the Debtors and their Affiliates, which should be reviewed in conjunction with the associated notes:

Financial Projections:

Non-GAAP Income Statement:

	6/1 - 12/31	FY	FY	FY	FY
1. Non-GAAP Income Statement ($, M)	**2024**	**2025**	**2026**	**2027**	**2028**
Net Revenue					
Services	377	667	713	761	813
Product	487	865	915	994	1,079
Total Net Revenue	**864**	**1,531**	**1,629**	**1,755**	**1,892**
Cost of Good Sold					
Services	(185)	(345)	(368)	(392)	(417)
Product	(383)	(681)	(721)	(783)	(850)
Total Cost of Good Sold	**(568)**	**(1,026)**	**(1,089)**	**(1,174)**	**(1,267)**
Gross Profit					
Services	192	322	345	370	396
Product	103	184	194	211	229
Total Gross Profit (Loss)	**296**	**506**	**540**	**581**	**625**
SG&A	(213)	(360)	(364)	(369)	(377)
Depreciation and Amortization	(71)	(123)	(118)	(121)	(56)
Operating Profit (Loss)	**11**	**23**	**57**	**91**	**192**
Interest and Fees	(19)	(32)	(32)	(32)	(32)
Net Profit Before Tax (Loss)	**(8)**	**(9)**	**25**	**59**	**160**
Tax	(7)	(30)	(32)	(34)	(41)
Net Profit After Tax (Loss)	**(14)**	**(39)**	**(6)**	**25**	**119**
Add-Backs for EBITDA					
Depreciation and Amortization	71	123	118	121	56
Interest and Fees	19	32	32	32	32
Tax	7	30	32	34	41
EBITDA	**82**	**146**	**175**	**212**	**249**

- **Revenue:** The Debtors' revenues are generated across its two revenue segments: 1) Products and 2) Services. The Debtors' revenue recognition methodologies vary depending on the specific product or service being sold. In certain multi-year agreements in which the Company is acting as an agent between the vendor and the customer the Debtor recognizes the net revenue for all years associated with the contract at inception, rather than over each annual period of the multi-year

agreement. Although, the Debtor is acting as an agent in the transaction and reports revenue net, it still services the contract payments from customer to vendor. As such, the Debtor recognizes both a receivable (from the customer) and payable (to the vendor) for the entirety of the contract, at inception, which results in certain current and noncurrent receivables and payables.

- **Cost of Goods Sold:** Consists of standard costs, and salaries related to overhead costs of personnel engaged in the delivery of the Debtors' service and product offerings and associated facility fees.
- **Selling, General and Administrative Expenses (SG&A):** Includes salaries and benefits, commissions, bonus, advertising and marketing, meetings and travel, professional fees, facility cost, and other operating expense.
- **Interest and Fees:** The post-emergence period consists of cash interest expense on the term loan and ABL.
- **Tax:** Forecasted cash taxes are estimated based on assumed tax rates against projected income. No formal tax analysis has been prepared for foreign tax estimates, and all tax estimates are subject to change pending further review.
- **EBITDA:** Excludes depreciation and amortization of intangibles, interest expense, and provision for income taxes, as well as one-time costs associated with acquisitions and restructuring, refinancing fees, and stock-based compensation and GAAP adjustments to lease costs.

Non-GAAP Balance Sheet:

2. Non-GAAP Balance Sheet ($, M)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Current Assets					
Cash	47	96	209	317	452
Accounts Receivable	660	656	636	684	736
Inventories	77	77	86	93	101
Deferred Customer Support Cost	44	45	45	46	48
Other Current Assets	20	21	21	21	21
Total Current Assets	**849**	**895**	**996**	**1,161**	**1,358**
Goodwill	107	107	107	107	107
Accounts Receivable, noncurrent	363	255	148	41	0
Property Plant & Equipment, Net	32	36	37	35	32
Other Non-Current Assets	297	263	261	275	292
Total Assets	**1,648**	**1,557**	**1,549**	**1,620**	**1,788**
Current Liabilities					
Accounts Payable	420	395	397	427	458
Deferred Revenue	57	61	58	63	69
Other Current Liabilities	187	181	181	181	181
Total Current Liabilities	**664**	**637**	**637**	**671**	**708**
Long-Term Debt, Net	301	301	301	301	301
Accounts payable, noncurrent	177	150	149	160	171
Other Long Term Liabilities	86	87	86	87	88
Total Liabilities	**1,228**	**1,175**	**1,173**	**1,219**	**1,268**
Total Stockholders Equity	**420**	**381**	**375**	**401**	**521**
Total Liabilities & Stockholders Equity	**1,648**	**1,557**	**1,549**	**1,620**	**1,788**

- **Accounts Receivable (AR):** Accounts receivable is based on the Debtors' sales forecast and billing practices for its different types of services and products. Invoiced amounts are assumed to be collected on average at 60 days. Accounts receivable also includes unbilled revenue, for which the Debtors have completed its performance obligation(s), but per the terms of the customer contract, the Debtor does not yet have the right to bill the customer. A portion of the current Accounts Receivable and most of the Accounts Receivable, noncurrent balance pertains to resale of vendor multi-year arrangements where the Debtor is acting as an agent in the transaction for accounting purposes.

  Property, Plant and Equipment (PPE): PPE consists of software, computers, building, equipment, furniture and fixtures, and leasehold improvements. Capital expenditures are based on currently anticipated needs and are subject to changes based on requirements. PPE is depreciated over the approximate useful life of the asset of 50 months. No adjustment to PPE values has been made to reflect fresh-start accounting.

- **Deferred Customer Support Contract Costs:** Capitalized internal and external costs incurred specifically to assist the Debtors in rendering services to its customers. These include external costs associated with professional and managed services and internal professional services' labor costs directly related to getting the customers solution fully functional and ready for the customer to use.
- **Other Non-Current Assets:** Includes prepaid commissions, prepaid expenses, operating lease assets, and intangible assets.
- **Accounts Payable:** Consists of accruals and recorded invoices related goods and services provided to the company by its vendors. C1's average payment terms with its vendors is approximately 50-60 days. A portion of the current Accounts Payable and most of the Accounts Payable, noncurrent balance pertains to resale of vendor multi-year arrangements where the Debtor is acting as an agent in the transaction for accounting purposes.
- **Deferred Revenue:** Deferred revenue represents amounts invoiced to customers or payments received from customers in advance of satisfying the obligations associated with the customer contract.
- **Other Current Liabilities:** Includes accrued compensation and customer deposits.
- **Long-Term Debt:** The Debtors' post-emergence capital structure is assumed to consist of a $243 million term loan and $200 million ABL ($58 million drawn at emergence). Key terms include:
    - Term loan: (a) 6-year tenor from emergence; and (b) SOFR + 5.75% cash interest rate (SOFR is assumed to be 5.31% in projections)
    - ABL: (a) SOFR + 2.50% cash interest rate (SOFR is assumed to be 5.31% in projections)
- **Other Long-Term Liabilities:** Noncurrent deferred revenue, other noncurrent liabilities, and noncurrent operating lease payable.

Non-GAAP Statement of Cash Flows:

3. Non-GAAP Statement of Cash Flows ($, M)	6/1 - 12/31 2024	FY 2025	FY 2026	FY 2027	FY 2028
EBITDA	82	146	175	212	249
Working Capital	(64)	(48)	(20)	(58)	(61)
Cash Taxes	(10)	(30)	(32)	(34)	(41)
Other	0	0	0	0	0
Cash Flow from Operations	**9**	**69**	**124**	**120**	**147**
Capital Expenditures	(13)	(20)	(12)	(12)	(12)
Debt Issued (Repaid)	0	0	0	0	0
Total Net Cash Flow	**(4)**	**49**	**112**	**108**	**135**
Cash and cash equivalents - beginning of the period	*51*	*47*	*96*	*209*	*317*
Increase (decrease) in cash from activities	*(4)*	*49*	*112*	*108*	*135*
Cash and cash equivalents - end of the period	*47*	*96*	*209*	*317*	*452*

- **Change in Working Capital:** Driven by ordinary course changes in accounts receivable, accounts payable, inventory, deferred revenue, contract assets/costs, other current assets, and other current liabilities.
- **Cash Taxes:** Cash taxes based upon estimated federal income taxes equivalent to the estimated expense during 2024. Does not reflect final restructuring implementation of CODI impact on future NOLs.

Exhibit D

Valuation Analysis

VALUATION ANALYSIS

THE IMPUTED VALUATION INFORMATION CONTAINED HEREIN DOES NOT PURPORT TO BE OR CONSTITUTE (I) A RECOMMENDATION TO ANY HOLDER OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS AS TO HOW TO VOTE ON, OR OTHERWISE ACT WITH RESPECT TO, THE PLAN, (II) AN OPINION AS TO THE FAIRNESS FROM A FINANCIAL POINT OF VIEW OF THE CONSIDERATION TO BE RECEIVED UNDER THE PLAN OR OF THE TERMS AND PROVISIONS OF THE PLAN OR OF ANY TRANSACTION OFFERED PURSUANT TO THE PLAN OR OTHERWISE DESCRIBED THEREIN, INCLUDING WITHOUT LIMITATION, THE RIGHTS OFFERING DESCRIBED BELOW, OR (III) AN APPRAISAL OF THE ASSETS OF THE REORGANIZED DEBTORS. FURTHERMORE, THE INFORMATION HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH A SALE OR LIQUIDATION OF THE REORGANIZED DEBTORS OR THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN OR PURSUANT TO ANY OTHER SECURITIES OFFERING CONTEMPLATED HEREIN OR OF THE PRICES AT WHICH ANY SUCH SECURITIES MAY TRADE AFTER GIVING EFFECT TO THE TRANSACTIONS CONTEMPLATED BY THE PLAN. THE ACTUAL VALUE OF AN OPERATING BUSINESS SUCH AS THE REORGANIZED DEBTORS' IS SUBJECT TO UNCERTAINTIES AND CONTINGENCIES THAT ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN VARIOUS FACTORS AFFECTING THE FINANCIAL CONDITIONS AND PROSPECTS OF SUCH A BUSINESS.

THIS INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING "ADEQUATE INFORMATION" UNDER BANKRUPTCY CODE SECTION 1125 TO ENABLE HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS (AND, IF APPLICABLE, OTHER STAKEHOLDERS) ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN, AND, OTHER THAN WITH RESPECT TO THE FOREGOING, WAS NOT PREPARED FOR THE PURPOSE OF PROVIDING THE BASIS FOR AN INVESTMENT DECISION BY ANY HOLDER OR ANY OTHER PERSON OR ENTITY WITH RESPECT TO ANY TRANSACTION OFFERED PURSUANT TO THE PLAN OR OTHERWISE DESCRIBED THEREIN (INCLUDING WITHOUT LIMITATION THE RIGHTS OFFERING DESCRIBED BELOW), AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING WITHOUT LIMITATION THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS. THE IMPUTED VALUATION INFORMATION CONTAINED HEREIN SHOULD ALSO BE CONSIDERED IN CONJUNCTION WITH THE RISK FACTORS DESCRIBED IN **ARTICLE X** OF THE DISCLOSURE STATEMENT AND THE FINANCIAL PROJECTIONS ATTACHED THERETO AS **EXHIBIT D**.

The Backstop Agreement executed by the Investors, sophisticated financial institutions that are familiar with the Debtors' operations and the technology and communications industries, is the culmination of good faith, arm's length, extensive negotiations among the Debtors and the Investors and their respective financial and legal advisers based on in-depth due diligence in the months leading up to the Petition Date.

The Plan contemplates, among other things, the Debtors or the Reorganized Debtors raising $245 million of capital through the Rights Offering at a 35% discount to an implied $434 million equity value. Such capital raise would be difficult to consummate without the material deleveraging and equitization contemplated by the Plan.

On the Effective Date, the Reorganized Debtors project having approximately $368 million of funded net debt (excluding minimum cash of $50 million and including all floorplan-related obligations under the ABL).

Accordingly, this further implies an imputed total enterprise value of the Reorganized Debtors upon emergence of approximately $802 million.

Exhibit E

Liquidation Analysis

LIQUIDATION ANALYSIS

Introduction[1]

Section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each Holder of a Claim or Interest in such impaired class either (a) has accepted the plan or (b) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting Holder would receive or retain if the debtors liquidated under chapter 7.

To demonstrate that the Plan satisfies this test, the Debtors and non-debtor affiliates and subsidiaries (collectively, "**C1**"), with the assistance of their restructuring advisor, AlixPartners, LLP, have prepared this hypothetical liquidation analysis (the "**Liquidation Analysis**"), which is based upon certain assumptions discussed in the Disclosure Statement and accompanying notes to the Liquidation Analysis.

The Liquidation Analysis sets forth an estimated range of recovery values for each Class upon the disposition of assets pursuant to a hypothetical chapter 7 liquidation. As illustrated by this Liquidation Analysis, Holders of Claims or Interests in certain Impaired Classes would receive a lower recovery in a hypothetical chapter 7 liquidation than they would under the Plan. Further, no Holder of a Claim or Interest would receive or retain property under the Plan of a value that is less than such holder would receive in a chapter 7 liquidation. Accordingly, and as set forth in greater detail below, the Debtors believe that the Plan satisfies the test set forth in section 1129(a)(7) of the Bankruptcy Code.

Statement of Limitations

The preparation of a liquidation analysis is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive risks, uncertainties, and contingencies, most of which are difficult to predict and many of which are beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in an actual 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. THE LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THE UNDERLYING FINANCIAL INFORMATION IN THE LIQUIDATION ANALYSIS AND VALUES STATED HEREIN HAVE NOT BEEN SUBJECT TO ANY REVIEW, COMPILATION, OR AUDIT BY ANY INDEPENDENT ACCOUNTING FIRM. IN ADDITION, VARIOUS LIQUIDATION DECISIONS UPON WHICH CERTAIN ASSUMPTIONS ARE BASED ARE SUBJECT TO CHANGE. AS A RESULT, THE ACTUAL VALUE OF CLAIMS THAT ULTIMATELY WOULD BE ALLOWED AGAINST THE DEBTORS' ESTATES COULD VARY SIGNIFICANTLY FROM THE ESTIMATES STATED HEREIN, DEPENDING ON THE NATURE AND AMOUNT OF CLAIMS ASSERTED DURING THE PENDENCY OF THE CHAPTER 7 CASE. SIMILARLY, THE VALUE OF THE DEBTORS' ASSETS

[1] Capitalized terms used but not defined herein have the meanings ascribed to them in the disclosure statement to which this exhibit is attached (the "**Disclosure Statement**") or in the *Joint Prepackaged Chapter 11 Plan of Reorganization of ConvergeOne Holdings, Inc. and its Debtor Affiliates* (as may be amended, supplemented, or otherwise modified from time to time, and including all exhibits and supplements thereto, the "**Plan**"), as applicable.

IN A LIQUIDATION SCENARIO IS UNCERTAIN AND COULD VARY SIGNIFICANTLY FROM THE VALUES SET FORTH IN THE LIQUIDATION ANALYSIS.

The Liquidation Analysis does not include estimates for: (i) the tax consequences, either foreign or domestic, that may be triggered upon the liquidation and sale of assets; (ii) recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions; (iii) environmental claims resulting from the shut down or sale of the C1's facilities; (iv) damages as a result of breach or rejection of obligations incurred and leases and executory contracts assumed or entered into; and (v) Claims that may be entitled to priority under the Bankruptcy Code, including administrative priority claims under sections 503(b) and 507(b) of the Bankruptcy Code. More specific assumptions are detailed in the notes below.

ACCORDINGLY, NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE DEBTORS WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE DEBTORS IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review the Debtors' financial statements to account for other known liabilities, as necessary. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted against the Debtors, chapter 7 administrative claims such as wind down costs and trustee fees (together, the "**Wind-Down Expenses**"), which could be asserted and allowed in a chapter 7 liquidation. The Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. 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, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THE LIQUIDATION ANALYSIS.

Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtors convert their Chapter 11 Cases to chapter 7 cases of the Bankruptcy Code on or about September 30, 2024 (the "**Liquidation Date**"). Except as otherwise noted herein, the Liquidation Analysis is based upon the unaudited financial statements of the Debtors as of February 29, 2024 and those values, in total and subject to certain adjustments, are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date, with the exception of Cash, Accounts Receivable, Inventories, and certain liabilities, which were projected as of the Liquidation Date based on the Debtors' financial projections. The Debtors' management team believes that the February 29, 2024 book value and projections of assets and certain liabilities are the best available estimate for such book values as of the Liquidation Date. It is assumed that on the Liquidation Date, the Bankruptcy Court would appoint a chapter 7 trustee (the "**Trustee**") to oversee the liquidation of the Debtors' Estates, during which time all of the assets of the Debtors would be sold, abandoned, surrendered, or otherwise liquidated, in piecemeal or in whole, and the cash proceeds, net of liquidation-related costs, would then be distributed to creditors in accordance with applicable law: (i) ***first***, for payment of liquidation, wind-down expenses, severance costs, trustee fees and other chapter 7 administrative claims attributable to the Wind-Down Expenses; (ii) ***second,*** to pay the secured portions of all Allowed Secured Claims from the

respective collateral; and (iii) ***third***, to pay amounts on the Allowed Administrative and Other Priority Claims. Any remaining net cash would be distributed to creditors holding Unsecured Claims, including deficiency claims that arise to the extent of the unsecured portion of the Allowed Secured Claims.

The cessation of business in a chapter 7 liquidation is likely to cause additional Claims to be asserted against the Debtors' Estates that otherwise would not exist absent such a liquidation. Examples of these kinds of Claims include claims related to executory customer and other contracts and certain employee-related Claims, such as WARN Act or similar Claims, and others. These additional Claims could be significant and, in certain circumstances, may be entitled to priority under the Bankruptcy Code. No adjustment has been made for these potential Claims in this Liquidation Analysis.

This Liquidation Analysis assumes operations of the C1 will cease on the Liquidation Date, and the related individual assets will be sold during a three-to-six-month process (the "**Liquidation Timeline**") under the direction of the Trustee, utilizing certain Debtors employees, resources, and third-party advisors, to allow for the orderly wind down of the Debtors' estates. There can be no assurance that the liquidation would be completed in this limited time frame, nor is there any assurance that the recoveries assigned to the assets would in fact be realized. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously (generally in a distressed process) as is compatible with the best interests of parties-in-interest.

The Liquidation Analysis is also based on the assumptions that: (i) the Debtors have continued access to cash during the Liquidation Timeline to fund Wind-Down Expenses and (ii) operations, accounting, treasury, IT, and other management services needed to wind down the estates continue. The Liquidation Analysis was prepared on a by-entity basis for C1 and is displayed below on a consolidated basis for convenience. Asset recoveries accrue first to satisfy creditor claims, including Intercompany Claims, at the legal entity level. To the extent any remaining value exists at the individual entity, it flows to each individual entity's parent organization or appropriate shareholder.

LIQUIDATION ANALYSIS

The Liquidation Analysis was prepared on a by-entity basis for each C1 entity. The following table provides a summary of Liquidation Analysis on a consolidated basis. The Liquidation Analysis should be read in conjunction with, and is qualified in its entirety by, the associated notes.

					Debtor Entities				All Liquidating Entities			
(USD in millions)	Notes	Pro Forma Book Value of Assets			Proceeds (%)		Proceeds		Proceeds (%)		Proceeds	
Assets		Debtors	Non-Debtors	Total	Low	High	Low	High	Low	High	Low	High
Gross Liquidation Value												
Cash	A	46.7	1.3	47.9	100%	100%	46.7	46.7	100%	100%	47.9	47.9
Accounts Receivable - Trade	B	385.6	1.6	387.2	25%	50%	96.4	192.8	25%	50%	96.8	193.6
Accounts Receivable - Multi-Year and Noncurrent	C	372.4	-	372.4	0%	0%	-	-	0%	0%	-	-
Inventory	D	74.1	-	74.1	20%	30%	14.8	22.2	20%	30%	14.8	22.2
PP&E	E	25.3	0.4	25.7	17%	25%	4.2	6.5	17%	26%	4.3	6.6
Intangible Assets	F	452.0	-	452.0	0%	0%	-	-	0%	0%	-	-
Intellectual Property	F	-	-	-	n/a	n/a	106.3	162.6	n/a	n/a	106.3	162.6
Other Assets	G	873.6	0.6	874.2	0%	0%	-	-	0%	0%	-	-
Gross liquidation proceeds		**2,229.7**	**3.8**	**2,233.5**	**12%**	**19%**	**268.4**	**430.7**	**12%**	**19%**	**270.2**	**433.0**
Less: Liquidation Costs												
Wind-down Operating Expense	H						(6.0)	(3.0)			(6.3)	(3.2)
Severance / Notice	I						(45.7)	(45.7)			(46.2)	(45.9)
Trustee Fees	J						(6.7)	(11.5)			(6.7)	(11.6)
Professional Fees	K						(11.2)	(11.6)			(11.2)	(11.7)
Total Liquidation Costs							**(69.6)**	**(71.9)**			**(70.4)**	**(72.3)**
Plus: Intercompany Proceeds from Waterfall												
Net Intercompany Receivables	L						0.0	0.2			-	-
Net Residual Value	M						-	-			-	-
Net Liquidation Proceeds Available to Creditors					**9%**	**16%**	**198.8**	**359.0**	**9%**	**16%**	**199.8**	**360.6**

		Estimated Claims			Recovery (%)		Recovery ($)		Recovery (%)		Recovery ($)	
Proceeds to External Creditors					Low	High	Low	High	Low	High	Low	High
DIP TL Claims	N	215.0	-	215.0	37%	80%	80.3	172.5	37%	80%	80.3	172.5
DIP ABL Claims	O	186.4	-	186.4	64%	100%	118.5	186.4	64%	100%	118.5	186.4
First Lien Claims	P	1,395.0	-	1,395.0	0%	0%	-	-	0%	0%	-	-
Second Lien Claims	Q	286.5	-	286.5	0%	0%	-	-	0%	0%	-	-
Total Secured Claims		**2,083.0**	**-**	**2,083.0**	**10%**	**17%**	**198.8**	**359.0**	**10%**	**17%**	**198.8**	**359.0**
Administrative Claims	R	236.3	-	236.3	0%	0%	-	-	0%	0%	-	-
Priority Claims	S	26.3	-	26.3	0%	0%	-	-	0%	0%	-	-
General Unsecured claims	T	31.4	2.2	33.6	0%	0%	-	-	3%	5%	1.0	1.7
Total Unsecured Claims		**294.0**	**2.2**	**296.2**	**0%**	**0%**	**-**	**-**	**0%**	**1%**	**1.0**	**1.7**
Total Claims		**2,377.0**	**2.2**	**2,379.2**	**8%**	**15%**	**198.8**	**359.0**	**8%**	**15%**	**199.8**	**360.6**

Notes to the Liquidation Analysis

Gross Liquidation Proceeds: As described above, each C1 entity will seek to recover the value of its assets consistent with the process described above. The total amount collected at each C1 entity is based on the following assumptions:

A. Cash: The gross liquidation proceeds of Cash and Cash equivalents for all entities holding Cash are estimated to be 100% of the projected balance as of the Liquidation Date per the Debtors' projections. Cash is allocated among entities based on C1's books and records as of February 29, 2024, adjusted for forecasted cash flows up to the Liquidation Date.

This analysis assumes a consolidated balance of approximately $1.3 million in accounts maintained by non-Debtor entities as of the Liquidation Date.

Additionally, the Liquidation Analysis assumes that the Debtors' outstanding surety bonds are collateralized with cash during the chapter 11 cases in the amount of $77 million ("**Surety Collateral**").

This Liquidation Analysis further assumes, without conceding, that the Surety Collateral would not be available to the Estates in a liquidation scenario because such Surety Collateral likely would be the subject of negotiation and possibly protracted litigation among customer beneficiaries and providers of surety bonds

in a liquidation scenario. Nothing herein shall be interpreted as a waiver of the Debtors' ability to contest the extent, perfection, priority, validity, or amounts of such parties' claims related to the Surety Collateral. The Debtors reserve all their rights.

B. Accounts Receivable - Trade: For purposes of this Liquidation Analysis, the liquidation proceeds of trade receivables were estimated to range from 25-50% of net book value, which is based on, among other things, the anticipated challenges associated with collecting receivables from customers asserting claims for uncompleted contracts and unperformed services. Additionally, customers may have right of setoff against existing receivables for prepayments against other goods or services to be provided by the company.

C. Accounts Receivable – Multi-Year and Noncurrent ("**MY and N/C A/R**"): MY and N/C A/R consist predominantly of unbilled receivables for long-term contract assets where contracted services have not yet been performed. These assets were assumed to generate no proceeds.

D. Inventory: Inventory consists of IT hardware held for sale to end customers based on their requirements. The Liquidation Analysis assumes that 20-30% of the net book value of inventory could be recovered in a liquidation scenario due to the specialized nature of the C1's customer-specific and internal use hardware and the C1's inability to provide ongoing support to customers in connection with the equipment.

E. Property, Plant and Equipment ("**PP&E**"): PP&E includes computer systems, internal-use software, telecommunications equipment, leasehold improvements, furniture and fixtures, and other equipment of C1.

This Liquidation Analysis assumes a recovery of 30-50% on the net book value for all material categories of PP&E aside from internal-use software, real property, leasehold improvements, and assets under construction which are assumed not to generate recovery. This Liquidation Analysis assumes that the Debtors' real property can be sold for 85-115% of the average price per square foot of similar office properties based on recent real estate transactions for such properties in the same municipality.

Given competitive market dynamics, this Liquidation Analysis assumes that competitors maintain their own internal use software and therefore any C1-owned internal-use software will have no recoverable value. Recoverable value for internally developed proprietary software used in providing customer services is discussed in Note F below.

This Liquidation Analysis assumes no value is recoverable from the C1's leased real property, leasehold improvements or assets under construction in a chapter 7 liquidation.

F. Intangible Assets: The Debtors' Intangible Assets consist of the book values of Trademarks, Customer Relationships, and Non-Compete agreements. This analysis attributes no liquidation value for these assets.

This analysis attributes all material value of Intangible Assets to the Debtors' other intellectual property, which primarily consists of internally developed proprietary software and other technology for use in delivering services to customers. Given the competitive market dynamics, this Liquidation Analysis assumes that competitors have developed and maintain their own customer software and technology. Liquidation value attributable to the Debtors' intellectual property is based on an analysis of the discounted cash flow of the net operating cash flow from the Debtors' proprietary solutions in management's long term business plan projections.

G. Other Assets: Other Assets of C1 include Goodwill, Deferred Customer Support, Prepaid Expense, Prepaid Commissions, Operating Lease Assets, Income Tax Receivables, Other Receivables, and Other Current Assets.

This Liquidation Analysis ascribes no value to the C1's Other Assets.

Liquidation Costs: Each Debtor and non-Debtor entity is expected to pay liquidation, wind down expenses, statutory severance costs, trustee fees and other chapter 7 administrative claims prior to satisfaction of any debts to external or internal creditors. The total amount of estimated liquidation costs at each entity is the lesser of the Gross Liquidation Proceeds and the estimated costs as set forth in Notes H, I, J, and K below.

H. Wind-Down Operating Expense: This Liquidation Analysis assumes the cessation of the Debtors' ordinary course operations as of the Liquidation Date. The Debtors anticipate material costs to wind-down the business in an orderly manner, including continuation of certain leases and service arrangements following the Liquidation Date in order to secure books and records and allow for access to physical assets during the liquidation period.

The Debtors expect orderly liquidation of their facilities and subsidiaries to last three to six months. During that period, C1 is assumed to incur monthly estimated personnel costs for 40-45 Debtor employees and 10-15 Non-Debtor employees in the Finance, IT, HR, Facilities Management, and Legal functions, and non-personnel costs equal to 50% of the monthly cash operating expenses, excluding sales and marketing-related costs, plus the rent on the headquarters office, which is assumed to be the base of liquidation activities. These individuals will primarily be responsible for overseeing and maintaining certain of the Debtors' operations, providing historical knowledge and insight to the Trustee regarding the Debtors' businesses, and concluding the administrative liquidation of the businesses after the sale of substantially all of the Debtors' assets. These costs are assumed based on expenses of C1 projected for the fiscal year ended December 31, 2024, with such costs assumed to be incurred at ConvergeOne, Inc. for Debtor entities, and at Non-Debtor Entities where there are material physical assets to be liquidated.

Each C1 entity is assumed to wind-down independently without financial support from any other entity beyond recoveries on its Intercompany Claims and/or residual interests.

I. Severance / Notice: This Liquidation Analysis assumes that all employees of Debtors (other than those assisting with the liquidation and wind-down) will be terminated as of the Liquidation Date receive severance, notice and/or retention payments of, on average, eight weeks estimated fully-loaded costs based on the Debtors' severance policies, and that terminated employees of Non-Debtors receive severance, notice and/or retention payments of, on average, fifteen days' estimated fully-loaded costs based on relevant jurisdictional requirements. The severance periods and corresponding costs could, however, differ materially from the assumptions set forth by this Liquidation Analysis, which would reduce recoveries available to Holders of Claims and Interests. For purposes of this Liquidation Analysis, severance costs are assumed to be incurred at each Debtor and Non-Debtor employer entity.

J. Trustee Fees: Pursuant to section 326 of the Bankruptcy Code, the Bankruptcy Court may allow reasonable compensation for the Trustee's services, not to exceed 25% on the first $5,000 or less, 10% on any amount in excess of $5,000 but not in excess of $50,000, 5% on any amount in excess of $50,000 but not in excess of $1 million, and reasonable compensation not to exceed 3% of such moneys in excess of $1.0 million, upon all moneys disbursed or turned over in the case by the trustee to parties in interest. For purposes of this Liquidation Analysis, these fees are simplified to 3% of liquidation proceeds realized, excluding Cash, at each Debtor entity.

Non-Debtor entities are expected to pay equivalent trustee fees or similar costs in their respective jurisdictions.

K. Professional Fees: Pursuant to section 726 of the Bankruptcy Code, the allowed administrative expenses incurred by the Trustee, including expenses affiliated with selling the Debtors' assets and winding down operations, will be entitled to payment in full prior to any distribution to Administrative Claims and Other Priority Claims. This Liquidation Analysis estimates professional fees to be approximately 3-5% of the total liquidation proceeds realized at each Debtor and non-Debtor entity, excluding Cash (or $25,000 per entity, whichever is greater), which is based on expected fees and expenses of legal, financial, and other professionals as well as the complexity of the Debtors' liquidation and wind-down.

Intercompany Proceeds from Waterfall: After the payment of the Liquidation Costs, the Debtors and non-Debtors proceed to distribute any remaining proceeds to external and internal creditors in accordance with their relative payment priorities, which results in certain intercompany balances in favor of the Debtors:

L. Intercompany Receivables: The collection from intercompany balances depends on, among other things, the available proceeds from Debtor and non-Debtor liquidations and the characterization or recharacterization of such balances under applicable law. In addition, the non-Debtor affiliates are domiciled in foreign countries, which may make it challenging to distribute proceeds to domestic Debtor entities or other foreign non-Debtor Affiliates.

For the purpose of this Liquidation Analysis, intercompany liabilities are treated *pari passu* with Debtor and non-Debtor unsecured Claims. Intercompany assets at the Debtors are subject to liens in favor of the DIP Term Loan Claims, DIP ABL Claims, and First Lien Claims.

M. Net Residual Value: Intercompany equity interests are valued based on net liquidation proceeds on an entity-by-entity basis. The Debtors' collection from equity interests depends on, among other things, the available proceeds from Debtor and non-Debtor liquidations and the characterization or recharacterization of such balances under applicable law. In addition, the non-Debtor affiliates are domiciled in foreign countries which may make it challenging to distribute proceeds to domestic Debtor entities or other foreign non-Debtor affiliates.

Proceeds to External Creditors: After the payment of the Liquidation Costs, the Debtors and non-Debtors proceed to distribute any remaining proceeds to external and internal creditors in accordance with their relative payment priorities.

N. DIP Term Loan Claims: DIP Term Loan Claims are composed of $215 million of principal outstanding interest as of the Liquidation Date.

O. DIP ABL Claims: DIP ABL Claims are composed of $118 million of principal and $68 million of outstanding floorplan obligations as of the Liquidation Date.

P. First Lien Claims: First Lien Claims are composed of $1,356 million of principal and $39 million of outstanding interest as of the Petition Date. This analysis assumes no interest accrues between the Petition Date and the Liquidation Date.

Q. Second Lien Claims: Second Lien Claims are composed of $275 million of principal and $12 million of accrued interest as of the Petition Date. This analysis assumes no interest accrues between the Petition Date and the Liquidation Date.

The DIP ABL Claims benefit from first priority liens and asset pledges on the C1 borrowers' and guarantors' Accounts Receivable, Inventories, and Cash (the "**DIP ABL Priority Collateral**"). The DIP Term Loan Claims benefit from first priority liens and asset pledges at C1 and each of the entities that guarantee the DIP Term Loan Claims, covering substantially all the assets of each entity (other than DIP ABL Priority Collateral) and second priority liens on the ABL Priority Collateral held by C1 and each of the entities that guarantee the DIP Term Loan Claims.

Estimated recoveries on the DIP ABL Claims are estimated to range from 64-100% in a chapter 7 liquidation. Estimated recoveries on the DIP Term Loan Claims are estimated to range from 37-80% in a chapter 7 liquidation.

The First Lien Claims benefit from first priority liens (junior to the DIP Term Loan Claims) and asset pledges at C1 and each of the entities that guarantee the First Lien Claims, covering substantially all the assets of each

entity (other than ABL Priority Collateral) and second priority liens (junior to the DIP Term Loan Claims) on the ABL Priority Collateral held by C1 and each of the entities that guarantee the First Lien Claims.

First Lien Claims are estimated to receive no recovery in a chapter 7 liquidation. Second Lien Claims are estimated to receive no recovery in a liquidation.

R. Administrative Claims: Administrative Claims arising in a hypothetical chapter 7 liquidation may include, among other things: (1) Claims arising pursuant to section 503(b)(9) of the Bankruptcy Code; (2) post-petition trade payables; and (3) accrued post-petition employee obligations; other Administrative Claims are likely to be asserted, but this Liquidation Analysis makes no assumptions regarding such other Claims.

This Liquidation Analysis assumes there will be approximately $236 million of Administrative Claims outstanding at C1 on the Liquidation Date.

The amount of Administrative Claims provided above is an estimate based on information known to the Debtors as of the date hereof. As a result, the total amount of Administrative Claims allowed in the Chapter 11 Cases could differ materially from the assumptions set forth by this Liquidation Analysis, thereby reducing recoveries available to Holders of Claims and Interests in a chapter 7 liquidation.

Administrative Claims against the Debtors are expected to receive no recovery in a chapter 7 liquidation.

S. Priority Claims: This Liquidation Analysis assumes that estimated accrued liabilities for accrued payroll liabilities and taxes payable by the Debtors and their affiliates are treated as Priority Claims. However, the pool of Priority Claims could differ materially from the assumptions set forth in this Liquidation Analysis, thereby reducing recoveries available to Holders of Claims and Interests in a chapter 7 liquidation. This Liquidation Analysis assumes that there will be $26 million of priority claims as of the liquidation date.

Priority Claims against the Debtors are expected to receive no recovery in a liquidation.

T. General Unsecured Claims: General Unsecured Claims arising in a hypothetical chapter 7 may include, among other things: (a) prepetition trade Claims not satisfied under First Day Orders; (b) Claims for damages arising from the termination or rejection of the Debtors' various supply agreements, contracts, and unexpired leases; (c) claims related to litigation against C1; and (d) numerous other types of prepetition liabilities, including, at each entity. General Unsecured Claims do not include any Administrative Claims, Professional Fee Claims, Secured Tax Claims, Other Secured Claims, Priority Tax Claims, Other Priority Claims or other Claims separately shown herein.

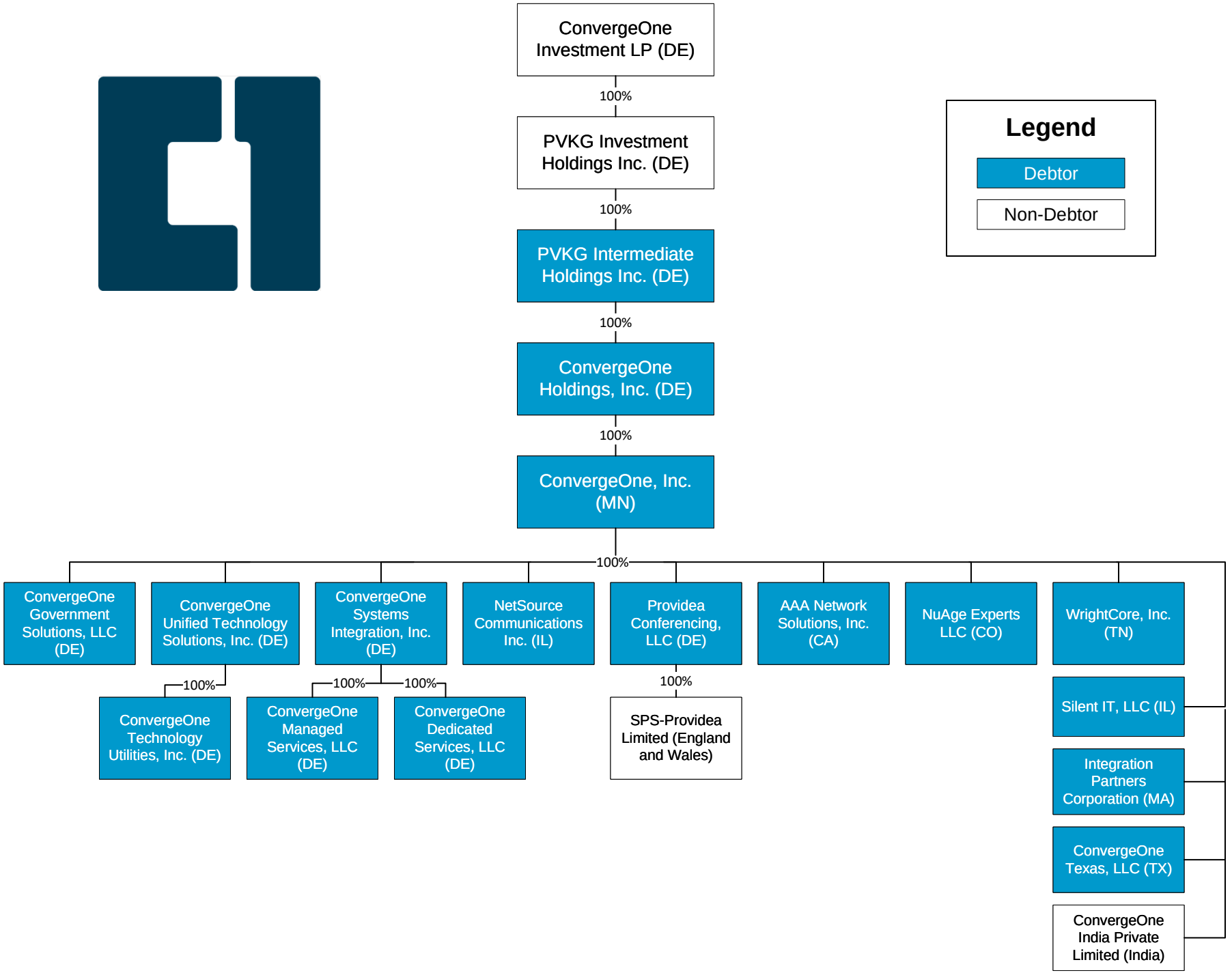
This Liquidation Analysis assumes that there will be $31 million of General Unsecured Claims at the Debtors as of the Liquidation Date.

The amount of General Unsecured Claims is an estimate based on information known to the Debtors as of the date hereof. As a result, the amount of General Unsecured Claims allowed could differ materially from the assumptions set forth by this Liquidation Analysis.

General Unsecured Claims against the Debtors are expected to receive no recovery in a liquidation.

Exhibit F

Organizational Structure Chart


ConvergeOne Investment LP (DE)
100%
PVKG Investment Holdings Inc. (DE)
100%
PVKG Intermediate Holdings Inc. (DE)
100%
ConvergeOne Holdings, Inc. (DE)
100%
ConvergeOne, Inc. (MN)
100%
ConvergeOne Government Solutions, LLC (DE)
ConvergeOne Unified Technology Solutions, Inc. (DE)
ConvergeOne Systems Integration, Inc. (DE)
NetSource Communications Inc. (IL)
Providea Conferencing, LLC (DE)
AAA Network Solutions, Inc. (CA)
NuAge Experts LLC (CO)
WrightCore, Inc. (TN)
100%
ConvergeOne Technology Utilities, Inc. (DE)
100%
100%
ConvergeOne Managed Services, LLC (DE)
ConvergeOne Dedicated Services, LLC (DE)
100%
SPS-Providea Limited (England and Wales)
Silent IT, LLC (IL)
Integration Partners Corporation (MA)
ConvergeOne Texas, LLC (TX)
ConvergeOne India Private Limited (India)
Legend
Debtor
Non-Debtor