

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re AIO US, INC., et al., Debtors.¹	X : : : : : : X	Chapter 11 Case No. 24-11836 () (Joint Administration Requested)
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**MOTION OF DEBTORS PURSUANT TO
11 U.S.C. §§ 105, 361, 362, 363, 364, 507, AND 552 AND
FED. R. BANKR. P. 2002, 4001, 6003, 6004, AND 9014 FOR
(I) AUTHORITY TO (A) OBTAIN POSTPETITION FINANCING,
(B) USE CASH COLLATERAL, (C) GRANT LIENS AND PROVIDE
SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS (D) GRANT
ADEQUATE PROTECTION, (E) MODIFY THE AUTOMATIC STAY, AND
(F) SCHEDULE A FINAL HEARING AND (II) GRANTING RELATED RELIEF**

AIO US, Inc. and its debtor affiliates, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), respectfully represent as follows:

Preliminary Statement

1. By this motion (the “**Motion**”), the Debtors seek authorization to obtain postpetition financing (the “**DIP Financing**”) and approval of their entry into a superpriority senior secured debtor-in-possession term loan credit facility (the “**DIP Facility**”) in an aggregate principal amount of \$43 million, provided by Natura &Co Holding S.A. (“**Natura Holding**”), Natura Cosméticos S.A. (“**Natura Cosméticos**”), Natura &Co Luxembourg Holdings S.à.r.L. (“**Natura Luxembourg**”), and Natura &Co UK Holdings Limited (“**Natura UK**,” collectively with Natura Holdings, Natura Cosméticos, and Nautra Luxembourg, “**Natura**” or the “**DIP**”

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: AIO US, Inc. (9872), Avon Products, Inc. (4597), MI Holdings, Inc. (6450), and Avon Capital Corporation (2219). The Debtors’ mailing and service address is 4 International Drive Suite 110, Rye Brook, New York 10573.

Lender”) with an initial draw of \$12 million. The Debtors also seek authorization to use cash collateral.

2. As described herein, the DIP Financing and use of cash collateral will provide the Debtors with the necessary liquidity to maintain their operations and administer these chapter 11 cases (the “**Chapter 11 Cases**”) as they work to implement a sale of all or substantially all of their assets under section 363 of the Bankruptcy Code (the “**363 Sale**”) and maximize the value of these estates for creditors. The proposed DIP Financing is on terms that are very favorable to the estate—of particular note, the proposed DIP Financing does not contemplate a “roll-up” of any of Natura’s prepetition secured loans. The proposed DIP Financing also does not include any unused commitment, exit, or agent fee and permits the Debtors to pay below-market interest in kind during the chapter 11 cases. Additionally, the DIP Lender is not seeking payment from the Debtors of any professional fees or expenses incurred in connection with the ordinary course negotiation or approval of the DIP Facility.

3. In support of this Motion, the Debtors submit the following:

- *Declaration of Marcelo Messer in Support of Motion of Debtors Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 507 and 552 and Fed. R. Bank. P. 2002, 4001, 6003, 6004, and 9014 for (I) Authority to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (C) Grant Liens and Provide Superpriority Administrative Expense Status, (D) Grant Adequate Protection, (E) Modify the Automatic Stay, and (F) Schedule a Final Hearing and (II) Granting Related Relief*, sworn to the date hereof (the “**Messer Declaration**”), which has been filed contemporaneously herewith and is incorporated by reference herein; and
- *Declaration of Philip J. Gund in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”), which has been filed with the Court and is incorporated by reference herein.

4. The Debtors’ initial budget (the “**Initial DIP Budget**” and, any budget thereafter, a “**Budget**”), which reflects the anticipated cash receipts and anticipated disbursements for each calendar week during the period from the Petition Date (as defined below) through and

including the end of the thirteenth (13th) week following the Petition Date, is annexed as Exhibit B to the Interim Order (as defined below).

5. As of the Petition Date, the Debtors have approximately \$2.9 million in cash on hand, which is not sufficient to continue their operations, and, thus, require immediate access to the DIP Financing and the use of cash collateral to ensure that they have sufficient liquidity to administer their estates and prosecute these chapter 11 cases in an orderly and expeditious manner. The DIP Lender has committed to provide the Debtors with DIP Financing in an aggregate amount of \$43 million to finance the chapter 11 cases and allow the Debtors to implement a 363 Sale to maximize value for the estates and their creditors.

6. Several reasons justify the relief requested herein:

- The Debtors are entering chapter 11 with limited cash on hand. Immediate access to the DIP Financing and use of cash collateral is therefore critical to ensure the Debtors' smooth entry into chapter 11 and their ability to administer their estates and maintain their operations of their non-debtor foreign subsidiaries (collectively, "**Avon Non-U.S.**" and together with the Debtors, "**Avon**" or the "**Company**") and to implement their chapter 11 strategy in an orderly and expeditious manner.
- The Debtors' proposed interim draw of \$12 million is necessary for the Debtors to avoid immediate and irreparable harm to their estates. As set forth in the First Day Declaration, the Debtors have payroll and other expenses that are required to be paid in the near term and, therefore, require access to the DIP Financing and use of cash collateral to avoid harm to these estates that may impact the Debtors' ability to consummate the 363 Sale and otherwise negatively impact potential creditor recoveries.
- Negotiations with the proposed DIP Lender were conducted at arm's length and in good faith. The Debtors believe the DIP Facility provides sufficient liquidity with customary budget restrictions, all at fees, rates, and other terms that are well within market under the circumstances.
- The Debtors believe alternative financing is not available to the Debtors in the marketplace on superior terms. Prepetition, the Debtors solicited potential financing from several sources, including from third-party lenders and Natura. Only Natura expressed willingness to provide debtor-in-possession financing.

Relief Requested

7. By this Motion, pursuant to sections 105, 361, 362, 363, 364, 503, 507, and 522 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”), the Debtors request entry of (i) an order granting the relief requested herein on an interim basis, in the proposed form of order attached hereto as **Exhibit A** (the “**Interim Order**”), and (ii) pending a final hearing on the relief requested herein, an order granting the relief requested herein on a final basis (the “**Final Order**” and, together with the Interim Order, the “**Proposed Orders**”):

- (i) authorizing the Debtors, including any additional subsidiaries of Avon Products, Inc. (“**API**”) that, subsequent to entry of the Interim Order, join these Chapter 11 Cases and which shall automatically become subject to the Interim Order or the Final Order (as defined herein), as applicable, without further approval or action of this Court (collectively, the “**DIP Loan Parties**”), to obtain postpetition financing (the “**DIP Financing**”) pursuant to the DIP Facility, consisting of loans in an aggregate principal amount of \$43 million (the commitments in respect thereof, the “**DIP Commitments**” and such loans, the “**DIP Loans**”) from the DIP Lender, of which \$12 million will be immediately available upon entry of the Interim Order, and the remainder will be, subject to and upon the date of entry of the Final Order, available through multiple draws, in each case, subject to the terms and conditions set forth herein and in that certain *Superpriority Senior Secured Debtor-in-Possession Credit and Guaranty Agreement*, attached hereto as **Exhibit A** (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “**DIP Credit Agreement**”), by and among the DIP Loan Parties and the DIP Lender;
- (ii) authorizing the DIP Loan Parties to execute, deliver and perform their obligations under the DIP Credit Agreement and all other loan documentation related to the DIP Facility, including, without limitation, as applicable, security agreements, pledge agreements, control agreements, mortgages, deeds, charges, guarantees, promissory notes, intercompany notes, certificates, instruments, intellectual property security agreements, notes, and such other documents that may be necessary or reasonably required to implement the DIP Facility and/or that may be reasonably requested by the DIP Lender in connection with the DIP Facility, in each

case, as amended, restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and hereof (collectively, together with the DIP Credit Agreement and any other Loan Documents (as defined in the DIP Credit Agreement), the “**DIP Documents**”);

- (iii) authorizing the DIP Loan Parties to incur loans, advances, extensions of credit, financial accommodations, reimbursement obligations, fees (including, without limitation, commitment fees and any other fees payable pursuant to the DIP Documents), costs, expenses and other liabilities, and all other obligations (including indemnities and similar obligations, whether contingent or absolute) and all other obligations due or payable under the DIP Documents (collectively, the “**DIP Obligations**”), and to perform such other and further acts as may be necessary, desirable or appropriate in connection therewith;
- (iv) subject and subordinate to the Carve-Out (as defined in the Interim Order), granting to the DIP Lender, allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code in respect of all DIP Obligations of the DIP Loan Parties;
- (v) granting to the DIP Lender, valid, enforceable, non-avoidable and automatically perfected liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and priming liens pursuant to section 364(d) of the Bankruptcy Code on all prepetition and postpetition property, including cash and cash equivalents, of the DIP Loan Parties’ estates (other than certain Excluded Property, as provided in the DIP Documents) and all proceeds thereof, including, subject only to and effective upon entry of the Final Order granting such relief, any Avoidance Proceeds (as defined in the Interim Order), in each case subject and subordinate to the Carve-Out;
- (vi) authorizing the DIP Lender and the Prepetition Secured Parties (as defined in the Interim Order) to take all commercially reasonable actions to implement and effectuate the terms of the Interim Order;
- (vii) authorizing the Debtors to waive, subject to entry of the Final Order granting such relief, (a) their right to surcharge the Prepetition Collateral (as defined in the Interim Order) and the DIP Collateral (as defined in the Interim Order) (together, the “**Collateral**”) pursuant to section 506(c) of the Bankruptcy Code and (b) any “equities of the case” exception under section 552(b) of the Bankruptcy Code;
- (viii) subject to entry of the Final Order granting such relief, waiving the equitable doctrine of “marshaling” and other similar doctrines (a) with respect to the DIP Collateral for the benefit of any party other than the DIP Lender and (b) with respect to any of the Prepetition Collateral (including Cash

Collateral (as defined in the Interim Order)) for the benefit of any party other than the Prepetition Secured Parties;

- (ix) authorizing the Debtors to use proceeds of the DIP Facility and the Prepetition Collateral, in each case solely in accordance with the Interim Order and Approved Budget (as defined in the Interim Order) (subject to any permitted variance set forth herein and in the DIP Documents);
- (x) authorizing the Debtors to pay the principal, interest, fees, expenses and other amounts payable under the DIP Documents as such become earned, due and payable to the extent provided in, and in accordance with, the DIP Documents;
- (xi) subject to the restrictions set forth in the DIP Documents and the Interim Order, authorizing the Debtors to use the Prepetition Collateral, including Cash Collateral, of the Prepetition Secured Parties under the Prepetition Secured Credit Documents (as defined in the Interim Order), and provide adequate protection to the Prepetition Secured Parties for any diminution in value of its interests in the applicable Prepetition Collateral (including Cash Collateral), including, without limitation, any diminution in value resulting from the imposition of the automatic stay under section 362 of the Bankruptcy Code (the “**Automatic Stay**”), the Debtors’ use, sale, or lease of the Prepetition Collateral (including Cash Collateral), and the priming of its interests in the Prepetition Collateral (including Cash Collateral); *provided*, that such adequate protection shall not require payment of fees (including, without limitation, professional fees, costs, or expenses) or interest (which will be paid in kind solely to the extent subsequently determined by the Bankruptcy Court to be allowed under section 506(c) of the Bankruptcy Code) in connection with, or as part of, the Adequate Protection Obligations (as defined herein);
- (xii) vacating and modifying the Automatic Stay solely to the extent set forth herein and solely to the extent necessary to permit the Debtors and their affiliates, the DIP Lender and the Prepetition Secured Parties to implement and effectuate the terms and provisions of the Interim Order, the DIP Documents and, upon entry, the Final Order and to deliver any notices of termination described below and as further set forth herein;
- (xiii) waiving any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of the Interim Order and, upon entry, the Final Order; and
- (xiv) scheduling a final hearing (the “**Final Hearing**”) to consider final approval of the DIP Facility and use of Cash Collateral, pursuant to the Final Order, as set forth in the DIP Motion and the DIP Documents filed with the Court.

Background

8. On the date hereof (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in these chapter 11 cases.

9. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Bankruptcy Rule 1015-1.

10. The Debtors, together with their non-debtor foreign subsidiaries, are a leading manufacturer and marketer of beauty, fashion, and home products with operations and customers across the globe. The Debtors have commenced their chapter 11 cases with the commitment and support of their secured prepetition and postpetition lender and parent, Natura, to address the Debtors’ prepetition liabilities and to implement a sale of all or substantially all of the Debtors’ assets to maximize value for the estates and their creditors.

11. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the First Day Declaration.

Jurisdiction and Venue

12. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Local Bankruptcy Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion if it is later determined that the Court,

absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**Concise Statements Regarding DIP Facility
Pursuant to Bankruptcy Rule 4001(b) and Local Bankruptcy Rule 4001-2²**

13. In accordance with Bankruptcy Rules 4001(b)–(d) and Local Bankruptcy Rule 4001-2(a), the below chart summarizes the significant terms of the proposed Interim Order and the DIP Documents.

SUMMARY OF MATERIAL TERMS OF DIP FACILITY		
Borrowers Bankruptcy Rule 4001(c)(1)(B)	Avon Products Inc., AIO US, Inc., MI Holdings, Inc., Avon Capital Corporation., and any additional subsidiaries that, subsequent to entry of the Interim Order, join the Chapter 11 Cases.	DIP Credit Agreement, Preamble; Schedule 1.01; Interim Order, Preamble.
Guarantors Bankruptcy Rule 4001(c)(1)(B)	Each subsidiary that becomes a party to the DIP Credit Agreement as a “Guarantor” after the Closing Date (as defined in the DIP Credit Agreement).	DIP Credit Agreement, Preamble; §§ 1.01, 6.15.
DIP Lender Bankruptcy Rule 4001(c)(1)(B)	Natura &Co Holdings S.A., Natura Cosméticos S.A., Natura & Co. Luxembourg Holdings S.à.r.L, and Natura &Co UK Holdings Limited.	DIP Credit Agreement, Preamble.
DIP Facility Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rule 4001-2(a)(i)(A) Borrowing Limits Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rule 4001-2(a)(i)(A)	The DIP Facility consists of term loans (the “ DIP Term Loans ”) in the aggregate principal amount of \$43 million, of which \$12 million will be immediately available upon entry of the Interim Order, and the remainder will be, subject to the entry of the Final Order, available through multiple draws subject to the terms and conditions set forth in the DIP Credit Agreement.	DIP Credit Agreement, Recitals.
Budget Bankruptcy Rule 4001(c)(1)(B)	The Initial DIP Budget is attached as <u>Exhibit B</u> to the Interim Order.	Interim Order, Ex. B.

² The following summary of the DIP Facility is qualified in its entirety by reference to the applicable provisions of the DIP Credit Agreement, the relevant DIP Documents, and/or the Interim Order, as applicable. To the extent there are any inconsistencies between this summary and the provisions of the DIP Credit Agreement, the DIP Documents, or the Interim Order, the provisions of the Interim Order shall control. Any capitalized terms used but not otherwise defined in this summary shall have the respective meanings ascribed to such terms in the DIP Credit Agreement, the DIP Documents, and/or the Interim Order, as applicable. The Debtors reserve the right to supplement the statements made pursuant to Bankruptcy Rule 4001 and Local Bankruptcy Rule 4001–2 herein.

Interest Rate Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rule 4001-2(a)(i)(B)	<u>Interest Rate:</u> Term SOFR (as defined in the DIP Credit Agreement) plus 5.50%. <u>Default Interest:</u> 2.00% plus the rate otherwise applicable.	DIP Credit Agreement, § 2.06.
Expenses and Fees Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rules 4001-2(a)(i)(B)	“Upfront Premium” of 1.00% of the aggregate amount of the applicable DIP Commitments, which will be fully earned and due and payable in kind (by capitalizing and adding to the principal amount of the DIP Loans) (i) in the case of the Initial Term Loan Commitments (as defined in the DIP Credit Agreement), on the Closing Date or (ii) in the case of the Delayed Draw Term Loan Commitments (as defined in the DIP Credit Agreement), on the first Delayed Draw Term Loan Borrowing Date (as defined in the DIP Credit Agreement).	DIP Credit Agreement, § 2.12.
Maturity Date Bankruptcy Rule 4001(c)(1)(B)	The earliest of (such date, the “Maturity Date”): - the date that is one-hundred and fifty (150) calendar days after the Closing Date, - the effective date of any chapter 11 plan for any DIP Loan Party; - the date of acceleration or termination of the DIP Facility in accordance with the terms of the DIP Credit Agreement; and - the date of consummation of a sale or other disposition of all or substantially all assets of the Debtors, taken as a whole, under section 363 of the Bankruptcy Code (including, without limitation, consummation of the 363 Sale).	DIP Credit Agreement, § 1.01.
Collateral and Priority Bankruptcy Rule 4001(c)(1)(B)(i), 4001(c)(1)(B)(ii), Local Bankruptcy Rules 4001-2(a)(i)(F) and 4001-2(a)(i)(G) Superpriority Claim Bankruptcy Rule 4001(c)(1)(B)(i), 4001(c)(1)(B)(ii)	DIP Collateral: - First priority senior security interest in and lien on any Unencumbered Property (as defined in the Interim Order), subject and subordinate to the Carve-Out; - First priority senior priming security interest in and lien upon all tangible and intangible prepetition and postpetition property of the DIP Loan Parties subject to the Prepetition Liens (as defined in the Interim Order), subject and subordinate to the Carve-Out; and - Security interest in and lien upon all tangible and intangible prepetition and postpetition property of the DIP Loan Parties that is subject to Senior Prior Liens (as defined in the Interim Order), immediately junior and subordinate to any such Senior Prior Liens, subject and subordinate to the Carve-Out. DIP Superpriority Claims. Subject and subordinate to the Carve-Out, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims against the DIP Loan Parties on a joint and several basis with priority over any and all claims against the DIP Loan Parties.	Interim Order, ¶¶ 6, 7.
Use of DIP Proceeds Bankruptcy Rules 4001(b)(1)(B)(ii) and 4001(c)(1)(B)	Subject to the Orders, the proceeds of the Term Loans will be used in accordance with and as provided in the Approved Budget (subject to permitted variances).	DIP Credit Agreement, §§ 3.17; 5.05.

Financial Covenants Bankruptcy Rule 4001(c)(1)(B)	Liquidity Covenant. Commencing with the Friday of the first full week after the Petition Date and tested on each Friday thereafter, the DIP Loan Parties shall not permit Liquidity (as defined in the DIP Credit Agreement) to be less than \$2,000,000 as of such testing date. Budget Variance Covenant. On each Budget Variance Test Date (as defined in the DIP Credit Agreement), the Borrowers shall not permit actual total disbursements (excluding professional fees) and actual capital expenditures for such Budget Variance Test Period (as defined in the DIP Credit Agreement) to be greater than 115% of the forecasted total disbursements (excluding professional fees) and forecasted total capital expenditures for such Budget Variance Test Period in the applicable Approved Budget. Budget Professionals Variance Covenant. On each Budget Professional Variance Test Date (as defined in the DIP Credit Agreement), the DIP Loan Parties shall not permit cumulative actual accrued fees and expenses of Estate Professional (as defined herein) for such Budget Professional Variance Test Period to be greater than 115% of the forecasted total disbursements for Estate Professionals for such Budget Professional Variance Test Period in the applicable Approved Budget.	DIP Credit Agreement § 6.14.
Events of Default Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rule 4001-2(i)(M)	Events of default (including thresholds, qualifications, exceptions and grace periods) customary and usual for debtor-in-possession financings of this type, including, among other things: (i) failure to pay principal when due, (ii) failure to pay interest or other amounts within five (5) business days after becoming due, (iii) inaccuracy of representations or warranties in any material respect when made, (iv) breach of covenants (subject to certain grace periods, as applicable), (v) failure to pay principal or interest under any Material Indebtedness that is not otherwise subject to the automatic stay under section 362 of the Bankruptcy Code, (vi) commencement of certain voluntary or involuntary insolvency proceedings, subject to certain exceptions, (vii) entry of certain judgments; (viii) occurrence of a Change in Control (as defined in the DIP Credit Agreement); (viii) failure to satisfy the Milestones, (ix) certain bankruptcy events, including, without limitation, (a) conversion of the Chapter 11 Cases to a chapter 7 liquidation, (b) dismissal of the Chapter 11 Cases, (c) appointment of trustee under chapter 11 of the Bankruptcy Code or an examiner (other than a fee examiner under section 1106(a)(3) and (4) of the Bankruptcy Code), and (d) certain other bankruptcy events that significantly and materially impact the Debtors' reorganization efforts, and (x) default on certain leases.	DIP Credit Agreement § 7.01.
Milestones Bankruptcy Rule 4001(c)(1)(B)(vi) , Local Bankruptcy Rule 4001-2(a)(i)(H)	Compliance with the following “Milestones” (as defined in the DIP Credit Agreement): - no later than August 12, 2024, the Chapter 11 Cases shall have commenced; - no later than one (1) calendar day after the Petition Date, the Debtors shall have filed a motion, reasonably acceptable to the DIP Lender, seeking approval of bid procedures in respect of a sale of the Debtors' assets (the “Bidding Procedures Motion”); - no later than one (1) calendar day after the Petition Date, the Debtors shall have filed a motion seeking approval of an agreement settling estate claims against the DIP Lender and certain of its subsidiaries (the “9019 Motion”);	DIP Credit Agreement § 5.15; Schedule 5.15.

	- no later than the date that is three (3) business days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order; - no later than the date that is thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered (i) the Final Order and (ii) an order approving the Bidding Procedures Motion; - no later than the date that is sixty-two (62) calendar days after the Petition Date, the Bankruptcy Court shall have entered the order approving the 9019 Motion (the “9019 Approval Order Date”); <i>provided, however</i>, in the event the Bankruptcy Court declines to hold a hearing on the 9019 Motion prior to the expiration of the Challenge Period, such Milestone shall be extended to no later than the date that is seventy-five (75) calendar days after the entry of the Interim Order or such earlier date as permitted by the Bankruptcy Court; - no later than the date that is sixty-seven (67) calendar days after the Petition Date, the “bid deadline” provided for under the Bidding Procedures Motion shall have occurred; - no later than the date that is seventy-seven (77) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the sale(s) contemplated by the Bidding Procedures Motion; and - no later than the date that is eighty-five (85) calendar days after the Petition Date, the 363 Sale(s) shall have been consummated.	
Carve-Out Bankruptcy Rule 4001(b)(1)(B)(iii) , Local Bankruptcy Rule 4001-2(a)(i)(F)	the term “ Carve-Out ” means the sum of: (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate, if any, pursuant to 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below and which statutory fees shall not be limited by any budget); (ii) all reasonable and documented fees and expenses in an aggregate amount not to exceed \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in clause (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, final order or otherwise, all accrued and unpaid claims for fees, costs, and expenses (the “ Allowed Professional Fees ”) incurred by persons or firms (a) retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the “ Debtor Professionals ”), or (b) retained by the Creditors’ Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (collectively, the “ Committee Professionals ” and, together with the Debtor Professionals, the “ Estate Professionals ”) (in each case, including any restructuring, sale, success or other transaction fee of any investment banker or financial advisor that is a Debtor Professional; <i>provided</i> that such fees shall be payable out of the Carve-Out solely to the extent such fees were actually earned and payable prior to delivery of a Carve-Out Trigger Notice (defined below) pursuant to the terms of the respective engagement letters with the Debtors in effect as of the date of court approval of such professional’s retention (such fees, collectively, the “ Carve-Out Transaction Fees ”), at any time before or on the first (1st) business day following delivery by the DIP Lender of a Carve-	Interim Order ¶ 4.

	Out Trigger Notice without regard to whether such fees, costs, and expenses were invoiced after the Carve-Out Trigger Notice Date, whether allowed by the Court prior to or after the Carve-Out Trigger Notice Date, and whether such fees, costs, and expenses are provided for in the Approved Budget (the amounts set forth in this clause (iii) being the “ Pre-Carve-Out Cap ”); and (iv) Allowed Professional Fees of Debtor Professionals in an aggregate amount not to exceed \$4,000,000 incurred after the first (1st) business day following delivery of the Carve-Out Trigger Notice (the amount set forth in this clause (iv) being the “ Debtor Post-Carve-Out Cap ”); and (v) Allowed Professional Fees of Committee Professionals in an aggregate amount not to exceed \$100,000 incurred after the first (1st) business day following delivery of the Carve-Out Trigger Notice (the amount set forth in this clause (v) being the “ Committee Post-Carve-Out Cap ” and, together with the Debtor Post-Carve-Out Cap, the “ Post-Carve-Out Caps ” and, the Post-Carve-Out Caps together with the Pre-Carve-Out Cap and the amounts set forth in clauses (i) and (ii), the “ Carve-Out Cap ”).	
Challenge Period Bankruptcy Rule 4001(c)(1)(B), 4001(c)(1)(B)(viii)	The “ Challenge Period ” is the earlier of (i) seventy-five (75) calendar days after entry of the Interim Order; and (ii) subject to the entry of the Final Order granting such relief, the entry of the order approving the 9019 Motion; <i>provided</i> , that the Challenge Period may be extended (x) by the applicable Prepetition Secured Party in writing to any such later date; (y) to any such later date as has been ordered by the Court for cause upon a motion filed and served within any applicable period; (z) if the Chapter 11 Cases convert to cases under chapter 7, or if a chapter 11 trustee is appointed, in each case prior to the expiration of the Challenge Period, for the chapter 7 or chapter 11 trustee, to the longer of (1) the remaining Challenge Period and (2) ten (10) days after their appointment.	Interim Order ¶ 21.
Debtors’ Stipulations Concerning the Validity, Enforceability, Priority, or Amount of Prepetition Claims Bankruptcy Rule 4001(c)(1)(B)(iii), (viii)	The Interim Order contains stipulations of fact by the Debtors, including those related to the validity and enforceability of the Debtors’ prepetition secured obligations. Subject to the Challenge Period, the stipulations, admissions, agreements and releases contained in the Interim Order shall be binding upon the Debtors and all other parties in interest.	Interim Order ¶¶ G; 21.
Waivers/ Modification of Automatic Stay Bankruptcy Rule 4001(c)(1)(B)(iv)	The automatic stay is modified solely to the extent necessary to (i) permit the DIP Lender to exercise remedies upon five (5) days’ notice of an event of default and (ii) to permit the DIP Loan Party to perform all acts, to make, execute and deliver all instruments, certificates, agreements, charges, deeds and documents (including, without limitation, the execution or recordation of pledge and security agreements, mortgages, financing statements and other similar documents), and to pay all fees, expenses and indemnities in connection with or that may be reasonably required, necessary, or desirable for the DIP Loan Parties’ performance of their obligations under or related to, but solely to the extent permitted under, the DIP Financing; and (iii) permit affiliates of the Debtors who are not debtors in the Chapter 11 Cases to take all actions as are necessary or appropriate to implement the terms of the Interim Order.	Interim Order ¶¶ 2, 10, 37.
Indemnification Bankruptcy Rule 4001(c)(1)(B)(ix)	The DIP Credit Agreement and the Interim Order each contains indemnification provisions ordinary and customary for debtor-in-possession financings of this type; <i>provided</i> , that the Prepetition	DIP Credit Agreement § 9.13; Interim Order ¶ 23.

	Secured Parties and the DIP Lender shall not be indemnified for any fees, costs, expenses, loss, claims or liability incurred or arising in connection with any challenge, defense, prosecution, negotiation, settlement, or resolution of any claims (i) subject to a Challenge, (ii) proposed to be settled pursuant to the 9019 Motion, or (iii) in connection with the 363 Sale. For the avoidance of doubt, no fees or expenses for work done in the ordinary course negotiation or seeking and obtaining approval of the Prepetition Indebtedness (as defined in the DIP Credit Agreement) and/or the DIP Facility, as applicable, shall be payable by any Borrowers to the Lender.	
Cross-Collateralization Local Bankruptcy Rule 4001-2(a)(i)(N)	Not applicable.	Not applicable.
Non-Consensual Priming Liens Local Bankruptcy Rule 4001-2(a)(i)(P)	Not applicable.	Not applicable.
Waiver or Modification of Authority to File a Plan, Extend Time to File Plan, Request Use of Cash Collateral, or Request Authority to Obtain Credit Bankruptcy Rule 4001(c)(1)(B)(v)	Not applicable.	Not applicable.
Waiver or Modification of Applicability of Non-Bankruptcy Law Relating to the Perfection or Enforcement of a Lien Bankruptcy Rule 4001(c)(1)(B)(vii)	The DIP Lender and the Prepetition Secured Parties are authorized, but not required, to file or record (and to execute in the name of the DIP Loan Parties and the Prepetition Secured Parties (as applicable), as their true and lawful attorneys, with full power of substitution, to the maximum extent permitted by law) financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, or to amend or modify security documents, or enter into, amend or modify intercreditor agreements, or to subordinate existing liens and any other similar action or action in connection therewith or take any other action in order to document, validate and perfect the liens and security interests granted to them under the Interim Order. Whether or not the DIP Lender or the Prepetition Secured Parties shall take any Perfection Actions (as defined in the Interim Order), the liens and security interests granted under the Interim Order shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination, at the time and on the date of entry of the Interim Order.	Interim Order ¶ 19.
Provision Limiting the Court's Power or	None.	None.

Discretion to Enter Future Orders Local Bankruptcy Rule 4001-2(a)(i)(C)		
Provision Providing for the Funding of Non-Debtor Affiliates Local Bankruptcy Rule 4001-2(a)(i)(D)	No Loan Party will, or shall it permit any of its subsidiaries to, enter into any transaction (including any purchase, sale, lease or exchange of property or the rendering of any service) involving, pursuant to such transaction, payments in excess of \$500,000 in any fiscal year, with any affiliate of API, except upon terms that are no less favorable to it than it would obtain in a comparable arm's length transaction with a person other than an affiliate of a DIP Loan Party; <i>provided</i> that nothing contained in the Interim Order shall prohibit, among others, transactions between or among the DIP Loan Parties or one or more of API's subsidiaries to the extent entered into in the ordinary course of business and/or consistent with past practice.	DIP Credit Agreement § 6.08.
Joint Liability of Debtors Local Bankruptcy Rule 4001-2(a)(i)(J)	The DIP Loan Parties shall be jointly and severally liable for the DIP Obligations.	Interim Order ¶ 3.
Section 506(c) and Section 552(b) Waivers Bankruptcy Rule 4001(c)(1)(B), Local Bankruptcy Rule 4001-2(a)(i)(V) and 4001-2(a)(i)(W)	Except to the extent of the Carve-Out and subject to entry of the Final Order granting such relief, no costs or expenses of administration of the Chapter 11 Cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender or the Prepetition Secured Parties, as applicable, and no consent shall be implied from any other action, inaction or acquiescence by the DIP Lender or the Prepetition Secured Parties, and nothing contained in the Interim Order shall be deemed to be a consent by the DIP Lender or the Prepetition Secured Parties to any charge, lien, assessment or claims against the DIP Collateral under section 506(c) of the Bankruptcy Code or otherwise. Subject to entry of the Final Order granting such relief, in no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties with respect to proceeds, products, offspring or profits of any Prepetition Collateral (including, without limitation, the assets of the Non-Debtor Guarantor constituting Prepetition Collateral).	Interim Order ¶¶ 11, 12.
Conditions to Borrowing Bankruptcy Rule 4001(c)(1)(B); Local Bankruptcy Rule 4001-2(a)(i)(E)	The DIP Documents include conditions to closing, as well as conditions for subsequent draw(s) under the DIP Credit Agreement, which are customary and appropriate for similar debtor in possession financings of this type.	DIP Credit Agreement §§ 4.01, 4.02.
Liens on Avoidance Actions Bankruptcy Rule 4001(c)(1)(B)(xi) Local Bankruptcy Rule 4001-2(a)(i)(U)	Subject to entry of the Final Order granting such relief, liens are granted on proceeds or property recovered from Avoidance Actions (but not the Avoidance Actions themselves).	Interim Order ¶ 6.

Waiver of Claims Against Secured Creditors Local Bankruptcy Rule 4001-2(a)(i)(Q) Release, Waivers or Limitation on any Claim or Cause of Action Bankruptcy Rule 4001(c)(1)(B)(viii)	Subject to the Challenge Period, the Debtors' stipulations, admissions, agreements and releases contained in the Interim Order shall be binding upon the Debtors in all circumstances and for all purposes. Subject to entry of the Final Order granting such relief, each of the Debtors and the Debtors' estates, on its and their own behalf, on behalf of its and their respective past, present and future predecessors, heirs, successors, subsidiaries, and assigns, absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender, solely in its capacity as such, and its Representatives (as defined herein), each solely in its capacity as a Representative of the DIP Lender (collectively, the "DIP Released Parties"), from any and all (I) obligations and liabilities to the Debtors (and their successors and assigns) and (II) claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case arising out of or related to the DIP Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions and agreements reflected thereby, and the obligations and financial obligations made thereunder, in each case that the Debtors at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the DIP Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of the Final Order granting such relief; provided that the releases set forth in this section shall not release (x) any claims against a DIP Released Party or liabilities that a court of competent jurisdiction determines results from the bad faith, fraud, gross negligence or willful misconduct of such DIP Released Party and (y) any claims proposed to be settled pursuant to that certain the 9019 Motion. For the avoidance of doubt, nothing in this release shall relieve the DIP Lender of their DIP Obligations from and after the date of the Interim Order.	Interim Order ¶¶ G, 21.
Adequate Protection Provided for Use of Cash Collateral Bankruptcy Rule 4001(b)(1)(B)(iv)	As adequate protection of interests in the Prepetition Collateral, the Prepetition Secured Parties are granted: • Prepetition Adequate Protection Liens. A valid, perfected replacement security interest in and lien upon all of the DIP Collateral. • Section 507(b) Claims. Subject and subordinate to the Carve-Out, an allowed superpriority administrative expense claim as provided for in section 507(b) of the Bankruptcy Code, which claim shall have recourse to and be payable from all DIP Collateral and all proceeds therefrom. Notwithstanding anything in the Interim Order to the contrary, nothing in the Interim Order shall or shall be deemed to constitute a finding or admission that the Prepetition Secured Parties have a lien or security interest in the Debtors' prepetition cash and the Debtors	Interim Order ¶ 14, 16.

	and the Prepetition Secured Parties reserve all rights with respect thereto.	
Marshaling Local Bankruptcy Rule 4001-2(a)(i)(X)	Subject to entry of the Final Order granting such relief, in no event shall the DIP Lender or the Prepetition Secured Parties be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral, the DIP Obligations, the Prepetition Secured Debt, or the Prepetition Collateral. Further, subject to entry of the Final Order granting such relief, in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties with respect to proceeds, products, offspring or profits of any Prepetition Collateral.	Interim Order ¶ 12.

Prepetition Indebtedness³

A. Funded Debt Obligations

14. As of the Petition Date, the Debtors had outstanding secured and unsecured funded debt obligations (including in respect of guarantees) in the aggregate principal amount (plus accrued interest) of approximately \$1.294 billion, composed of approximately \$1.271 billion in secured and unsecured debt owed to the Natura Group and approximately \$22.7 million in unsecured bonds. A summary of the Debtors’ prepetition indebtedness impacted by the relief requested in this Motion is as follows:

Debt Instrument	Outstanding Amount as of Petition Date	Maturity Date	Borrower/Issuer	Guarantor	Lender/Noteholder
<i>Prepetition API Credit Agreement</i>	\$236.9 million	8/8/2043	API	AIO ACL ABL	Natura UK
<i>Prepetition ACL 2023 Secured Credit Agreement</i>	\$249.0 million	8/8/2029	ACL	API AIO ABL	Natura Luxembourg
<i>Prepetition ACL/API 2024 Credit Agreement</i>	\$317.9 million, consisting of: Tranche A (\$35 million); Tranche B (\$200 million); Tranche C (\$50 million);	10/20/2025	ACL (Tranches A & B) API and ACL (Tranches C, D & E)	<i>Debtors:</i> i. API (<i>Tranches A and B</i>) ii. MIH iii. AIO iv. ACC <i>Non-Debtors:</i> i. ACIH ii. ABL	Natura Natura Cosméticos Natura Luxembourg

³ The Debtors’ prepetition capital structure is described in further detail in the First Day Declaration.

Debt Instrument	Outstanding Amount as of Petition Date	Maturity Date	Borrower/Issuer	Guarantor	Lender/Noteholder
	Tranche D (\$15 million); and Tranche E (\$15 million)			iii. Avon Netherlands iv. Beauty Products Latin America Holdings S.L. v. Avon Cosmetics Polska Spółka Z.O.O. vi. Avon Holdings Vagyonkezelő KFT vii. Avon Cosmetics Hungary KFT	
Total Secured Debt	\$803.8 million				

15. Prepetition API Credit Agreement. API entered into that certain *Secured Credit and Guaranty Agreement*, dated as of December 13, 2023 (as amended, restated, amended and restated, or supplemented from time to time, the “**Prepetition API Credit Agreement**”), by and among API as borrower, Avon Beauty Limited (“**ABL**”), AIO US, Inc. (“**AIO**”),⁴ and Avon Cosmetics Limited (“**ACL**”), as guarantors, and Natura UK, as lender, pursuant to which Natura UK agreed to provide API with a 8.5% per annum loan in an aggregate principal amount of approximately \$217.6 million (the “**Prepetition API Credit Facility**”). Each of API, AIO, ABL, and ACL granted a security interest in their intellectual property and related licensing agreements to secure its obligations under the Prepetition API Credit Agreement. As discussed in greater detail below, pursuant to the Prepetition ACL/API 2024 Credit Agreement (as defined below), API, AIO, ABL, and ACL subsequently granted liens on additional collateral to secure the

⁴ On August 6, 2024, Avon International Operations, Inc. changed its name to AIO US, Inc.

Prepetition API Credit Facility. The liquidity provided by the Prepetition API Credit Agreement was used to refinance a note Natura Holding issued to API several months earlier under the same terms. The proceeds of that note were used for API's early repayment of a significant portion of the Unsecured Bonds (as defined below), of which \$216 million was outstanding at that time. As of the Petition Date, the aggregate principal amount outstanding under the Prepetition API Credit Facility is approximately \$236.9 million.

16. Prepetition ACL 2023 Credit Agreement. ACL entered into that certain *Secured Credit and Guaranty Agreement*, dated as of December 13, 2023 (as amended, restated, amended and restated, or supplemented from time to time, the “**Prepetition ACL 2023 Credit Agreement**”), by and among ACL as borrower, API, AIO, and ABL as guarantors, and Natura Luxembourg as lender, pursuant to which Natura Luxembourg agreed to provide ACL with a 6.71% per annum loan in an aggregate principal amount of \$233 million (the “**Prepetition ACL 2023 Credit Facility**”). Each of ACL, API, AIO, and ABL granted a security interest in its intellectual property and related licensing agreements to secure its obligations under the Prepetition ACL 2023 Credit Agreement. As discussed in greater detail below, pursuant to the Prepetition ACL/API 2024 Credit Agreement, ACL, API, AIO, and ABL subsequently granted liens on additional collateral under the Prepetition ACL 2023 Credit Facility. The liquidity provided by the Prepetition ACL 2023 Credit Agreement was used for ACL's repayment of unsecured debt owed to Natura Holding. The Prepetition ACL 2023 Credit Facility matures on August 8, 2029. As of the Petition Date, the aggregate principal amount outstanding under the Prepetition ACL 2023 Credit Facility is approximately \$249 million.

17. Prepetition ACL/API 2024 Credit Agreement. On April 20, 2024, certain entities of Avon and Natura Holding entered into that certain *Secured Credit and Guaranty*

Agreement, dated as of April 20, 2024 (as amended by that certain *Amendment No. 1 to Secured Credit and Guaranty Agreement*, dated as of June 17, 2024, and as further amended by that certain *Amendment No. 2 to Secured Credit and Guaranty Agreement*, dated as of July 19, 2024, and as further amended, restated, amended and restated, or supplemented from time to time, the “**Prepetition ACL/API 2024 Credit Agreement**”), by and among (i) ACL as initial borrower; (ii) Natura Holding, Natura Cosméticos, and Natura Luxembourg as lenders (collectively, the “**Prepetition ACL/API 2024 Natura Lenders**” and together with the lenders under the Prepetition API Credit Agreement and the Prepetition ACL 2023 Credit Agreement, the “**Natura Lenders**”); and (iii) Debtors API, MI Holdings, Inc. (“**MIH**”), AIO, and Avon Capital Corporation (“**ACC**”) and non-Debtors Avon Netherlands Holdings B.V., Avon Cosmetics International Holdings B.V. (“**ACIH**”), Beauty Products Latin America Holdings S.L., Avon Cosmetics Polska Spółka Z.O.O., Avon Holdings Vagyonkezelő KFT., Avon Cosmetics Hungary KFT, and ABL, as guarantors of ACL’s secured debt provided under such agreement (collectively, the “**Prepetition ACL/API 2024 Avon Guarantors**”) (in addition to various other non-Debtor Avon entities that are identified as guarantors in the above chart).

18. Pursuant to the original Prepetition ACL/API 2024 Credit Agreement, the Prepetition ACL/API 2024 Natura Lenders agreed to provide ACL with (i) a tranche A committed facility in an aggregate principal amount equal to \$35 million (the “**Tranche A Facility**”), (ii) a tranche B uncommitted facility in an aggregate principal amount equal to \$200 million (the “**Tranche B Facility**”), and (iii) a tranche C committed facility in an aggregate principal amount equal to \$15 million (the “**Tranche C Facility**”).

19. On June 17, 2024, ACL, the Prepetition ACL/API 2024 Avon Guarantors, and the Prepetition ACL/API 2024 Natura Lenders amended the Prepetition ACL/API 2024 Credit

Agreement. The Prepetition ACL/API 2024 Credit Agreement, as amended, effectively added API as a borrower under the Tranche C Facility and increased the Tranche C Facility from \$15 million to \$50 million, for which ACL and API are jointly and severally liable.

20. On July 19, 2024, ACL, API, the Prepetition ACL/API 2024 Avon Guarantors, and the Prepetition ACL/API 2024 Natura Lenders entered into a second amended Prepetition ACL/API 2024 Credit Agreement pursuant to which, the parties agreed to add (i) a tranche D committed facility in an aggregate principal amount equal to \$15 million (the “**Tranche D Facility**”) and a tranche E uncommitted facility in an aggregate principal amount equal to \$15 million (the “**Tranche E Facility**” and, together with the Tranche A Facility, Tranche B Facility, Tranche C Facility, and Tranche D Facility, the “**Prepetition ACL/API 2024 Credit Facilities**”), for which both ACL and API are jointly and severally liable. The liquidity provided by the Prepetition ACL/API 2024 Credit Agreement allowed the Company (including both ACL and API) to continue its ordinary course operations for the months leading up to the Petition Date. The Prepetition ACL/API 2024 Credit Facilities mature on October 20, 2025.

21. Each of ACL, API, and the Prepetition ACL/API 2024 Avon Guarantors granted a security interest in substantially all of its assets (other than certain excluded assets) to secure ACL’s and API’s obligations under the Prepetition ACL/API 2024 Credit Agreement. As part of the security grant, 100% of the equity of ACL and the Prepetition ACL/API 2024 Avon Guarantors, with the exception of API, was pledged to the Prepetition ACL/API 2024 Natura Lenders. In addition, as part of the Prepetition ACL/API 2024 Credit Agreement transaction, API, AIO, ACL, and ABL granted additional liens on certain collateral securing the Prepetition ACL/API 2024 Credit Agreement to secure their obligations under the API 2023 Secured Credit Agreement and the ACL 2023 Secured Credit Agreement (in addition to the liens on intellectual

property rights previously granted); however, ACL and ABL did not grant additional liens in the form of non-U.S. share pledges.

22. As of the Petition Date, the aggregate principal amount outstanding under the Prepetition ACL/API 2024 Credit Facilities is approximately \$313.9 million which consists of (i) approximately \$237.2 million under Tranche A and Tranche B provided to ACL as borrower and guaranteed by Debtors API, MIH, AIO, and ACC, (ii) approximately \$50.7 million under Tranche C provided to API and ACL as borrowers and guaranteed by MIH, AIO, and ACC, (iii) approximately \$15 million under Tranche D provided to API and ACL as borrowers and guaranteed by MIH, AIO, and ACC, and (iv) approximately \$15 million under Tranche E provided to API and ACL as borrowers and guaranteed by MIH, AIO, and ACC. Accordingly, the Debtors have a total of approximately \$317.9 million in outstanding prepetition secured debt under the Prepetition ACL/API 2024 Credit Facilities, either as borrower or guarantor.

23. Non-Debtor Forbearance. On August 12, 2024, the Debtors and ACL entered into a Forbearance Agreement pursuant to which the Natura Lenders agreed to not exercise their available remedies against certain non-Debtor Avon guarantor parties (specifically, ACL, ABL, Avon Netherlands, ACIH, Beauty Products Latin America Holdings, S.L., Avon Cosmetics Polska Spółka Z.O.O., Avon Holdings Vagyonkezelő KFT, and Avon Cosmetics Hungary KFT collectively, the “**Avon Guarantors**”) under the API 2023 Secured Credit Agreement, the ACL 2023 Secured Credit Agreement, and/or the 2024 Secured Credit Agreement as a result of the Debtors’ chapter 11 filings. In connection with the Forbearance Agreement, the Debtors and ACL agreed that, within five (5) business days after the execution of the Forbearance Agreement, the Debtors and ACL would cause certain Specified Foreign Loan Parties (as defined in the Forbearance Agreement) to execute a supplemental agreement pursuant to which the Specified

Foreign Loan Parties would consent to and agree to be bound by the terms of the Forbearance Agreement. Additionally, the DIP Lenders agreed that (i) nothing in the Forbearance Agreement would prohibit ACL from borrowing any loans under the ACL 2023 Secured Credit Agreement or the 2024 Secured Credit Agreement, (ii) interest would not accrue on the loans borrowed by API under the API 2023 Secured Credit Agreement or the 2024 Secured Credit Agreement, and (iii) the Guaranteed Obligations (as defined in the Forbearance Agreement) would not increase with respect to any Debtors that are guarantors under the API 2023 Secured Credit Agreement, the ACL 2023 Secured Credit Agreement, or the 2024 Secured Credit Agreement.

Debtors' Immediate Need for DIP Financing

24. As discussed more fully in the First Day Declaration and the Messer Declaration, over the last few years, the Debtors have had to finance the Company's operations almost entirely through the incurrence of funded debt and that the Company have experienced a steady decline in revenues over the past several years as a result of a combination of several macroeconomic and industry factors. The Debtors have been operating with extremely limited liquidity for several weeks and, as of the date hereof, they have approximately \$2.9 million in cash on hand which is not sufficient to maintain their operations.

25. Accordingly, the Debtors require immediate access to additional liquidity in order to (i) ensure they have sufficient working capital to maintain their operations and the operations of their non-debtor international subsidiaries operations, (ii) allow for the timely payment of administrative expenses, including employee payroll and professional fees, (iii) fund the implementation of a value-maximizing marketing and sale process for all or substantially all of the Debtors' assets, and (iv) provide positive reassurances to the Company's employees, vendors, and other stakeholders that the Debtors' lenders support a going concern sale of the Company's international operations.

26. In light of the Company's declining revenues, the Debtors are not able to generate sufficient levels of operating cash flow from the Company's international operations in the ordinary course of business to cover their working capital needs, which would result in immediate and irreparable harm to the value of the Debtors' assets. Without the benefit of debtor-in-possession financing and the use of cash collateral, the Debtors would likely need to consider immediate market closures and other measures that would severely and negatively impact value for the estates, as opposed to the going concern sale process currently contemplated in these chapter 11 cases.

27. Prior to the Petition Date, the Debtors, in consultation with their advisors, reviewed and analyzed the Debtors' projected cash needs and prepared an Initial DIP Budget outlining the Debtors' postpetition cash need in the initial thirteen (13) weeks of the chapter 11 cases. The Debtors believe the Initial DIP Budget and DIP Financing will provide the Debtors with the funds necessary to, among other things, administer these chapter 11 cases and fund the marketing and sale process. Accordingly, the Debtors' access to the proposed DIP Facility and cash collateral will enable the Debtors to stabilize their cash flows, continue operating in the ordinary course, and complete a value maximizing sale transaction.

Debtors' Efforts to Obtain Postpetition Financing

28. As explained in the First Day Declaration and the Messer Declaration, once the Debtors resolved that filing these chapter 11 cases would be in the best interests of the Debtors and all of their stakeholders, the Debtors determined, with the advice of their advisors, they would require debtor-in-possession financing to fund their marketing and sale process as well as their administrative expenses while in chapter 11.

29. Given Natura's substantial amount of existing Prepetition Secured Debt and the Debtors' need to quickly obtain additional funding, Natura was a natural source to approach

for such financing. Accordingly, under the direction of the independent special committee (the “**Special Committee**”) and with the assistance of advisors, the Debtors initiated discussions with Natura around the terms of a potential debtor-in-possession financing and restructuring.

30. Concurrently thereto, beginning on or about August 5, 2024, the Debtors’ investment banker, Rothschild & Co US Inc. (“**Rothschild**”), on behalf of the Debtors, began soliciting potential debtor-in-possession financing offers from eleven (11) sources, including bulge-bracket banks and asset management funds with substantial expertise providing financing in these types of situations. None of the sources approached by Rothschild, however, were willing to lend to the Debtors on a junior basis.

31. The Debtors’ situation presents particularly difficulties to obtaining unsecured or junior debtor-in-possession financing, namely that (i) substantially all of the Debtors’ assets are encumbered and subject to Prepetition Liens, (ii) the Prepetition Secured Parties holds all of the Company’s prepetition funded debt and previously communicated that it would be unwilling to have their prepetition liens primed, and (iii) the Debtors are facing an increasing number of litigation claims.

32. On July 29, 2024, the Debtors received a term sheet from Natura outlining the terms of the DIP Financing (the “**DIP Term Sheet**”). With the authorization of the Special Committee, the Debtors engaged in arm’s-length and good faith negotiations with Natura, who was represented by separate advisors. Over the next several days, the Debtors’ advisors exchanged multiple drafts of key documents and agreements with Natura’s advisors, including, among others, drafts of the DIP Term Sheet, the DIP Credit Agreement, and the proposed Interim Order, while concurrently providing regular updates to, and having various substantive discussions with, the Special Committee. On or about August 12, 2024, the Debtors and their advisors finalized with

Natura the terms of the DIP Financing, which, as discussed in greater detail below, are demonstrably favorable relative to the market for comparable debtor-in-possession financing. Subsequently, the DIP Documents were executed by the Debtors' newly appointed Chief Restructuring Officer.

Relief Requested Should Be Granted

A. Entry into the DIP Documents Is an Exercise of the Debtors' Sound Business Judgment

38. The Court should authorize the Debtors, as an exercise of their sound business judgment, to enter into the DIP Documents, obtain access to the proceeds of the DIP Facility, and continue using Cash Collateral (subject to the terms of the Interim Order). Section 364 of the Bankruptcy Code authorizes a debtor to obtain secured or superpriority financing under certain circumstances discussed in detail below. Courts grant debtors considerable deference in acting in accordance with their business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code. *See, e.g., In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Barbara K. Enters., Inc.*, No. 08-11474 (MG), 2008 WL 2439649, at *14 (Bankr. S.D.N.Y. June 16, 2008) (explaining that courts defer to a debtor’s business judgment “so long as a request for financing does not ‘leverage the bankruptcy process’ and unfairly cede control of the reorganization to one party in interest”); *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (noting that approval of postpetition financing requires, among other things, an exercise of “sound and reasonable business judgment”); *Trans World Airlines, Inc. v. Travellers Int’l AG (In re Trans World Airlines, Inc.)*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving a postpetition loan and receivables facility because such facility

“reflect[ed] sound and prudent business judgment”); *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“[C]ases consistently reflect that the court’s discretion under section 364 [of the Bankruptcy Code] is to be utilized on grounds that permit [a debtor’s] reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest.”).

39. Bankruptcy courts generally will not second-guess a debtor’s business decisions when those decisions involve “a business judgment made in good faith, upon a reasonable basis, and within the scope of [its] authority under the [Bankruptcy] Code.” *In re Curlew Valley Assocs.*, 14 B.R. 506, 513-514 (Bankr. D. Utah. 1981) (noting that courts should not second guess a debtor’s business decision when that decision involves “a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor’s] authority under the [Bankruptcy] Code”). Specifically, the business judgment rule applies unless: “(1) the directors did not in fact make a decision, (2) the directors’ decision was uninformed; (3) the directors were not disinterested or independent; or (4) the directors were grossly negligent.” *In re Los Angeles Dodgers LLC*, 457 B.R. 308, 313 (Bank. D. Del. 2011).

40. To determine whether the business judgment test is met, “the court ‘is required to examine whether a reasonable business person would make a similar decision under similar circumstances.’” *In re Dura Auto. Sys. Inc.*, No. 06-11202 (KJC), 2007 WL 7728109, at *97 (Bankr. D. Del. Aug. 15, 2007). In determining whether the Debtors have exercised sound business judgment in entering into the DIP Documents, the Court should consider the economic terms of the DIP Financing under the totality of circumstances. *See* Hr’g Tr. at 734:23-35:24, *In re Lyondell Chem. Co.*, No. 09-10023 (Bankr. S.D.N.Y. February 27, 2009) (recognizing that “the

terms that are now available for DIP financings in the current economic environment aren't as desirable" as they once were previously); *Unsecured Creditors Comm. v. First Nat'l Bank & Tr. (In re Elingsen McLean Oil Co.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing that a debtor may have to enter into "hard" bargains to acquire funds for its reorganization), *aff'd*, 834 F.2d 599 (6th Cir. 1987). Moreover, the Court may appropriately take into consideration noneconomic benefits to the Debtors offered under the proposed postpetition facility. For example, in *In re ION Media Networks, Inc.*, the Bankruptcy Court for the Southern District of New York held that:

Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. Relevant features of the financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization. This is particularly true in a bankruptcy setting where cooperation and establishing alliances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps to foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict.

No. 09-13125 (JMP), 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009).

41. The Debtors' entry into the DIP Facility is entitled to the deference of the business judgment rule. Indeed, the Debtors' marketing and negotiation of the DIP Financing was overseen at all times by the Special Committee, which was solely constituted by an independent director completely unaffiliated with the DIP Lender and advised by separate professionals. In addition to securing the disinterestedness of the Special Committee, the Debtors and their advisors went to great lengths to ensure the Special Committee and the Debtors' board of directors each made an informed and reasonable decision in authorizing the Debtors' entry into the DIP Facility.

42. The Debtors' decision to enter into the DIP Facility is an exercise of their sound business judgment. As explained more fully above and in the Messer Declaration, the DIP Financing is the only available option to the Debtors following a comprehensive marketing and sale process to several third-party lenders. In addition, given the substantially favorable terms of the DIP Facility, the Debtors reasonably decided that moving forward with the proposed DIP Financing was appropriate and in the Debtors' best interests. Given the Debtors' current cash position, absent access to the proceeds of the DIP Financing, the Debtors would not have the liquidity necessary to administer these chapter 11 cases through the marketing and sale process. The Debtors could not secure sufficient financing in the form of unsecured credit, as an administrative expense in exchange for the grant of a superpriority administrative expense claim, or without granting priming liens, and were not able to obtain postpetition financing or other financial accommodations from any alternative prospective lender or group of lenders on more favorable terms and conditions than those for which approval is being sought. Moreover, the DIP Financing facilitated the Debtors' entry into the Stalking Horse Agreement, which provides the Debtors with a defined pathway to a value-maximizing transaction.

43. Given the Debtors' immediate liquidity needs to prosecute their value-maximizing chapter 11 strategy, the Debtors believe the DIP Facility represents the best, and the only viable source of, financing available. Accordingly, the Debtors submit that entry into the DIP Facility is in the best interests of the Debtors' estates, is necessary to avoid immediate and irreparable harm, and is a reasonable exercise of the Debtors' business judgment.

B. Entry into the DIP Documents is Entirely Fair

44. The DIP Facility should be approved in its entirety, notwithstanding the fact that the DIP Lender is also an affiliate of the Debtors. As detailed more fully above, to the extent the DIP Lender is deemed an "insider" of the Debtors within the meaning of section 101(31) of

the Bankruptcy Code, the DIP Facility should nonetheless be reviewed and approved under the business judgment rule. However, even if the Court were to apply the “entire fairness” standard to its analysis of the DIP Facility, the Debtors’ actions in reviewing and approving the DIP Facility more than satisfy this standard.

45. The entire fairness standard consists of “two aspects, fair dealing and fair price, both of which must be examined together in resolving the ultimate question of entire fairness.” *Rosenblatt v. Getty Oil Co.*, 493 A.2d 929, 937 (Del. 1985); *see also In re Innkeepers USA Tr.*, 442 B.R. 227, 231 (Bankr. S.D.N.Y. 2010) (“In applying heightened scrutiny, courts are concerned with the integrity and entire fairness of the transaction at issue, typically examining whether the process and price of a proposed transaction not only appear fair but are fair and whether fiduciary duties were properly taken into consideration.”).⁵ Ordinarily, the party seeking to consummate the challenged transaction bears the burden of proving entire fairness. *See Kahn v. Lynch Comm’ns Sys., Inc.*, 638 A.2d 1110, 1117 (Del. 1994). The burden of proving unfairness “shifts . . . entirely” to the challenging party, however, where the challenged transaction was approved by an independent committee of directors. *Rosenblatt*, 493 A.2d at 937. Where a controlling shareholder did not dictate the terms of the transaction and an independent negotiator had real bargaining power which was exercised on an arm’s-length basis, the burden to prove unfairness falls to the challenging party. *Kahn*, 638 A.2d at 1117. Indeed, the business judgment rule is set aside only upon a showing that the debtor’s directors were uninformed, grossly negligent, or lacking independence. *See In re Los Angeles Dodgers LLC*, 457 B.R. at 313 (“To

⁵ Whether Delaware or New York law applies, the entire fairness test as applied in both jurisdictions hinges on the fairness of both the process and the price. As demonstrated more fully below, the Debtors not only dealt with the DIP Lender on an entirely arm’s-length basis, but were also able to negotiate a DIP Facility with substantially favorable economic and legal terms. Therefore, should the Court determine entire fairness applies, the Debtors submit the standard is met under either Delaware or New York law.

overcome the business judgment rule, the entity opposing the decision by the directors must establish that they acted in bad faith or with fraudulent intent.”).

46. Here, the selection of the DIP Lender was entirely fair based on their ability to provide the requested financing on the terms provided and on the timeline needed to address the Debtors’ imminent liquidity situation. The Debtors and the DIP Lender were, at all times, represented by separate counsel. The negotiations of the DIP Facility for the Debtors were overseen by the Special Committee consisting entirely of a disinterested director, who consulted and reviewed with the Debtors’ independent advisors. The Debtors and the DIP Lenders exchanged multiple proposals and, subsequently, exchanged multiple drafts of a DIP Term Sheet outlining the terms of the proposed DIP Facility as well as the DIP Credit Agreement. The Debtors also exchanged drafts and had multiple rounds of revisions and negotiations over the proposed Interim Order in connection with negotiating the terms of the DIP Financing. These negotiations, which were extensive and conducted at arm’s length, culminated in the review and approval of the DIP Facility by the Debtors’ independent board of directors, the terms of which included significant concessions from the initial proposal terms.

47. Specifically, as set forth in the Messer Declaration, the DIP Facility offers a below-market interest rate and upfront fee, charges no unused commitment, exit, or agent fee, does not involve a “roll up” of any Prepetition Secured Debt, and does not require the reimbursement of the DIP Lender’s fees, cost, and expenses in connection with the Prepetition Secured Debt and the DIP Facility. Critically, the terms of the DIP Facility specify that the below-market interest and upfront fee are payable in kind, which relieves the Debtors from making cash interest payments and avoids impairing the Debtors’ ability to implement an orderly marketing and sale process in the near term and, ultimately, carrying out their chapter 11 strategy.

48. Further, the DIP Documents include certain milestones in connection with the postpetition sale process and the proposed settlement with Natura (the “**Milestones**”), which were heavily negotiated and required by the DIP Lenders as conditions to providing the DIP Facility. The continued and viable operation of the Company’s businesses would not be possible absent access to the DIP Facility. The DIP Facility, and the Debtors’ ability to achieve the Milestones contemplated therein, if approved, would prevent interruptions to the Debtors’ operations, satisfy working capital needs in the ordinary course of the Company’s business, and enable the Debtors to facilitate the sale process and consummate a sale transaction.

49. In light of the terms of the DIP Facility being entirely fair and the process that led the Debtors to agree to the DIP Facility was at all times conducted at arm’s length and in good faith, the Debtors’ entry into the DIP Facility satisfies the entire fairness standard (to the extent such standard applies) and is in the best interest of the Debtors’ estates.

C. Debtors Should Be Authorized to Grant Liens and Superpriority Claims

50. The Debtors propose to obtain DIP Financing by providing security interests and liens as set forth in the DIP Documents and described above. The Debtors satisfy the requirements for relief under section 364 of the Bankruptcy Code, which authorizes a debtor to incur secured or superpriority debt under certain circumstances. Specifically, section 364(c) of the Bankruptcy Code provides that:

If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt:

- (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;
- (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or

(3) secured by a junior lien on property of the estate that is subject to a lien

11 U.S.C. § 364(c).

51. To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate “by a good faith effort that credit was not available” to the debtor on an unsecured or administrative expense basis. *Bray v. Shenandoah Fed. Savs. & Loan Ass’n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986); *In re Crouse Grp., Inc.*, 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (finding that secured credit under section 364(c) of the Bankruptcy Code is authorized, after notice and hearing, upon a showing that unsecured credit cannot be obtained). “The statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable.” *In re Snowshoe Co.*, 789 F.2d, at 1088; *see also Pearl-Phil GMT (Far East) Ltd. v. Caldor Corp.*, 266 B.R. 575, 584 (S.D.N.Y. 2001) (finding that superpriority administrative expenses should be authorized where debtor could not obtain credit as an administrative expense). When few lenders are likely to be willing to extend the necessary credit to a debtor, “it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing.” *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff’d sub nom. Anchor Sav. Bank FSB v. Sky Valley Inc.*, 99 B.R. 117 (N.D. Ga. 1989); *see also In re Snowshoe Co.*, 789 F.2d at 1088 (finding that credit was unavailable absent a senior priming lien because the debtor had made unsuccessful contact with other financial institutions in the relevant geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (finding that the fact that two (2) national banks refused to grant unsecured loans was sufficient to support the conclusion that the requirements of section 364 were met); *In re Ames Dep’t Stores*, 115 B.R. at 40 (approving financing facility and finding that debtor made reasonable efforts to satisfy the

requirements of section 364(c) by approaching four (4) lending institutions, two (2) of which refused to provide financing, and selecting the most favorable of the two (2) offers it received).

52. Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code (*i.e.*, by allowing a lender only an administrative claim);
- the credit transaction is necessary to preserve the assets of the estate; and
- the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lenders.

See In re Aqua Assocs., 123 B.R. 192, 195–96 (Bankr. E.D. Pa. 1991); *In re Ames Dep't Stores*, 115 B.R. at 37–40; *Norris Square Civic Ass'n v. St. Mary Hosp. (In re St. Mary Hosp.)*, 86 B.R. 393, 401–02 (Bankr. E.D. Pa. 1988); *Crouse Grp.*, 71 B.R. at 549.

53. Furthermore, in the event that a debtor is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, section 364(c) provides that a court “may authorize the obtaining of credit or the incurring of debt (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of [the Bankruptcy Code]; (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or (3) secured by a junior lien on property of the estate that is subject to a lien.” 11 U.S.C. § 364(c). As described above and in the Messer Declaration, the Debtors do not believe alternative financing is presently available on an unsecured or administrative priority only basis. Thus, the Debtors determined the DIP Facility provided the best opportunity available to the Debtors under the circumstances to fund these chapter 11 cases. Therefore, approving superpriority claims in favor of the DIP Lender is reasonable and appropriate.

54. Further, section 364(d) provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien, after notice and a hearing, where the debtor is “unable to obtain such credit otherwise” and “there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.” 11 U.S.C. § 364(d)(1). Consent by the secured creditors to priming obviates the need to show adequate protection. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) (“[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected.”). Accordingly, the Debtors may incur “priming” liens under the DIP Facility if either (i) the Prepetition Secured Parties support the priming or (ii) the Prepetition Secured Parties’ interests in collateral are adequately protected.

55. Most importantly, here, any priming is consensual. The Prepetition Secured Parties support the priming of its Prepetition Liens in exchange for a favorable adequate protection package that does not require reimbursement of any fees and expenses in connection with the Prepetition Secured Debt and the DIP Facility. Further, the Debtors are not aware of any available financing on equal or better terms than the DIP Facility absent the granting of first priority liens on the Prepetition Collateral, to which the Prepetition Secured Parties were otherwise unwilling to consent. Therefore, the Debtors submit that the requirement of section 364 of the Bankruptcy Code—that alternative credit on more favorable terms be unavailable to the Debtors—is satisfied.

D. Interests of the Prepetition Lenders Are Adequately Protected

56. Parties with an interest in prepetition collateral are entitled to adequate protection. *See* 11 U.S.C. § 363(e). Adequate protection may be provided in various forms, including payment of adequate protection fees, payment of interest, or granting of replacement liens or administrative claims. Thus, what constitutes adequate protection is decided on a

case-by-case basis. *See, e.g., RTC v. Swedeland Dev. Grp., Inc. (In re Swedeland Dev. Grp., Inc.)*, 16 F.3d 552, 564 (3d Cir. 1994); *In re Satcon Tech. Corp.*, No. 12-12869 (KG), 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012); *In re N.J. Affordable Homes Corp.*, No. 05-60442 (DHS), 2006 WL 2128624, at *14 (Bankr. D.N.J. June 29, 2006); *In re Columbia Gas Sys., Inc.*, Nos. 91-803, 91-804, 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992); *see also In re Dynaco Corp.*, 162 B.R. 389, 394 (Bankr. D.N.H. 1993) (citing 2 Collier on Bankruptcy ¶ 361.01[1] at 361–66 (15th ed. 1993) (explaining that adequate protection can take many forms and “must be determined based upon equitable considerations arising from the particular facts of each proceeding”)).

57. Pursuant to sections 361, 362, 363(e) and 507 of the Bankruptcy Code, Natura, in its capacity as the prepetition secured lender, is entitled to adequate protection of their interests in all Prepetition Collateral, to the extent of any diminution in the value of Natura’s interests in the Prepetition Collateral from and after the Petition Date, if any, for any reasons provided for under the Bankruptcy Code. The Debtors propose to grant Natura certain adequate protection liens over the DIP Collateral and other adequate protection described herein, to the extent of any diminution in value of the Prepetition Collateral, in exchange for the Prepetition Secured Parties’ support of the priming of their Prepetition Collateral. Granting such adequate protection liens to the Prepetition Secured Parties to obtain their consent to the Debtors’ use of the Prepetition Collateral as provided in the Interim Order and DIP Credit Agreement was a reasonable exercise of the Debtors’ business judgment and, if applicable, satisfied the entire fairness standard. Following the Debtors’ advisors’ prepetition discussions with certain third parties, the Debtors are not aware of any available financing on equal or better terms from a third party absent the granting of superpriority senior liens on the Prepetition Collateral to such third party, to which the Prepetition Secured Parties would otherwise be unwilling to consent.

58. The adequate protection provided to the Prepetition Secured Parties, as described above, is consensual and appropriately safeguards the Prepetition Secured Parties from the diminution in the value (if any) of their interests in the Prepetition Collateral. The Debtors submit that their provision of adequate protection to the Prepetition Secured Parties is fair and reasonable and is sufficient to satisfy the requirements of section 364(d)(1)(B) of the Bankruptcy Code.

E. Carve-Out Is Appropriate

59. The liens granted pursuant to the DIP Facility, adequate protection claims, and the superpriority claims of the Prepetition Secured Parties and the DIP Lender are subject and subordinate to the Carve-Out. The Carve-Out contains similar terms to others that have been found to be reasonable and necessary to ensure that a debtor's estate and any statutory committee can retain assistance from counsel. *See, e.g., In re Cano Health, Inc.* No. 24-10164 (KBO) (Bankr. D. Del. Mar. 6, 2023) (Docket No. 271); *In re Sunlight Financial Holdings, Inc.*, No. 23-11794 (MFW) (Bankr. D. Del. Nov. 30, 2023) (Docket No. 169); *In re Western Global Airlines, Inc.*, No. 23-11093 (KBO) (Bankr. D. Del. Sept. 12, 2023) (Docket No. 236); *In re Brooks Brothers Group, Inc.*, No. 20-11785 (CSS) (Bankr. D. Del. Aug. 14, 2020) (Docket No. 443); *In re Exide Holdings, Inc.*, No. 20-11157 (CSS) (Bankr. D. Del. May 21, 2020) (Docket No. 123); *In re Claire's Stores, Inc.*, No. 18-10584 (MFW) (Bankr. D. Del. March 20, 2018) (Docket No. 130); *In re Ames Dep't Stores*, 115 B.R. at 40–41; *In re Halcón Res. Corp.*, No. 16-11724 (BLS) (Bankr. D. Del. Aug. 19, 2016) (Docket No. 130); *In re Am. Apparel, Inc.*, No. 15-12055 (BLS) (Bankr. D. Del. Nov. 2, 2015) (Docket No. 248); *In re Reichold Holdings US, Inc.*, No. 14-12237 (MFW) (Bankr. D. Del. Oct. 2, 2014) (Docket No. 54).

60. Without the Carve-Out, the Debtors' estates may be deprived of possible rights and powers because the services for which professionals may be paid in these cases is

restricted. *See In re Ames Dep't Stores*, 115 B.R. at 38 (observing that courts insist on carve-outs for professionals representing parties in interest because “[a]bsent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced”). Additionally, the Carve-Out protects against administrative insolvency during the course of these cases by ensuring that assets remain for the payment of the fees of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) and professional fees, notwithstanding the grant of superpriority claims and replacement liens as part of the adequate protection of the Prepetition Secured Parties’ interests in the Prepetition Collateral.

F. DIP Lender Should Be Deemed Good Faith Lender Under Section 364(e)

61. Section 364(e) of the Bankruptcy Code protects a good faith lender’s right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or the grant of such liens is later reversed or modified on appeal. Section 364(e) provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

62. Here, the Debtors believe the DIP Financing embodies the most favorable terms on which the Debtors could obtain postpetition financing. As described in the Messer Declaration, all negotiations of the DIP Documents with the DIP Lender were conducted in good faith and at arm’s length. The terms and conditions of the DIP Documents are entirely fair under the circumstances, and the proceeds of the DIP Facility will be used only for purposes that are

permissible under the Bankruptcy Code, in accordance with the Proposed Orders and the DIP Documents and in accordance with the Budget (subject to permitted variances). Further, no consideration is being provided to any party to the DIP Documents other than as described herein and in the Messer Declaration. Accordingly, the Court should find that the DIP Lender is “good faith” lender within the meaning of section 364(e) of the Bankruptcy Code and that the DIP Lender thus is entitled to all of the protections afforded by that section.

G. Modification of Automatic Stay Is Warranted

63. The relief requested herein contemplates a modification of the automatic stay to permit the Debtors to, among other things, (i) grant the security interests, liens, and superpriority claims described above with respect to the DIP Lender and the Prepetition Secured Parties, as applicable, and to perform such acts as may be requested to assure the perfection and priority of such security interests and liens; (ii) permit the Debtors to incur all liabilities and obligations to the DIP Lender and the Prepetition Secured Parties under the DIP Documents, the DIP Facility, and the Interim Order, as applicable; and (iii) authorize the Debtors to pay, and the DIP Lender and the Prepetition Secured Parties to retain and apply, payments made in accordance with the terms of the Interim Order and the DIP Documents.

64. Stay modifications of this kind are ordinary and standard features of postpetition financing facilities and, under the present circumstances, are well within the Debtors’ reasonable business judgment and entirely fair. *See, e.g., In re Cano Health, Inc.* No. 24-10164 (KBO) (Bankr. D. Del. Mar. 6, 2023) (Docket No. 271); *In re Sunlight Financial Holdings, Inc.*, No. 23-11794 (MFW) (Bankr. D. Del. Nov. 30, 2023) (Docket No. 169); *In re Western Global Airlines, Inc.*, No. 23-11093 (KBO) (Bankr. D. Del. Sept. 12, 2023) (Docket No. 236); *In re Brooks Brothers Group, Inc.*, No. 20-11785 (CSS) (Bankr. D. Del. Aug. 14, 2020) (Docket No. 443); *In re Exide Holdings, Inc.*, No. 20-11157 (CSS) (Bankr. D. Del. May 21, 2020) (Docket No. 123); *In*

re Checkout Holding Corp., No. 18-12794 (KG) (Bankr. D. Del. January 17, 2019) (Docket No. 222); *In re Mattress Firm, Inc.*, No. 18-12241 (CSS) (Bankr. D. Del. Oct. 9, 2018) (Docket No. 184); *In re NORDAM Grp., Inc.*, No. 18-11699 (MFW) (Bankr. D. Del. July 25, 2018) (Docket No. 85); *In re Claire's Stores, Inc.*, No. 18-10584 (MFW) (Bankr. D. Del. Mar. 20, 2018) (Docket No. 130); *In re Charming Charlie, LLC*, No. 17-12906 (CSS) (Bankr. D. Del. Dec. 13, 2017) (Docket No. 93).

Request for a Final Hearing

65. The Court may grant interim relief in respect of a motion filed pursuant to section 364 of the Bankruptcy Code where, as here, interim relief is “necessary to avoid immediate and irreparable harm to the estate pending a final hearing.” Fed. R. Bankr. P. 4001(b)(2), (c)(2). The Debtors request a date which is no later than thirty (30) days after entry of the Interim Order, to hold a hearing to consider entry of the Final Order and the final approval of the relief requested in this Motion.

Bankruptcy Rule 4001(a)(3) Should Be Waived

66. The Debtors request a waiver of the stay of the effectiveness of the order approving this Motion under Bankruptcy Rule 4001(a)(3). Bankruptcy Rule 4001(a)(3) provides that “[an] order granting a motion for relief from an automatic stay made in accordance with Rule 4001(a)(1) is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise.” As explained herein, access to the DIP Facility is essential to prevent irreparable damage to the Debtors’ estates. Accordingly, ample cause exists to justify the waiver of the fourteen-day stay imposed by Bankruptcy Rule 4001(a)(3), to the extent such applies.

Debtors Have Satisfied Bankruptcy Rule 6003(b)

67. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a Bankruptcy Court may issue an order granting “a motion

to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” before 21 days after filing of the petition. Fed. R. Bankr. P. 6003(b). As described above, and in the First Day Declaration and in the Messer Declaration, the Debtors risk being administratively insolvent and significant disruption in the implementation of their chapter 11 strategy absent an immediate infusion of liquidity via the DIP Financing. The Debtors have an immediate need for access to liquidity to, among other things, meet payroll, resolve legacy talc litigation, and pay for the costs of administering these chapter 11 cases, all of which are essential to the Debtors’ orderly and expeditious prosecution of these chapter 11 cases in the best interest of all stakeholders. Accordingly, the Debtors believe that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

Bankruptcy Rules 6004(a) and (h)

68. To implement the foregoing successfully, the Debtors request that the Court find that notice of this Motion is adequate under Bankruptcy Rule 6004(a) under the circumstances, and waive the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As described above, and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Notice

69. Notice of this Motion will be provided to (i) the office of the U.S. Trustee (Attn: Linda Richenderfer, Esq. (linda.richenderfer@usdoj.gov) and Malcom M. Bates, Esq. (malcolm.m.bates@usdoj.gov)), (ii) the twenty-two (22) law firms with the most significant

representations of parties asserting talc claims against the Debtors, (iii) the holders of the twenty (20) largest unsecured claims against the Debtors on a consolidated basis (excluding talc claims), (iv) Davis Polk & Wardwell LLP and Morris, Nichols, Arsht & Tunnell LLP, as counsel to Natura, (v) the Internal Revenue Service, (vi) the Securities and Exchange Commission, (vii) the United States Attorney's Office for the District of Delaware, and (viii) any party that is entitled to notice pursuant to Local Bankruptcy Rule 9013-1(m) (collectively, the "**Notice Parties**"). As this Motion is seeking "first-day" relief, the Debtors will serve copies of this Motion and any order entered in respect of this Motion as required by Local Bankruptcy Rule 9013-1(m). The Debtors believe that no further notice is required.

No Prior Request

70. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE the Debtors respectfully request entry of the Proposed Orders granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: August 12, 2024
Wilmington, Delaware

/s/ Zachary I. Shapiro

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

Exhibit A

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
AIO US, INC., <i>et al.</i> ,	:	Case No. 24-11836 ()
	:	
	:	
Debtors. ¹	:	(Jointly Administered)

**INTERIM ORDER (I) AUTHORIZING
DEBTORS TO (A) OBTAIN POSTPETITION FINANCING,
(B) USE CASH COLLATERAL, (C) GRANT LIENS AND PROVIDE
SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (D) GRANT
ADEQUATE PROTECTION, (E) MODIFY THE AUTOMATIC STAY, AND
(F) SCHEDULE A FINAL HEARING AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**DIP Motion**”)² of AIO US, Inc. and each of its affiliates that are debtors and debtors-in-possession (each, a “**Debtor**” and collectively, the “**Debtors**”) in the above-captioned cases (the “**Chapter 11 Cases**”), pursuant to sections 105, 361, 362, 363(b), 363(c), 363(m), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c) and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), Rules 2002, 4001, 6003, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1(b), 4001-2, 9006-1, and 9013 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”), seeking entry of this interim order (this “**Interim Order**”), among other things:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: AIO US, Inc. (9872), Avon Products, Inc. (4597), MI Holdings, Inc. (6450), and Avon Capital Corporation (2219). The Debtors’ mailing and service address is 4 International Drive Suite 110, Rye Brook, New York 10573.

² Capitalized terms used but not defined herein are given the meanings ascribed to such terms in the DIP Credit Agreement (as defined herein) or the DIP Motion, as applicable.

- (i) authorizing the Debtors, including any additional subsidiaries of Avon Products, Inc. (“**API**”) that, subsequent to entry of this Interim Order, join these Chapter 11 Cases and, and which shall automatically become subject to this Interim Order or the Final Order (as defined herein), as applicable, without further approval or action of this Court (collectively, the “**DIP Loan Parties**”) to obtain postpetition financing (the “**DIP Financing**”) pursuant to a superpriority, senior secured and priming debtor-in-possession term loan credit facility (the “**DIP Facility**”), consisting of loans in an aggregate principal amount of \$43 million (the commitments in respect thereof, the “**DIP Commitments**” and such loans, the “**DIP Loans**”) from the DIP Lender, of which \$12 million will be immediately available upon entry of this Interim Order, and the remainder will be, subject to and upon the date of entry of the Final Order, available through multiple draws, in each case, subject to the terms and conditions set forth herein and in that certain *Superpriority Senior Secured Debtor-in-Possession Credit and Guaranty Agreement*, attached hereto as **Exhibit A** (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “**DIP Credit Agreement**”), by and among the DIP Loan Parties and Natura &Co Holdings S.A., Natura Cosméticos S.A., Natura & Co. Luxembourg Holdings S.à.r.L., and Natura &Co UK Holdings Limited (collectively, the “**DIP Lender**”);
- (ii) authorizing the DIP Loan Parties to execute, deliver and perform their obligations under the DIP Credit Agreement and all other loan documentation related to the DIP Facility, including, without limitation, as applicable, security agreements, pledge agreements, control agreements, mortgages, deeds, charges, guarantees, promissory notes, intercompany notes, certificates, instruments, intellectual property security agreements, notes, and such other documents that may be necessary or reasonably required to implement the DIP Facility and/or that may be reasonably requested by the DIP Lender in connection with the DIP Facility, in each case, as amended, restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and hereof (collectively, together with the DIP Credit Agreement and any other Loan Documents, the “**DIP Documents**”);
- (iii) authorizing the DIP Loan Parties to incur loans, advances, extensions of credit, financial accommodations, reimbursement obligations, fees (including, without limitation, commitment fees and any other fees payable pursuant to the DIP Documents), costs, expenses and other liabilities, and all other obligations (including indemnities and similar obligations, whether contingent or absolute) and all other obligations due or payable under the DIP Documents (collectively, the “**DIP Obligations**”), and to perform such other and further acts as may be necessary, desirable or appropriate in connection therewith;
- (iv) subject and subordinate to the Carve-Out (as defined herein), granting to the DIP Lender, allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code in respect of all DIP Obligations of the DIP Loan Parties;

- (v) granting to the DIP Lender, valid, enforceable, non-avoidable and automatically perfected liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and priming liens pursuant to section 364(d) of the Bankruptcy Code on all prepetition and postpetition property, including cash and cash equivalents, of the DIP Loan Parties' estates (other than certain Excluded Property, as provided in the DIP Documents) and all proceeds thereof, including, subject only to and effective upon entry of the Final Order granting such relief, any Avoidance Proceeds (as defined herein), in each case subject and subordinate to the Carve-Out;
- (vi) authorizing the DIP Lender and the Prepetition Secured Parties (as defined herein) to take all commercially reasonable actions to implement and effectuate the terms of this Interim Order;
- (vii) authorizing the Debtors to waive, subject to entry of the Final Order granting such relief, (a) their right to surcharge the Prepetition Collateral (as defined herein) and the DIP Collateral (as defined herein) (together, the "**Collateral**") pursuant to section 506(c) of the Bankruptcy Code and (b) any "equities of the case" exception under section 552(b) of the Bankruptcy Code;
- (viii) subject to entry of the Final Order granting such relief, waiving the equitable doctrine of "marshaling" and other similar doctrines (a) with respect to the DIP Collateral for the benefit of any party other than the DIP Lender and (b) with respect to any of the Prepetition Collateral (including Cash Collateral (as defined herein)) for the benefit of any party other than the Prepetition Secured Parties;
- (ix) authorizing the Debtors to use proceeds of the DIP Facility and the Prepetition Collateral, in each case solely in accordance with the Interim Order and Approved Budget (as defined herein) (subject to any permitted variance set forth herein and in the DIP Documents);
- (x) authorizing the Debtors to pay the principal, interest, fees, expenses and other amounts payable under the DIP Documents as such become earned, due and payable to the extent provided in, and in accordance with, the DIP Documents;
- (xi) subject to the restrictions set forth in the DIP Documents and the Interim Order, authorizing the Debtors to use the Prepetition Collateral, including Cash Collateral, of the Prepetition Secured Parties under the Prepetition Secured Credit Documents (as defined herein), and provide adequate protection to the Prepetition Secured Parties for any diminution in value of its interests in the applicable Prepetition Collateral (including Cash Collateral), including, without limitation, any diminution in value resulting from the imposition of the automatic stay under section 362 of the Bankruptcy Code (the "**Automatic Stay**"), the Debtors' use, sale, or lease of the Prepetition Collateral (including Cash Collateral), and the priming of its interests in the Prepetition Collateral (including Cash Collateral); *provided*, that such adequate protection shall not require payment of fees (including, without limitation, professional fees, costs, or expenses) or interest (which will be paid in kind solely to the extent subsequently determined by the Bankruptcy Court to be

allowed under section 506(c) of the Bankruptcy Code) in connection with, or as part of, the Adequate Protection Obligations (as defined herein);

- (xii) vacating and modifying the Automatic Stay solely to the extent set forth herein and solely to the extent necessary to permit the Debtors and their affiliates, the DIP Lender and the Prepetition Secured Parties to implement and effectuate the terms and provisions of this Interim Order, the DIP Documents and, upon entry, the Final Order and to deliver any notices of termination described below and as further set forth herein;
- (xiii) waiving any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order and, upon entry, the Final Order; and
- (xiv) scheduling a final hearing (the “**Final Hearing**”) to consider final approval of the DIP Facility and use of Cash Collateral, pursuant to a proposed final order (the “**Final Order**”), as set forth in the DIP Motion and the DIP Documents filed with this Court.

The Court having considered the interim relief requested in the DIP Motion, the exhibits attached thereto, the *Declaration of Marcelo Messer in Support of Motion of Debtors Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 507 and 552 and Fed. R. Bank. P. 2002, 4001, 6003, 6004, and 9014 for (I) Authority to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (C) Grant Liens and Provide Superpriority Administrative Expense Status, (D) Grant Adequate Protection, (E) Modify the Automatic Stay, and (F) Schedule a Final Hearing and (II) Granting Related Relief* (the “**Messer Declaration**”), and the *Declaration of Philip J. Gund in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”), the available DIP Documents, and the evidence submitted and arguments made at the interim hearing held on August [●], 2024 (the “**Interim Hearing**”); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Local Bankruptcy Rules; and the Interim Hearing having been held and concluded; and all objections, if any, to the interim relief requested in the DIP Motion having been withdrawn, resolved or overruled by the Court; and it appearing that approval of the interim relief requested

in the DIP Motion is necessary to avoid immediate and irreparable harm to the DIP Loan Parties and their estates pending the Final Hearing, otherwise is fair and reasonable and in the best interests of the Debtors and their estates, and is essential for the continued administration of the DIP Loan Parties' estates and the preservation of the value of the DIP Loan Parties' assets; and it appearing that the DIP Loan Parties' entry into the DIP Documents is a sound and prudent exercise of the DIP Loan Parties' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor.

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. *Petition Date.* On August 12, 2024 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**Court**”). On August [●], 2024, this Court entered an order approving the joint administration of the Chapter 11 Cases.

B. *Debtors in Possession.* The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

C. *Jurisdiction and Venue.* This Court has core jurisdiction over the Chapter 11 Cases, the DIP Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(a)–(b) and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. Consideration of the DIP

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Chapter 11 Cases and proceedings on the DIP Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. *Committee Formation.* As of the date hereof, the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) has not appointed an official committee of unsecured creditors in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (a “**Creditors’ Committee**”).

E. *Notice.* The Interim Hearing was held pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Notice of the Interim Hearing and the DIP Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules, and no other or further notice of the DIP Motion or the entry of this Interim Order shall be required.

F. *Cash Collateral.* As used herein, the term “**Cash Collateral**” shall mean, subject in all respects to the reservation of rights set forth in paragraph 14 hereof and solely to the extent and validity of any liens thereon held by the Prepetition Secured Parties and the DIP Lender, all of the Debtors’ cash except for cash that is Excluded Property, wherever located and held, including cash in deposit accounts, that constitutes or will constitute “cash collateral” of the Prepetition Secured Parties and DIP Lender within the meaning of section 363(a) of the Bankruptcy Code.

G. *Debtors' Stipulation.* Subject only to the limitations contained in paragraph 21 hereof, and after consultation with their attorneys and financial advisors, the Debtors stipulate and agree that:

(i) *Prepetition API Credit Agreement.* Pursuant to that certain senior secured promissory note, dated as of August 8, 2023 (as amended and restated in its entirety by that certain Secured Credit and Guaranty Agreement, dated as of December 13, 2023, the “**Prepetition API Credit Agreement**”), by and among API, as borrower, Natura &Co UK Holdings Limited (“**Natura &Co UK**”), as lender, and the guarantors party thereto (the “**Prepetition API Credit Agreement Guarantors**”), and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived or otherwise modified prior to the Petition Date, (the “**Prepetition API Credit Documents**”), Natura &Co UK provided term loans to API.

(ii) *Prepetition ACL 2023 Credit Agreement.* Pursuant to that certain secured promissory note, dated as of August 8, 2023 (as amended and restated in its entirety by that certain Secured Credit and Guaranty Agreement, dated as of December 31, 2023, the “**Prepetition ACL 2023 Credit Agreement**”), by and among Avon Cosmetics Limited (“**ACL**”), as borrower (together with API, the “**Prepetition Borrowers**”), Natura &Co Luxembourg Holdings S.à.r.L. (“**Natura &Co Lux**”), as lender, and the guarantors party thereto (the “**Prepetition 2023 ACL Credit Agreement Guarantors**”), and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived or otherwise modified prior to the Petition Date (the “**Prepetition 2023 ACL Credit Documents**”), Natura &Co Lux provided term loans to ACL.

(iii) *Prepetition ACL/API 2024 Credit Agreement.* Pursuant to that certain Secured Credit and Guaranty agreement, dated as of April 20, 2024 (as amended by that certain Amendment No. 1 to the Secured Credit and Guaranty Agreement, dated as of June 17, 2024, that certain Amendment No. 2 to Secured Credit and Guaranty Agreement, dated as of July 19, 2024, and as further amended, restated, amended and restated, supplemented or modified from time to time, the “**Prepetition ACL/API 2024 Credit Agreement**” and, together with the Prepetition API Credit Agreement and the Prepetition ACL 2023 Credit Agreement, the “**Prepetition Secured Credit Agreements**” and collectively with the Prepetition 2023 ACL Credit Documents, the Prepetition API Credit Documents, and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived or otherwise modified prior to the Petition Date, the “**Prepetition Secured Credit Documents**”), by and among API and ACL, as borrowers, Natura &Co Holding S.A., Natura Cosméticos S.A. and Natura &Co Lux, as lenders (the “**Prepetition ACL/API 2024 Lenders**” and, together with Natura &Co UK, the “**Prepetition Secured Parties**”), and the guarantors party thereto (together with the Prepetition API Credit Agreement Guarantors and the Prepetition 2023 ACL Credit Agreement Guarantors, the “**Prepetition Secured Guarantors**”), the Prepetition ACL/API 2024 Lenders provided term loans to ACL and API.

(iv) *Prepetition Secured Debt.* The Prepetition Borrowers and the Prepetition Secured Guarantors are justly and lawfully indebted and liable to the Prepetition Secured Parties without defense, challenge, objection, claim, counterclaim, or offset of any kind, in the aggregate principal amount as of the Petition Date of not less than (A) \$217,600,000 under the Prepetition API Credit Agreement, (B) \$233,000,000 under the Prepetition ACL 2023 Credit Agreement (the “**Prepetition ACL 2023 Debt**”), and (C) \$311,000,000 under the Prepetition ACL/API 2024

Credit Agreement (the “**Prepetition ACL/API 2024 Debt**”), in each case, plus accrued and unpaid interest thereon and any premiums, reimbursement obligations (contingent or otherwise), fees, costs, expenses (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees and expenses), charges, indemnities, and any other amounts, liabilities or obligations of whatever nature, whenever arising or accruing (whether before or after the Petition Date) that may be due, owing or chargeable in connection therewith, in each case, as and solely to the extent provided in the Prepetition Secured Credit Documents (collectively, the “**Prepetition Secured Debt**”), which Prepetition Secured Debt has been guaranteed on a joint and several basis by each of the Prepetition Secured Guarantors, as applicable.

(v) *Prepetition Liens.* As more fully set forth in the Prepetition Secured Credit Documents, prior to the Petition Date, the Prepetition Borrowers and the Prepetition Secured Guarantors each granted to the Prepetition Secured Parties valid, binding, perfected, and enforceable first priority liens on and security interests in (the “**Prepetition Liens**”) all Collateral (as defined in the applicable Prepetition Secured Credit Documents), including, subject to paragraph 14 hereof, Cash Collateral (the “**Prepetition Collateral**”).

(vi) *Validity, Perfection and Priority of Prepetition Liens and Prepetition Secured Debt.* The Debtors acknowledge and agree that as of the Petition Date (a) the Prepetition Liens on the Prepetition Collateral were valid, binding, enforceable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Parties for fair consideration and reasonably equivalent value; (b) the Prepetition Liens were senior in priority over any and all other liens on the Prepetition Collateral, subject only to certain liens senior by operation of law (solely to the extent any such liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Liens as of the Petition Date, the “**Prepetition Permitted Prior Liens**”); (c) the

Prepetition Secured Debt constitutes legal, valid, and binding obligations of the Prepetition Borrowers and Prepetition Secured Guarantors enforceable in accordance with the terms of the applicable Prepetition Secured Credit Documents; (d) no offsets, recoupments, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Secured Debt exist, and no portion of the Prepetition Liens or Prepetition Secured Debt is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (e) the Debtors and their estates have no claims, objections, challenges, causes of action, and/or choses in action, including avoidance claims under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against any of the Prepetition Secured Parties or its respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees arising out of, based upon or related to the Prepetition Secured Credit Documents; and (f) the Debtors waive, discharge, and release any right to challenge any of the Prepetition Secured Debt, the priority of the Debtors' obligations thereunder, and the validity, extent, and priority of the Prepetition Liens securing the Prepetition Secured Debt.

(vii) *No Claims or Causes of Action.* No claims or causes of action held by the Debtors or their estates exist against, or with respect to, the Prepetition Secured Parties (in its capacity as such) under any agreements by and among the Debtors and the Prepetition Secured Parties that are in existence as of the Petition Date.

(viii) *Releases.* Subject to entry of the Final Order granting such relief, each of the Debtors and the Debtors' estates, on its and their own behalf, on behalf of its and their respective past, present and future predecessors, heirs, successors, subsidiaries, and assigns, hereby

absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender, solely in its capacity as such, and its Representatives (as defined herein), each solely in its capacity as a Representative of the DIP Lender (collectively, the “**DIP Released Parties**”), from any and all (I) obligations and liabilities to the Debtors (and their successors and assigns) and (II) claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case arising out of or related to the DIP Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions and agreements reflected thereby, and the obligations and financial obligations made thereunder, in each case that the Debtors at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the DIP Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of the Final Order granting such relief; *provided* that the releases set forth in this section shall not release (x) any claims against a DIP Released Party or liabilities that a court of competent jurisdiction determines results from the bad faith, fraud, gross negligence or willful misconduct of such DIP Released Party and (y) any claims proposed to be settled pursuant to that certain *Motion of Debtors Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and Fed. R. Bankr. P. 9019 and 6004 for Entry of Order (I) Approving Settlement Agreement with Natura & Co Holding S.A., (II) Authorizing the Debtors to Take Any and All Actions Necessary to Effectuate the Terms Thereof, and (III) Granting Related Relief* (Docket No. [●]) (the “**9019 Motion**”). For the avoidance of doubt, nothing in this release shall

relieve the DIP Lender of their obligations under the DIP Credit Agreement from and after the date of the Final Order granting such relief.

H. *Corporate Authority.* Each Debtor has all requisite corporate power and authority to execute and deliver the DIP Documents to which it is a party and to perform its obligations thereunder.

I. *Findings Regarding the DIP Financing and Use of Cash Collateral.*

(i) Good and sufficient cause has been shown for the entry of this Interim Order and for authorization of the DIP Loan Parties to obtain financing pursuant to the DIP Documents.

(ii) The DIP Loan Parties have an immediate and critical need to obtain the DIP Financing and to use the Prepetition Collateral (including Cash Collateral) in order to, among other things (a) permit the orderly administration of their estates and continued operation of the businesses of their non-debtor affiliates, (b) maintain their non-debtor affiliates' business relationships with vendors, suppliers and customers, (c) make payroll, (d) satisfy other working capital and operational needs and (e) fund expenses of these Chapter 11 Cases. In the absence of the DIP Facility and the use of Cash Collateral, the DIP Loan Parties' estates would suffer immediate and irreparable harm. The access of the DIP Loan Parties to sufficient working capital and liquidity through the use of Cash Collateral and other Prepetition Collateral, the incurrence of new indebtedness under the DIP Documents and other financial accommodations provided under the DIP Documents are necessary and vital to the preservation and maintenance of the values of the DIP Loan Parties and to a successful sale of all or substantially all of the DIP Loan Parties' assets.

(iii) The DIP Loan Parties are unable to obtain financing on more favorable terms from sources other than the DIP Lender under the DIP Documents and are unable to obtain

adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The DIP Loan Parties are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without granting to the DIP Lender the DIP Liens and the DIP Superpriority Claims (each as defined herein) and incurring the Adequate Protection Obligations (as defined herein), in each case subject and subordinate to the Carve-Out under the terms and conditions set forth in this Interim Order and in the DIP Documents.

(iv) The DIP Loan Parties and their non-debtor affiliates may continue to collect cash, rents, income, offspring, products, proceeds, and profits generated from the Prepetition Collateral and acquire equipment, inventory and other personal property, all of which constitute Prepetition Collateral (including, subject to paragraph 14 hereof, Cash Collateral) under the Prepetition Secured Credit Documents that are subject to the Prepetition Secured Parties' security interests as set forth in the Prepetition Secured Credit Documents, as applicable.

(v) The DIP Loan Parties desire to use a portion of the cash, rents, income, offspring, products, proceeds and profits described in the preceding paragraph in their business operations that, subject to paragraph 14 hereof, may constitute Cash Collateral of the Prepetition Secured Parties under section 363(a) of the Bankruptcy Code. Certain prepetition rents, income, offspring, products, proceeds, and profits, in existence as of the Petition Date, including balances of funds in the DIP Loan Parties' prepetition and postpetition operating bank accounts, also constitute Cash Collateral.

(vi) Based on the DIP Motion, the Messer Declaration, the First Day Declaration and the record presented to the Court at the Interim Hearing, the terms of the DIP Financing, including, without limitation, the interest rates and fees payable pursuant to the DIP Documents,

the terms of the adequate protection granted to the Prepetition Secured Parties as provided in paragraph 16 of this Interim Order (the “**Adequate Protection**”), and the terms on which the DIP Loan Parties may continue to use the Prepetition Collateral (including Cash Collateral) pursuant to this Interim Order and the DIP Documents are fair and reasonable, reflect the DIP Loan Parties’ exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

(vii) The DIP Financing, the Adequate Protection and the use of the Prepetition Collateral (including Cash Collateral) have been negotiated in good faith and at arm’s length among the DIP Loan Parties, the DIP Lender, and the Prepetition Secured Parties, and all of the DIP Loan Parties’ obligations and indebtedness arising under, in respect of, or in connection with, the DIP Financing and the DIP Documents, including, without limitation, all loans made to and guarantees issued by the DIP Loan Parties pursuant to the DIP Documents and any DIP Obligations shall be deemed to have been extended by the DIP Lender and its respective affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the DIP Lender (and the successors and assigns thereof) shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal.

(viii) The Prepetition Secured Parties acted fairly and in good faith regarding the DIP Financing and the DIP Loan Parties’ continued use of the Prepetition Collateral (including Cash Collateral) to fund the administration of the DIP Loan Parties’ estates and continued operation of the businesses of their non-debtor affiliates (including the incurrence and payment of and performance under the Adequate Protection Obligations and the granting of the Adequate

Protection Liens (as defined herein)), in accordance with the terms hereof, and the Prepetition Secured Parties (and the successors and assigns thereof) shall be entitled to the full protection of sections 363(m) and 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal.

(ix) Subject to the reservation of rights set forth in paragraph 14 hereof, the Prepetition Secured Parties are entitled to the Adequate Protection provided in this Interim Order as and to the extent set forth herein pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code. Based on the DIP Motion and on the record presented to the Court, the terms of the proposed adequate protection arrangements and of the use of the Prepetition Collateral (including Cash Collateral) are fair and reasonable, reflect the DIP Loan Parties' prudent exercise of business judgment, and constitute reasonably equivalent value and fair consideration for the use of the Prepetition Collateral, including the Cash Collateral, and the Prepetition Secured Parties have consented or are deemed hereby to have consented to the use of the Prepetition Collateral, including the Cash Collateral, the priming of the Prepetition Liens by the DIP Liens pursuant to the terms set forth in this Interim Order and the DIP Documents; *provided* that nothing in this Interim Order or the other DIP Documents shall (x) be construed as the affirmative consent by the Prepetition Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and in the context of the DIP Financing authorized by this Interim Order to the extent such consent has been or is deemed to have been given, (y) be construed as a consent by any party to the terms of any other financing or any other lien encumbering the Prepetition Collateral (whether senior or junior) other than as contemplated by the DIP Financing authorized by this Interim Order or (z) prejudice, limit or otherwise impair the rights of the Prepetition Secured Parties to seek new, different or additional adequate protection or assert any

rights of the Prepetition Secured Parties, and the rights of any other party in interest, including the DIP Loan Parties, to object to such relief are hereby preserved.

(x) The Debtors have prepared and delivered to the advisors to the DIP Lender an initial budget (the “**Initial DIP Budget**”), attached hereto as **Exhibit B**. The Initial DIP Budget reflects, among other things, the DIP Loan Parties’ anticipated sources and uses of cash for each calendar week, in form and substance satisfactory to the DIP Lender. The Initial DIP Budget may be modified, amended and updated from time to time in accordance with the DIP Credit Agreement, and once approved by the DIP Lender, shall supplement and replace the Initial DIP Budget (the Initial DIP Budget and each subsequent approved budget, shall constitute without duplication, an “**Approved Budget**”). Any modifications, amendments or updates to the Approved Budget shall be provided to the U.S. Trustee and any statutory committee. The Debtors believe the Initial DIP Budget is reasonable under the facts and circumstances. The DIP Lender is relying, in part, upon the DIP Loan Parties’ agreement to comply with the Approved Budget (subject only to permitted variances), the other DIP Documents and this Interim Order in determining to enter into the postpetition financing arrangements provided for in this Interim Order.

(xi) Subject to entry of the Final Order granting such relief, the Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to proceeds, product, offspring, or profits with respect to any of the Prepetition Collateral.

J. *Immediate Entry.* Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2), (c)(2) and 6003. Absent granting the relief set forth in this Interim Order, the DIP Loan Parties’ estates will be immediately and irreparably

harm. Consummation of the DIP Financing and the use of Prepetition Collateral (including Cash Collateral), in accordance with this Interim Order and the DIP Documents, are therefore in the best interests of the DIP Loan Parties' estates and consistent with the DIP Loan Parties' exercise of their fiduciary duties.

K. *Prepetition Permitted Prior Liens; Continuation of Prepetition Liens.*

Nothing herein shall constitute a finding or ruling by this Court that any alleged Prepetition Permitted Prior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing herein shall prejudice the rights of any party-in-interest, including, but not limited to, the DIP Loan Parties, the DIP Lender or the Prepetition Secured Parties to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Prepetition Permitted Prior Lien and/or security interests. The right of a seller of goods to reclaim such goods under section 546(c) of the Bankruptcy Code is not a Prepetition Permitted Prior Lien and is expressly subject to the DIP Liens. The Prepetition Liens, and the DIP Liens that prime the Prepetition Liens, are continuing liens and the DIP Collateral is and will continue to be encumbered by such liens until indefeasible payment in full of all Prepetition Secured Debt and all DIP Obligations, respectively, in light of the integrated nature of the DIP Facility, the DIP Documents and the Prepetition Secured Credit Documents.

Based upon the foregoing findings and conclusions, the DIP Motion and the record before the Court with respect to the DIP Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. *Motion Granted.* The interim relief sought in the DIP Motion is granted and the interim financing described herein is authorized and approved, and the use of Cash

Collateral on an interim basis is authorized, in each case subject to the terms and conditions set forth in the DIP Documents and this Interim Order. Any objections to this Interim Order, to the extent not withdrawn, waived, settled, or resolved, are hereby denied and overruled on the merits.

2. *Authorization of the DIP Financing and the DIP Documents.*

(a) The DIP Loan Parties are hereby authorized to execute, deliver, enter into and, as applicable, perform all of their obligations under the DIP Documents and such other and further acts as may be necessary, appropriate or desirable in connection therewith, in each case without further approval of this Court. The DIP Loan Parties are hereby authorized to borrow money pursuant to the DIP Credit Agreement, subject to any limitations on borrowing under the DIP Documents, which borrowings shall be used for all purposes permitted under the DIP Documents (and subject to and in accordance with the Approved Budget (subject to any permitted variances)), up to the aggregate amount of the Initial Term Loan Commitments.

(b) In furtherance of the foregoing and without further approval of this Court, each DIP Loan Party is authorized and directed to, and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby lifted solely to the extent necessary to, perform all acts, to make, execute and deliver all instruments, certificates, agreements, charges, deeds and documents (including, without limitation, the execution or recordation of pledge and security agreements, mortgages, financing statements and other similar documents), and to pay all fees, expenses and indemnities in connection with or that may be reasonably required, necessary, or desirable for the DIP Loan Parties' performance of their obligations under or related to, but solely to the extent permitted under, the DIP Financing, including, without limitation:

(i) the execution and delivery of, and performance under, each of the DIP Documents;

(ii) the execution and delivery of, and performance under, one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case, in such form as the DIP Loan Parties and the DIP Lender (acting in accordance with the terms of the DIP Credit Agreement) may agree, it being understood that, except with respect to Material Amendments (as defined herein), no further approval of this Court shall be required for any authorizations, amendments, waivers, consents or other modifications to and under the DIP Documents (and any fees and other expenses (including attorneys', accountants', appraisers' and financial advisors' fees), amounts, charges, costs, indemnities and other obligations paid in connection therewith) that do not shorten the maturity of the extensions of credit thereunder or increase the aggregate commitments, the fees or the rate of interest payable thereunder; *provided* that, for the avoidance of doubt, updates, modifications and supplements to the Approved Budget required to be delivered by the DIP Loan Parties under the DIP Documents shall not, for purposes of this Interim Order or any Final Order, be considered amendments or modifications to the Approved Budget or the DIP Documents that require further approval of this Court; *provided, further*, that nothing herein shall be construed to limit the rights of the U.S. Trustee or any statutory committee to object to any updated, modified or supplemented Approved Budget on the grounds that such Approved Budget shall be made subject to approval of this Court;

(iii) the non-refundable payment to the DIP Lender of all fees, including upfront premiums (the payment of which fees shall be irrevocable, and shall be, and shall be deemed to have been, approved upon entry of this Interim Order), whether any such fees arose before or after the Petition Date, and whether or not the transactions contemplated hereby are consummated, and upon payment thereof, shall not be subject to any contest, attack, rejection, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance,

disallowance, impairment, or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, applicable non-bankruptcy law or otherwise by any person or entity) and any amounts due (or that may become due) in respect of any indemnification and expense reimbursement obligations (in each case excluding any professional fees, costs, or expenses incurred by the DIP Lender in connection with the negotiation, documenting, filing, and prosecution and approval of the DIP Documents and DIP Financing), in each case governed by and referred to in the DIP Credit Agreement or DIP Documents (or in any separate letter agreements) and the costs and expenses as may be due from time to time (collectively, the “**DIP Fees and Expenses**”); and

(iv) the performance of all other acts required under or in connection with the DIP Documents, including the granting of the DIP Liens and the DIP Superpriority Claims and perfection of the DIP Liens and DIP Superpriority Claims as permitted herein and therein, and to perform such other and further acts as may be necessary, desirable or appropriate in connection therewith, in each case in accordance with the terms of the DIP Documents.

3. *DIP Obligations.* Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute legal, valid, binding and non-avoidable obligations of the DIP Loan Parties, enforceable against each DIP Loan Party and its estate in accordance with the terms of the DIP Documents and this Interim Order, and any successors thereto, including any trustee appointed in the Chapter 11 Cases, or in any case under Chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing (collectively, the “**Successor Cases**”). Upon execution and delivery of the DIP Documents, the DIP Obligations will include all loans and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by any of the

DIP Loan Parties to the DIP Lender under, or secured by, the DIP Documents or this Interim Order, including all principal, interest, costs, fees, expenses, premiums, indemnities and other amounts under the DIP Documents or this Interim Order. The DIP Loan Parties shall be jointly and severally liable for the DIP Obligations. Except as permitted hereby, no obligation, payment, transfer, or grant of security hereunder or under the DIP Documents to the DIP Lender (including its Representatives) shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any defense, avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), disallowance, impairment, claim, counterclaim, cross-claim, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

4. *Carve-Out.*

(a) *Carve-Out.* As used in this Interim Order, the term “**Carve-Out**” means the sum of: (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate, if any, pursuant to 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below and which statutory fees shall not be limited by any budget); (ii) all reasonable and documented fees and expenses in an aggregate amount not to exceed \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in clause (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, final order or otherwise, all accrued and unpaid claims for fees, costs, and expenses (the “**Allowed Professional Fees**”)

incurred by persons or firms (a) retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the “**Debtor Professionals**”), or (b) retained by the Creditors’ Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (collectively, the “**Committee Professionals**” and, together with the Debtor Professionals, the “**Estate Professionals**”) (in each case, including any restructuring, sale, success or other transaction fee of any investment banker or financial advisor that is a Debtor Professional; *provided* that such fees shall be payable out of the Carve-Out solely to the extent such fees were actually earned and payable prior to delivery of a Carve-Out Trigger Notice (defined below) pursuant to the terms of the respective engagement letters with the Debtors in effect as of the date of court approval of such professional’s retention (such fees, collectively, the “**Carve-Out Transaction Fees**”)), at any time before or on the first (1st) business day following delivery by the DIP Lender of a Carve-Out Trigger Notice without regard to whether such fees, costs, and expenses were invoiced after the Carve-Out Trigger Notice Date, whether allowed by the Court prior to or after the Carve-Out Trigger Notice Date, and whether such fees, costs, and expenses are provided for in the Approved Budget (the amounts set forth in this clause (iii) being the “**Pre-Carve-Out Cap**”); and (iv) Allowed Professional Fees of Debtor Professionals in an aggregate amount not to exceed \$4,000,000 incurred after the first (1st) business day following delivery of the Carve-Out Trigger Notice (the amount set forth in this clause (iv) being the “**Debtor Post-Carve-Out Cap**”); and (v) Allowed Professional Fees of Committee Professionals in an aggregate amount not to exceed \$100,000 incurred after the first (1st) business day following delivery of the Carve-Out Trigger Notice (the amount set forth in this clause (v) being the “**Committee Post-Carve-Out Cap**” and, together with the Debtor Post-Carve-Out Cap, the “**Post-Carve-Out Caps**” and, the Post-Carve-Out Caps together with the Pre-Carve-Out Cap and the amounts set forth in clauses (i) and (ii),

the “**Carve-Out Cap**”); *provided*, that the Post-Carve-Out Cap shall not be reduced or increased by the amount of any compensation or reimbursement of expenses paid prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked.

(b) For purposes of the foregoing, “**Carve-Out Trigger Notice**” shall mean a written notice delivered by email by the DIP Lender (or, after the applicable DIP Obligations have been indefeasibly paid in full and the DIP Commitments terminated, the Prepetition Secured Parties) to the Debtors, their lead restructuring counsel (Weil, Gotshal & Manges LLP (“**Weil**”)), the U.S. Trustee, and lead counsel to the Creditors’ Committee (if any), which notice may only be delivered following the occurrence and during the continuation of an “Event of Default” under the DIP Documents (or, after the DIP Obligations have been indefeasibly paid in full and the DIP Commitments terminated, any occurrence that would constitute an “Event of Default” under the DIP Documents and that is continuing), stating that the Carve-Out is triggered and the Post-Carve-Out Caps have been invoked.

(c) On the day on which a Carve-Out Trigger Notice is received by the Debtors (the “**Carve-Out Trigger Notice Date**”), the Carve-Out Trigger Notice shall constitute a demand to the DIP Loan Parties to transfer cash in an amount equal to the Carve-Out Cap pursuant to paragraph 4 hereof.

(d) *Carve-Out Account.* Immediately following receipt of a Carve-Out Trigger Notice, and prior to the payment of any DIP Obligations, the DIP Loan Parties shall be required to deposit into a segregated account of the Debtors not subject to the control of the DIP Lender or any of the Prepetition Secured Parties (the “**Carve-Out Account**”) cash in an amount equal to the Carve-Out Cap. Notwithstanding anything to the contrary herein or in the DIP Documents, following the Carve-Out Trigger Notice Date, the DIP Lender shall not sweep or foreclose on cash

(including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve-Out Account has been fully funded as permitted above in an amount equal to all remaining unfunded portions of the Carve-Out Cap. The amounts in the Carve-Out Account shall be available only to satisfy Allowed Professional Fees and other amounts included in the Carve-Out until such amounts are paid in full. Any payment or reimbursement made prior to the Carve-Out Trigger Notice Date in respect of any Allowed Professional Fees shall not reduce the Carve-Out. The amount in the Carve-Out Account shall be reduced on a dollar-for-dollar basis for Allowed Professional Fees that are paid after the Carve-Out Trigger Notice Date, and the Carve-Out Account shall not be replenished for such amounts so paid. Notwithstanding anything to the contrary herein, (i) the failure of the Carve-Out Account to satisfy in full the amount set forth in the Carve-Out shall not affect the priority of the Carve-Out and (ii) in no way shall the Carve-Out, the Carve-Out Account, or any Approved Budget be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors or that may be allowed by the Court at any time (whether by interim order, final order, or otherwise).

(e) *No Direct Obligation to Pay Allowed Professional Fees.* Neither the DIP Lender nor the Prepetition Secured Parties shall be responsible for the direct payment or reimbursement of any fees or expenses of any Estate Professionals incurred in connection with the Chapter 11 Cases or any Successor Case under any chapter of the Bankruptcy Code, regardless of whether such fees or expenses have been allowed by the Court. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Lender, or the Prepetition Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Estate Professional or to guarantee that the Debtors have sufficient funds to pay such compensation or expense reimbursement.

5. *Professional Fee Escrow.* Within five (5) business days of the initial funding of the DIP Loans, the Debtors shall fund into the Carve-Out Account an amount equal to the total budgeted Estate Professional fees, excluding the Carve-Out Transaction Fees, for the first two (2) weeks set forth in the Approved Budget and, thereafter on a weekly basis, the DIP Loan Parties shall transfer into the Carve-Out Account cash in an amount equal to the amount of cash such that the Carve-Out Account shall contain the sum of (a) accrued, unpaid actual Estate Professional fees through the end of the prior week; *plus* (b) an amount equal to the estimated Estate Professional fees (not to exceed the budgeted Estate Professional fees (plus permitted variances)), excluding the Carve-Out Transaction Fees, for the next unfunded week set forth in the Approved Budget. The DIP Loan Parties shall use such funds held in the Carve-Out Account to pay Estate Professional fees as they become allowed and payable pursuant to interim or final orders from the Court. Funds transferred to the Carve-Out Account shall not (i) be subject to the DIP Liens, the DIP Superpriority Claims, or any claim, liens or security interests granted to any other party, or (ii) constitute DIP Collateral; *provided* that the DIP Lender and, subject to paragraph 14 hereof, the Prepetition Secured Parties shall have a security interest in and lien on any residual cash balance remaining in the Carve-Out Account after all Allowed Professional Fees are paid in accordance with paragraph 4.

6. *DIP Superpriority Claims.* Subject and subordinate to the Carve-Out, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims against the DIP Loan Parties on a joint and several basis (without the need to file any proof of claim) with priority over any and all claims against the DIP Loan Parties, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b)

of the Bankruptcy Code and any and all administrative expenses or other claims arising under sections 105, 326, 327, 328, 330, 331, 365, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code (including the Adequate Protection Obligations), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims (the “**DIP Superpriority Claims**”) shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which DIP Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the DIP Loan Parties and all proceeds thereof (excluding (x) claims and causes of action under sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code, or any other avoidance actions under the Bankruptcy Code (collectively, “**Avoidance Actions**”) but, subject to the entry of the Final Order granting such relief, including any proceeds or property recovered, unencumbered or otherwise, from Avoidance Actions, whether by judgment, settlement or otherwise (“**Avoidance Proceeds**”), and (y) any Excluded Property) in accordance with the DIP Documents, this Interim Order or the Final Order, subject and subordinate only to the Carve-Out. The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified on appeal. The DIP Superpriority Claims shall be senior to the 507(b) Claims (as defined herein) and subordinated to the Carve-Out.

7. *DIP Liens.* As security for the DIP Obligations, effective and automatically and properly perfected upon the date of this Interim Order and without the necessity of the execution, recordation or filing by the DIP Loan Parties or the DIP Lender of mortgages, security agreements, control agreements, pledge agreements, financing statements, intellectual property filings or other similar documents, notation of certificates of title for titled goods or other similar

documents, instruments, deeds, charges or certificates, or the possession or control by the DIP Lender of, or over, any Collateral, without any further action by any DIP Loan Party or DIP Lender, the following valid, binding, continuing, and enforceable security interests and liens (all security interests and liens granted to the DIP Lender pursuant to this Interim Order and the DIP Documents, the “**DIP Liens**”) are hereby granted to the DIP Lender (all property identified in clauses (a) through (c) below being collectively referred to as the “**DIP Collateral**”); *provided* that notwithstanding anything herein to the contrary, the DIP Liens shall be (a) subject and junior to the Carve-Out and the Senior Prior Liens in all respects, (b) senior in all respects to the Prepetition Liens and (c) senior in all respects to the Adequate Protection Liens:

(a) *Liens on Unencumbered Property.* Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest (subject and subordinate to the Carve-Out) in and DIP Lien upon all tangible and intangible prepetition and postpetition property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, and the proceeds, products, rents, and profits thereof, that, on or as of the Petition Date, or, solely in the case of Collateral subject to (i) valid, perfected and non-avoidable prepetition senior liens in existence as of the Petition Date (other than the Primed Liens) or (ii) valid and non-avoidable prepetition senior liens (other than the Primed Liens) in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date, as permitted by section 546(b) of the Bankruptcy Code (the liens referred to in clauses (i) and (ii), the “**Senior Prior Liens**”), a perfected security interest junior only to such liens and the Carve-Out, including, without limitation, any and all unencumbered cash of the DIP Loan Parties and any investment of cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, fixtures, machinery, equipment,

general intangibles, documents, instruments, securities, goodwill, causes of action, insurance policies and rights, claims and proceeds from insurance, commercial tort claims and claims that may constitute commercial tort claims (known and unknown), chattel paper (including electronic chattel paper and tangible chattel paper), interests in leaseholds, real properties, deposit accounts, patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property, equity interests of subsidiaries, joint ventures and other entities, wherever located, and the proceeds, products, rents and profits of the foregoing, whether arising under section 552(b) of the Bankruptcy Code or otherwise (the “**Unencumbered Property**”), in each case other than the Carve-Out Account and any amounts held therein, the Avoidance Actions, and any Excluded Property (but, for the avoidance of doubt, subject to entry of the Final Order granting such relief, “Unencumbered Property” shall include Avoidance Proceeds).

(b) *Liens Priming Certain Prepetition Secured Parties’ Liens.* Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest (subject and subordinate to the Carve-Out) in and DIP Lien upon all tangible and intangible prepetition and postpetition property of the DIP Loan Parties subject to the Prepetition Liens, regardless of where located, whether or not any liens on such assets are voided, avoided, invalidated, lapsed or unperfected (the “**Priming Liens**”), in each case, as of the Petition Date, which Priming Liens shall rank senior in all respects to the interests of the Prepetition Secured Parties arising from the current and future liens of the Prepetition Secured Parties (including, without limitation, the Adequate Protection Liens granted to the Prepetition Secured Parties) (the “**Primed Liens**”), but which shall be junior to any Senior Prior Liens.

(c) *Liens Junior to Certain Other Liens.* Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully perfected security interest (subject and subordinate to the Carve-Out) in and DIP Lien upon all tangible and intangible prepetition and postpetition property of the DIP Loan Parties that is subject to Senior Prior Liens, which shall be immediately junior and subordinate to any such Senior Prior Liens; *provided* that nothing in this subsection (c) shall limit the rights of the DIP Lender under the DIP Documents to the extent such Senior Prior Liens are not permitted thereunder.

(d) *Liens Senior to Certain Other Liens.* The DIP Liens shall not be (i) subject or subordinate to or made *pari passu* with (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors or their estates under section 551 of the Bankruptcy Code, (B) unless otherwise provided for in the DIP Documents or in this Interim Order, any liens or security interests arising after the Petition Date, including, without limitation, any liens or security interests 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 DIP Loan Parties, or (C) any intercompany or affiliate liens of the DIP Loan Parties or security interests of the DIP Loan Parties; or (ii) subordinated to or made *pari passu* with any other lien or security interest under section 363 or 364 of the Bankruptcy Code granted after the date hereof.

(e) *Excluded Property.* Notwithstanding anything herein to the contrary, in no event shall the DIP Collateral (and the DIP Liens and Adequate Protection Liens thereon) include any Excluded Property; *provided* that, for the avoidance of doubt, DIP Collateral will include any proceeds in respect of the Excluded Property.

8. *Protection of DIP Lender's and Prepetition Secured Parties' Rights.*

(a) So long as there are any DIP Obligations outstanding or the DIP Lender has any outstanding DIP Commitments under the DIP Documents, the Prepetition Secured Parties shall:

(i) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Prepetition Secured Credit Documents or this Interim Order, or otherwise seek to exercise or enforce any rights or remedies against the DIP Collateral, including in connection with the Adequate Protection Liens; (ii) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, the DIP Collateral (but not any proceeds of such transfer, disposition or sale to the extent remaining after payment in cash in full of the DIP Obligations and termination of the DIP Commitments), to the extent such transfer, disposition, sale or release is authorized under the DIP Documents; (iii) not file any further financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral other than as necessary to give effect to this Interim Order other than, (x) solely as to this clause (iii), the DIP Lender filing financing statements or other documents to perfect the liens granted pursuant to this Interim Order, or (y) as may be required by applicable state law or foreign law to complete a previously commenced process of perfection or to continue the perfection of valid and non-avoidable liens or security interests existing as of the Petition Date; and (iv) deliver or cause to be delivered, at the DIP Loan Parties' cost and expense, any termination statements, releases and/or assignments in favor of the DIP Lender or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of the DIP Collateral subject to any sale or Court-approved disposition permitted by this Interim Order and the DIP Documents.

(b) To the extent any Prepetition Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as a secured party on any certificate of title for a titled good constituting Prepetition Collateral or DIP Collateral, then such Prepetition Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Lender, and such Prepetition Secured Party shall comply with the instructions of the DIP Lender with respect to the exercise of such control or possession.

(c) Any proceeds of Prepetition Collateral subject to the Primed Liens received by the Prepetition Secured Parties in connection with the exercise of any right or remedy (including setoff) relating to the Prepetition Collateral shall be segregated and held in trust for the benefit of and forthwith paid over to the DIP Lender in the same form as received by the Prepetition Secured Parties, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The DIP Lender is hereby authorized to make any such endorsements as agent for the Prepetition Secured Parties. This authorization is coupled with an interest and is irrevocable.

9. *Termination Date.* On the Termination Date (as defined herein), consistent with Section 2.10 of the DIP Credit Agreement, (a) all DIP Obligations shall be immediately due and payable and all DIP Commitments will terminate; (b) subject to paragraph 14 hereof, all authority to use Cash Collateral shall cease; *provided, however*, that during the Remedies Notice Period (as defined herein), the Debtors may use Cash Collateral solely to fund the Carve-Out and pay payroll and other expenses critical to the administration of the Debtors' estates strictly in accordance with the Approved Budget; and (c) the DIP Lender shall be otherwise entitled to exercise rights and remedies under the DIP Documents in accordance with this Interim Order.

10. *Rights and Remedies Upon Event of Default.*

(a) Upon the occurrence and during the continuation of an Event of Default (as defined herein) that has not been waived by the DIP Lenders, notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application, motion, or notice to, hearing before, or order from the Court, but subject to the terms of this Interim Order, (i) the DIP Lender may declare, by written notice to lead restructuring counsel to the Debtors (Weil), lead counsel to the Creditors' Committee (if any), and the U.S. Trustee (collectively, the "**Remedies Notice Parties**") and, any such declaration, a "**DIP Termination Declaration**") (the date on which the DIP Termination Declaration is delivered, the "**DIP Termination Date**"), (1) all DIP Obligations owing under the DIP Documents to be immediately due and payable, (2) the termination, reduction or restriction of any further commitment to extend credit to the Debtors to the extent any such commitment remains under the DIP Facility, (3) termination of the DIP Facility and the DIP Documents as to any future liability or obligation of the DIP Lender, but without affecting any of the DIP Liens or the DIP Obligations, and (4) that the Carve-Out shall be triggered, through the delivery of the Carve-Out Trigger Notice to the DIP Loan Parties and (ii) subject to paragraph 8, the Prepetition Secured Parties may declare, by written notice to the Remedies Notice Parties, a termination, reduction or restriction on the ability of the Debtors to use Cash Collateral (such declaration, a "**Cash Collateral Termination Declaration**" and, together with the DIP Termination Declaration, the "**Termination Declarations**") (the date on which the Cash Collateral Termination Declaration is delivered, the "**Cash Collateral Termination Date**" and, together with the DIP Termination Date, the "**Termination Dates**"). The Automatic Stay in the Chapter 11 Cases otherwise applicable to the DIP Lender and the Prepetition Secured Parties is hereby modified so that five (5) days after the Termination Date (the "**Remedies Notice Period**") (A) the

DIP Lender shall be entitled to (x) exercise all of its rights and remedies in accordance with the DIP Documents and this Interim Order to satisfy the DIP Obligations, DIP Superpriority Claims, and DIP Liens, including to enforce any and all rights against DIP Collateral, including, without limitation, foreclosure on all or any portion of the DIP Collateral, occupying the DIP Loan Parties' premises, or sale or disposition of the DIP Collateral and (y) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the other DIP Documents or applicable law and (B) subject to the foregoing clause (A) and paragraph 14 hereof, the Prepetition Secured Parties shall be entitled to exercise their rights and remedies to the extent available in accordance with the applicable Prepetition Secured Credit Documents and this Interim Order with respect to the Debtors' use of Cash Collateral. During the Remedies Notice Period, the Debtors and other parties in interest shall be entitled to seek an emergency hearing within the Remedies Notice Period with the Court for the sole purpose of contesting whether an Event of Default has occurred or is continuing. Unless the Court orders otherwise prior to the expiration of the Remedies Notice Period, the Automatic Stay, as to the DIP Lender and the Prepetition Secured Parties shall automatically be terminated at the end of the Remedies Notice Period without further notice or order. Upon expiration of the Remedies Notice Period, the DIP Lender and the Prepetition Secured Parties shall be permitted to exercise all remedies set forth herein, in the DIP Documents, and as otherwise available at law without further order of or application or motion to this Court consistent with this Interim Order.

(b) Subject to paragraph 14 hereof, no rights, protections or remedies of the DIP Lender or the Prepetition Secured Parties granted by the provisions of this Interim Order or the other DIP Documents shall be limited, modified or impaired in any way by: (i) any actual or purported withdrawal of the consent of any party to the Debtors' authority to continue to use Cash

Collateral; (ii) any actual or purported termination of the Debtors' authority to continue to use Cash Collateral; or (iii) the terms of any other order or stipulation related to the Debtors' continued use of Cash Collateral or the provision of adequate protection to any party.

11. *Limitation on Charging Expenses Against Collateral.* Except to the extent of the Carve-Out and subject to entry of the Final Order granting such relief, no costs or expenses of administration of the Chapter 11 Cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender or the Prepetition Secured Parties, as applicable, and no consent shall be implied from any other action, inaction or acquiescence by the DIP Lender or the Prepetition Secured Parties, and nothing contained in this Interim Order shall be deemed to be a consent by the DIP Lender or the Prepetition Secured Parties to any charge, lien, assessment or claims against the DIP Collateral under section 506(c) of the Bankruptcy Code or otherwise.

12. *No Marshaling.* Subject to entry of the Final Order granting such relief, in no event shall the DIP Lender or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, the DIP Obligations, the Prepetition Secured Debt, or the Prepetition Collateral. Further, subject to entry of the Final Order granting such relief, in no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties with respect to proceeds, products, offspring or profits of any Prepetition Collateral.

13. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Lender pursuant to the provisions of this Interim Order, the DIP Documents or any

subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment or other liability, including without limitation, any claim or charge arising out of or based on, directly or indirectly, sections 506(c) or 552(b) of the Bankruptcy Code, whether asserted or assessed by, through or on behalf of the Debtors.

14. *Use of Cash Collateral.* Notwithstanding anything herein to the contrary, nothing herein shall or shall be deemed to constitute a finding or admission that the Prepetition Secured Parties have a lien or security interest in the Debtors' prepetition cash and the Debtors and the Prepetition Secured Parties reserve all rights with respect thereto.

15. *Disposition of DIP Collateral.* The DIP Loan Parties shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, except as otherwise provided for in the DIP Documents or an order of the Court.

16. *Adequate Protection of Prepetition Secured Parties.* The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(e), 364(d)(1) and 507 of the Bankruptcy Code, to adequate protection of their respective interests in all Prepetition Collateral (including, subject to paragraph 14 hereof, Cash Collateral) in an amount equal to the aggregate diminution in the value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including, subject to paragraph 14 hereof, Cash Collateral) from and after the Petition Date, for any reason provided for under the Bankruptcy Code, including, without limitation, any diminution resulting from the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Prepetition Liens by the DIP Liens pursuant to the DIP Documents and this Interim Order, the payment of any amounts under the Carve-Out or pursuant to this Interim Order, the Final Order or any other order of the Court or provision of the Bankruptcy Code or otherwise, and the imposition of the Automatic Stay (the "**Adequate Protection Claims**"). In consideration of the foregoing,

the Prepetition Secured Parties are hereby granted the following as Adequate Protection for, and to secure repayment of, an amount equal to such Adequate Protection Claims, and as an inducement to the Prepetition Secured Parties to consent to the priming of the Prepetition Liens and use of the Prepetition Collateral (including Cash Collateral) (collectively, the “**Adequate Protection Obligations**”):

(a) *Prepetition Adequate Protection Liens.* The Prepetition Secured Parties are hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of the execution of any mortgages, security agreements, pledge agreements, financing statements or other agreements) on account of the Prepetition Secured Parties’ Adequate Protection Claims, a valid, perfected replacement security interest in and lien upon all of the DIP Collateral (the “**Adequate Protection Liens**”), in each case senior to all other liens but subject and subordinate only to (A) the DIP Liens, (B) the Carve-Out, and (C) the Senior Prior Liens.

(b) *Section 507(b) Claims.* The Prepetition Secured Parties are hereby granted, subject and subordinate to the Carve-Out, an allowed superpriority administrative expense claim as provided for in section 507(b) of the Bankruptcy Code in the amount of their Adequate Protection Claims, with priority in payment over any and all administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code (the “**507(b) Claims**”) which 507(b) Claims shall have recourse to and be payable from all DIP Collateral and all proceeds therefrom (excluding Avoidance Actions, but including, subject to entry of the Final Order, Avoidance Proceeds). The 507(b) Claims shall be subject and subordinate only to the Carve-Out and the DIP Superpriority Claims. Except to the extent expressly set forth in this Interim Order, the Final Order or the DIP Documents, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until the DIP

Obligations (other than contingent indemnification obligations as to which no claim has been asserted) have indefeasibly been paid in cash in full and all DIP Commitments have been terminated.

(c) *Budget and Financial Covenants.* Upon indefeasible payment in full of all DIP Obligations and termination of all DIP Commitments, (i) the Approved Budget shall continue to be updated in accordance with the terms and conditions of the DIP Credit Agreement (for such purposes, the “**Adequate Protection Budget Requirement**”), (ii) the Prepetition Secured Parties are hereby entitled to performance of those certain financial and other covenants set forth in Articles 5 and 6 of the DIP Credit Agreement (for such purposes, the “**Adequate Protection Covenants**”) and (iii) the Prepetition Secured Parties shall constitute the DIP Lender for purposes of any amendment, extension, waiver or other modification relating to the Adequate Protection Budget Requirement or Adequate Protection Covenants.

(d) *Prepetition Secured Parties’ Adequate Protection Information Rights.* The DIP Loan Parties shall provide the Prepetition Secured Parties and, to the extent applicable, counsel to such party (and subject to applicable confidentiality restrictions contained in any of the Prepetition Secured Credit Documents), with all required written financial reporting and other periodic reporting that is required to be provided to the DIP Lender under the DIP Documents, including, without limitation, the reporting required under Sections 5.09 and 5.10 of the DIP Credit Agreement (the “**Adequate Protection Reporting Requirement**”).

17. *Maintenance of Collateral.* The DIP Loan Parties shall continue to maintain and insure the Prepetition Collateral and DIP Collateral in amounts and for the risks, and by the entities, as required under the Prepetition Secured Credit Documents and the DIP Documents, as applicable.

18. *Reservation of Rights of Prepetition Secured Parties.* Under the circumstances and given that the above-described Adequate Protection is consistent with the Bankruptcy Code, including section 506(b) thereof, the Court finds that the Adequate Protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties and any other parties' holding interests that are secured by liens primed by the DIP Financing; *provided* that the Prepetition Secured Parties may request further or different adequate protection and the DIP Loan Parties or any other party in interest may contest any such request.

19. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) Without in any way limiting the automatic validity and effective perfection of the DIP Liens granted pursuant to paragraph 7 hereof and the Adequate Protection Liens granted pursuant to paragraph 16 hereof, the DIP Lender and the Prepetition Secured Parties are hereby authorized, but not required, to file or record (and to execute in the name of the DIP Loan Parties and the Prepetition Secured Parties (as applicable), as their true and lawful attorneys, with full power of substitution, to the maximum extent permitted by law) financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, or to amend or modify security documents, or enter into, amend or modify intercreditor agreements, or to subordinate existing liens and any other similar action or action in connection therewith or take any other action in order to document, validate and perfect the liens and security interests granted to them hereunder the (“**Perfection Actions**”). Whether or not the DIP Lender or the Prepetition Secured Parties shall take such Perfection Actions, the liens and security interests granted hereunder shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination, at the time and on the date of entry of this Interim Order. Upon the request of the

DIP Lender, the Prepetition Secured Parties and the DIP Loan Parties, without any further consent of any party, and at the sole cost of the Debtors as set forth herein, are authorized and directed, and such direction is hereby deemed to constitute required direction under the applicable DIP Documents or Prepetition Secured Credit Documents, to take, execute, deliver and file such actions, instruments and agreements (in each case, without representation or warranty of any kind) to enable the DIP Lender to further validate, perfect, preserve and enforce the DIP Liens in all jurisdictions required under the DIP Credit Agreement, including all local law documentation therefor determined to be reasonably necessary by the DIP Lender; *provided, however*, that no action need be taken in a foreign jurisdiction that would jeopardize the validity and enforceability of the Prepetition Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date. To the extent necessary to effectuate the terms of this Interim Order and the DIP Documents, each of the DIP Lender and the Prepetition Secured Parties hereby are deemed to appoint the other (and deemed to have accepted such appointment) to act as its agent with respect to the Collateral and under the Security Documents to which they are a party in such capacity, with such powers as are expressly delegated thereto under the DIP Documents and Prepetition Secured Credit Documents (and even if it involves self-contracting and multiple representation to the extent legally possible), together with such other powers as are reasonably incidental thereto.

(b) A certified copy of this Interim Order may, in the discretion of the DIP Lender or the Prepetition Secured Parties, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized and directed to accept a certified copy of this Interim Order for filing and/or recording, as applicable. The Automatic Stay shall be modified solely to the extent necessary to permit the DIP Lender and the Prepetition Secured Parties to take

all actions, as applicable, referenced in this subparagraph (b) and the immediately preceding subparagraph (a).

20. *Preservation of Rights Granted Under this Interim Order.*

(a) Other than the Carve-Out and other claims and liens expressly granted or permitted by this Interim Order, no claim or lien having a priority superior to or *pari passu* with those granted by this Interim Order to the DIP Lender or the Prepetition Secured Parties shall be permitted while any of the DIP Obligations or the Adequate Protection Obligations remain outstanding, and, except as otherwise expressly provided in or permitted under this Interim Order, the DIP Liens and the Adequate Protection Liens shall not be: (i) subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code; (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise; (iii) subordinated to or made *pari passu* with any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the DIP Loan Parties; or (iv) subject or junior to any intercompany or affiliate liens or security interests of the DIP Loan Parties.

(b) (i) The occurrence or continuation of any "Event of Default" (as defined in the DIP Credit Agreement) or (ii) the failure of the Debtors to perform, in any material respect, any of the terms, provision, conditions, covenants or obligations under this Interim Order, in each case after notice by the DIP Lender in writing to the DIP Loan Parties, lead counsel to the DIP Loan Parties (Weil), lead counsel to the Creditors' Committee (if any), and the U.S. Trustee, shall constitute an event of default under this Interim Order (each an "**Event of Default**") and, while

any such Event of Default is continuing, interest, including, where applicable, default interest, shall accrue and be paid as set forth in the DIP Credit Agreement. Notwithstanding the dismissal of any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or the conversion of any of the Chapter 11 Cases to cases under chapter 7: (A) the DIP Superpriority Claims, the 507(b) Claims, the DIP Liens, and the Adequate Protection Liens, and any claims related to the foregoing, shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations and Adequate Protection Obligations shall have been paid in full (and that such DIP Superpriority Claims, 507(b) Claims, DIP Liens and Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest); (B) the other rights granted by this Interim Order, including with respect to the Carve-Out, shall not be affected; and (C) to the greatest extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in this paragraph and otherwise in this Interim Order.

(c) If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay shall not affect: (i) the validity, priority or enforceability of any DIP Obligations or Adequate Protection Obligations incurred prior to the DIP Lender's or the Prepetition Secured Parties', as applicable, actual receipt of written notice of the effective date of such reversal, modification, vacatur or stay; or (ii) the validity, priority or enforceability of the DIP Liens or the Adequate Protection Liens (with such protections applying as and to the extent afforded in accordance with and consistent with sections 364(e) and 363(m) of the Bankruptcy Code (as applicable)). Notwithstanding any such reversal, modification, vacatur or stay of any use of Cash Collateral, any DIP Obligations, DIP Liens, Adequate Protection Claims, Adequate Protection Liens or other Adequate Protection Obligations

incurred by the DIP Loan Parties and granted to the DIP Lender or the Prepetition Secured Parties, as the case may be, prior to the DIP Lender's or the Prepetition Secured Parties, as applicable, actual receipt of written notice of the effective date of such reversal, modification, vacatur or stay shall be governed in all respects by the original provisions of this Interim Order, and the DIP Lender and the Prepetition Secured Parties shall be entitled to, and are hereby granted, all the rights, remedies, privileges and benefits arising under sections 364(e) and 363(m) of the Bankruptcy Code, this Interim Order and the other DIP Documents with respect to all uses of Cash Collateral, DIP Obligations and Adequate Protection Obligations.

(d) Except as expressly provided in this Interim Order or in the DIP Documents, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, the Adequate Protection Obligations, the 507(b) Claims and all other rights and remedies of the DIP Lender and the Prepetition Secured Parties granted by the provisions of this Interim Order and the DIP Documents and the Carve-Out shall survive and shall not be modified, impaired or discharged by:

- (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases or terminating the joint administration of these Chapter 11 Cases or by any other act or omission; (ii) the entry of an order approving the sale of any DIP Collateral pursuant to section 363(b) of the Bankruptcy Code (except to the extent permitted by the DIP Documents); (iii) indefeasible payment in full of the DIP Obligations; and
- (iv) the entry of an order confirming a chapter 11 plan in any of the Chapter 11 Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the DIP Loan Parties have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations; *provided, however*, the Carve-Out Account shall continue to be funded pursuant to paragraph 5 hereof following payment in full of the DIP Obligations. The terms and provisions of this Interim Order and the DIP

Documents shall continue in these Chapter 11 Cases, in any Successor Cases if these Chapter 11 Cases cease to be jointly administered and in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens and the Adequate Protection Obligations and all other rights and remedies of the DIP Lender and the Prepetition Secured Parties granted by the provisions of this Interim Order and the DIP Documents shall continue in full force and effect until the DIP Obligations are indefeasibly paid in full in cash, as set forth herein and in the DIP Documents, and the DIP Commitments have been terminated (and in the case of rights and remedies of the Prepetition Secured Parties, shall remain in full force and effect thereafter, subject to the terms of this Interim Order), and the Carve-Out shall continue in full force and effect.

21. *Effect of Stipulations on Third Parties.* Subject to the Challenge Period, the Debtors' stipulations, admissions, agreements and releases contained in this Interim Order shall be binding upon the Debtors in all circumstances and for all purposes. The Debtors' stipulations, admissions, agreements and releases contained in this Interim Order shall be binding upon all other parties in interest, including, without limitation, any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases and any other person or entity acting or seeking to act on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors, in all circumstances and for all purposes unless: (a) such committee or any other party in interest with requisite standing (in each case, to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the expiration of the Challenge Period and subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to do so) has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including, *inter alia*, in this paragraph)

by the earlier of: (i) seventy-five (75) calendar days after entry of this Interim Order; and (ii) subject to the entry of the Final Order granting such relief, the entry of the order approving the 9019 Motion (the time period established by the foregoing clauses (i)–(ii) (the “**Challenge Period**”)) (*provided* that the Challenge Period may be extended (x) by the applicable Prepetition Secured Party in writing to any such later date; (y) to any such later date as has been ordered by the Court for cause upon a motion filed and served within any applicable period); (z) if the Chapter 11 Cases convert to cases under chapter 7, or if a chapter 11 trustee is appointed, in each case prior to the expiration of the Challenge Period, for the chapter 7 or chapter 11 trustee, to the longer of (1) the remaining Challenge Period and (2) ten (10) days after their appointment, (A) objecting to or challenging the amount, validity, perfection, enforceability, priority or extent of the Prepetition Secured Debt or the Prepetition Liens, or (B) otherwise asserting or prosecuting any action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the “**Challenges**”) against the Prepetition Secured Parties or their respective subsidiaries, affiliates, officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof, in each case in their respective capacity as such (each, a “**Representative**” and, collectively, the “**Representatives**”) in connection with matters related to the Prepetition Secured Credit Documents, the Prepetition Secured Debt, the Prepetition Liens and the Prepetition Collateral; and (b) there is a final non-appealable order in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter; *provided, however*, that any pleadings filed in connection with any Challenge shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior

to the expiration of the Challenge Period shall be deemed forever, waived, released and barred, including any amended or additional claims that may or could have been asserted thereafter through an amended complaint under Fed. R. Civ. P. 15 or otherwise. If no such Challenge is timely and properly filed during the Challenge Period or the Court does not rule in favor of the plaintiff in any such proceeding then: (1) the Debtors' stipulations, admissions, agreements and releases contained in this Interim Order shall be binding on all parties in interest; (2) the obligations of the DIP Loan Parties under the Prepetition Secured Credit Documents, including the Prepetition Secured Debt, shall constitute allowed claims not subject to defense, claim, counterclaim, recharacterization, subordination (whether equitable, contractual, or otherwise), disallowance, recoupment, offset or avoidance, for all purposes in the Chapter 11 Cases, and any subsequent chapter 7 case(s); (3) the Prepetition Liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination (whether equitable, contractual or otherwise), disallowance, impairment, claim, counterclaim, cross-claim, avoidance or other defense; and (4) the Prepetition Secured Debt and the Prepetition Liens on the Prepetition Collateral shall not be subject to any other or further claim or challenge by any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases or any other party in interest acting or seeking to act on behalf of the DIP Loan Parties' estates, including, without limitation, any successor thereto (including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors) and any defenses, claims, causes of action, counterclaims and offsets by any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases or any other party acting or seeking to act on behalf of the Debtors' estates, including, without limitation, any successor thereto (including, without limitation, any chapter 7 trustee or chapter 11 trustee or

examiner appointed or elected for any of the Debtors), whether arising under the Bankruptcy Code or otherwise, against the Prepetition Secured Parties and each of their Representatives arising out of or relating to any of the Prepetition Secured Credit Documents, the Prepetition Secured Debt, the Prepetition Liens and the Prepetition Collateral shall be deemed forever waived, released and barred. If any such Challenge is timely filed during the Challenge Period, the stipulations, admissions, agreements and releases contained in this Interim Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any statutory or nonstatutory committee appointed or formed in the Chapter 11 Cases and on any other person or entity, except to the extent that such stipulations, admissions, agreements and releases were expressly and successfully challenged in such Challenge as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any statutory or non-statutory committees appointed or formed in these Chapter 11 Cases, standing or authority to pursue any claim or cause of action belonging to the Debtors or their estates, including, without limitation, Challenges with respect to the Prepetition Secured Credit Documents, the Prepetition Secured Debt or the Prepetition Liens, and any ruling on standing, if appealed, shall not stay or otherwise delay the Chapter 11 Cases or confirmation of any plan of reorganization. For the avoidance of doubt, any chapter 11 or chapter 7 trustee appointed or elected in the Chapter 11 Cases or any Successor Cases, until the expiration of the Challenge Period, and thereafter for the duration of any adversary proceeding or contested matter properly and timely commenced pursuant to this paragraph (whether commenced by such trustee or commenced by any other party in interest on behalf of the Debtors' estates), shall not be deemed to be a party other than the Debtors and shall not, for

purposes of such adversary proceeding or contested matter, be bound by the acknowledgments, admissions, confirmations and stipulations of the Debtors in paragraph G of this Interim Order.

22. *Limitation on Use of DIP Financing Proceeds and Collateral.*

Notwithstanding any other provision of this Interim Order, no DIP Loans, DIP Collateral, Prepetition Collateral (including, subject to paragraph 14 hereof, Cash Collateral) or any portion of the Carve-Out, may be used directly or indirectly, including without limitation through reimbursement of professional fees of any non-Debtor party (a) in connection with the investigation, threatened initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation (i) against the DIP Lender, the Prepetition Secured Parties, or their respective predecessors-in-interest, agents, affiliates, representatives, attorneys, or advisors, in each case in their respective capacity as such, or any action purporting to do the foregoing in respect of the DIP Obligations, DIP Liens, DIP Superpriority Claims, Prepetition Secured Debt, and/or the Adequate Protection Obligations and Adequate Protection Liens granted to the Prepetition Secured Parties, as applicable, or (ii) challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset with respect to the DIP Obligations, the Prepetition Secured Debt and/or the liens, claims, rights, or security interests securing or supporting the DIP Obligations granted under this Interim Order, the Final Order, the DIP Documents or the Prepetition Secured Credit Documents in respect of the Prepetition Secured Debt, including, in the case of each of (i) and (ii), without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise; *provided* that, notwithstanding anything to the contrary herein, the proceeds of the DIP Loans and/or DIP Collateral (including, subject to paragraph 14 hereof, Cash Collateral) may be used by the Creditors' Committee (if any) to investigate (but not to prosecute

or initiate the prosecution of, including the preparation of any complaint or motion on account of) (A) the claims and liens of the Prepetition Secured Parties and (B) potential claims, counterclaims, causes of action or defenses against the Prepetition Secured Parties, up to an aggregate cap of no more than \$50,000, (b) to prevent, hinder, or otherwise delay or interfere with the Prepetition Secured Parties' or DIP Lender's, as applicable, enforcement or realization on the Prepetition Secured Debt, Prepetition Collateral, DIP Obligations, DIP Collateral, and the liens, claims and rights granted to such parties under the Interim Order or Final Order, as applicable, each in accordance with the DIP Documents, the Prepetition Secured Credit Documents or this Interim Order; (c) to seek to modify any of the rights and remedies granted to the Prepetition Secured Parties or the DIP Lender under this Interim Order, the Prepetition Secured Credit Documents or the DIP Documents, as applicable; (d) to apply to the Court for authority to approve superpriority claims or grant liens (other than the liens permitted pursuant to the DIP Documents) or security interests in the DIP Collateral or any portion thereof that are senior to, or on parity with, the DIP Liens, DIP Superpriority Claims, Adequate Protection Liens and 507(b) Claims granted to the Prepetition Secured Parties; or (e) to pay or to seek to pay any amount on account of any claims arising prior to the Petition Date unless such payments are approved or authorized by the Court, agreed to in writing by the DIP Lender, expressly permitted under this Interim Order or permitted under the DIP Documents (including the Approved Budget, subject to permitted variances), in each case unless all DIP Obligations, Prepetition Secured Debt, Adequate Protection Obligations, and claims granted to the DIP Lender and Prepetition Secured Parties under this Interim Order, have been refinanced or paid in full in cash (including the cash collateralization of any letters of credit). For the avoidance of doubt, this paragraph 22 shall not limit the Debtors' right to use DIP

Collateral to contest that an Event of Default has occurred hereunder pursuant to and consistent with paragraph 10 of this Interim Order.

23. *Indemnification.* The Prepetition Secured Parties and the DIP Lender have acted in good faith and without negligence, misconduct, or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the DIP Facility and, subject to paragraph 14 hereof, the use of Cash Collateral, including in respect of the granting of the DIP Liens and the Adequate Protection Liens, any challenges or objections to the DIP Facility or the use of Cash Collateral, the DIP Documents, and all other documents related to and all transactions contemplated by the foregoing. Accordingly, without limitation to any other right to indemnification, the Prepetition Secured Parties and the DIP Lender shall be and hereby are indemnified (as applicable) as provided in the Prepetition Secured Credit Documents and the DIP Documents, as applicable, including, without limitation, Section 9.13 of the DIP Credit Agreement. The Debtors agree that no exception or defense in contract, law, or equity exists as of the date of this Interim Order to any obligation set forth, as the case may be, in this paragraph 23 or in the DIP Documents, or in the Prepetition Secured Credit Documents to indemnify and/or hold harmless the DIP Lender or the Prepetition Secured Parties, as the case may be, and any such defenses are hereby waived. For the avoidance of doubt, the Prepetition Secured Parties and the DIP Lender shall not be indemnified for any fees, costs, expenses, loss, claims or liability incurred or arising in connection with any challenge, defense, prosecution, negotiation, settlement, or resolution of any claims (i) subject to a Challenge, (ii) proposed to be settled pursuant to the 9019 Motion, or (iii) in connection with the 363 Sale (as defined in the DIP Documents).

24. *Interim Order Governs.* In the event of any inconsistency between the provisions of this Interim Order and the DIP Documents (including, but not limited to, with respect to the Adequate Protection Obligations) or the Prepetition Secured Credit Documents, the provisions of this Interim Order shall govern.

25. *Binding Effect; Successors and Assigns.* The DIP Documents and the provisions of this Interim Order, including all findings herein (subject to paragraph 10 herein), shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the DIP Lender, the Prepetition Secured Parties, any statutory or non-statutory committees appointed or formed in these Chapter 11 Cases, the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Lender, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; *provided* that the DIP Lender and the Prepetition Secured Parties shall have no obligation to permit the use of the DIP Collateral or Prepetition Collateral (including Cash Collateral) by, or to extend any financing to, any chapter 7 trustee, chapter 11 trustee or similar responsible person appointed for the estates of the Debtors.

26. *Exculpation.* Nothing in this Interim Order, the DIP Documents or any other documents related to the transactions contemplated under the DIP Financing shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their businesses, or in connection with their restructuring efforts. The DIP Lender shall not, in

any way or manner, be liable or responsible for (a) the safekeeping of the DIP Collateral, (b) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (c) any diminution in the value thereof or (d) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person and all risk of loss, damage or destruction of the DIP Collateral shall be borne by the Debtors. For the avoidance of doubt, the exculpations set forth in this section shall not relieve the DIP Lender of any liability or responsibility for any claims against a Released Party or liabilities that a court of competent jurisdiction determines results from the bad faith, fraud, gross negligence or willful misconduct of such Released Party.

27. *Limitation of Liability.* In determining to make any loan or other extension of credit under the DIP Documents, to permit the use of the DIP Collateral (including Cash Collateral) or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the DIP Documents the DIP Lender shall not (a) have any liability to any third party or be deemed to be in “control” of the operations of the Debtors; (b) owe any fiduciary duty to the Debtors, their respective creditors, shareholders or estates; or (c) be deemed to be acting as a “Responsible Person” or “Owner” or “Operator” or “managing agent” with respect to the operation or management of any of the Debtors (as such terms or similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, *et seq.*, as amended, or any other federal or state statute, including the Internal Revenue Code). Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section 101(2) of the Bankruptcy Code) in the operation of the business of their non-debtor affiliates and in connection with their restructuring efforts, except for the DIP Lender’s own gross

negligence, willful misconduct, bad faith or material breach of the DIP Documents, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

28. *Proof of Claim.* The Prepetition Secured Parties shall not be required to file proofs of claim in the Chapter 11 Cases or any Successor Case in order to assert claims for payment of the Prepetition Secured Debt arising under the Prepetition Secured Credit Documents, including, without limitation, any principal, unpaid interest, fees, expenses and other amounts under the Prepetition Secured Credit Documents. The statements of claim in respect of such indebtedness set forth in this Interim Order, together with any evidence accompanying the DIP Motion and presented at the Interim Hearing, are deemed sufficient to and do constitute proofs of claim in respect of such debt and such secured status. The DIP Lender shall similarly not be required to file proofs of claim with respect to its DIP Obligations under the DIP Documents, and the evidence presented with the DIP Motion and the record established at the Interim Hearing are deemed sufficient to, and do, constitute proofs of claim with respect to its obligations, secured status, and priority.

29. *Insurance.* To the extent that the Prepetition Secured Parties are listed as loss payee under the DIP Loan Parties' insurance policies, the DIP Lender is also deemed to be the loss payee under the insurance policies (in any such case with the same priority of liens and claims thereunder relative to the priority of the Prepetition Liens and Adequate Protection Liens as set forth herein), and shall act in that capacity and distribute any proceeds recovered or received in respect of the insurance policies, to the indefeasible payment in full of the DIP Obligations (other than contingent indemnification obligations as to which no claim has been asserted) and termination of the DIP Commitments, and to the payment of the applicable Prepetition Secured Debt.

30. *Credit Bidding.* Subject to the lien priorities set forth herein, (i) the DIP Lender shall have the right to credit bid, in accordance with the DIP Documents, up to the full amount of the DIP Obligations in any sale of the DIP Collateral (or any portion thereof), including any accrued interest, fees, and expenses and (ii) subject to and effective upon entry of the Final Order granting such relief and the Challenge Period, the Prepetition Secured Parties shall have the right, consistent with the provisions of the Prepetition Secured Credit Documents (and providing for the DIP Obligations to be indefeasibly repaid in full in cash and the termination of the DIP Commitments), to credit bid up to the full amount of the Prepetition Secured Debt, including any accrued interest, fees, and expenses, in the sale of the Prepetition Collateral (or any portion thereof), in each case as and to the extent provided for in section 363(k) of the Bankruptcy Code, without the need for further Court order authorizing the same and whether any such sale is effectuated through section 363(k) or 1129(b) of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise, in each case unless the Court for cause orders otherwise.

31. *Effectiveness.* This Interim Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules or any Local Bankruptcy Rules, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

32. *Modification of DIP Documents and Approved Budget.* The Debtors are hereby authorized, without further order of this Court, to enter into agreements with the DIP Lender (or the Prepetition Secured Parties after the indefeasible payment in full of the DIP

Obligations and termination of the DIP Commitments) providing for any consensual non-material modifications to the Approved Budget or the DIP Documents, or of any other modifications to the DIP Documents necessary to conform the terms of the DIP Documents to this Interim Order, in each case consistent with the amendment provisions of the DIP Documents; *provided, however*, that notice of any non-material modification or amendment to the DIP Documents shall be provided to the U.S. Trustee and any statutory committee. Any material modification to the DIP Documents (each, a “**Material Amendment**”) shall be provided (which may be by electronic mail) to the U.S. Trustee, counsel to any statutory committee, and any parties requesting notice pursuant to Bankruptcy Rule 2002 and be filed with the Court. If no objections are filed within five (5) business days of the filing and service of the Material Amendment, the Debtors may submit a proposed order to this Court under certification of counsel approving such Material Amendment. If an objection is timely filed and served and not resolved, this Court shall hold a hearing on the Material Amendment. The foregoing shall be without prejudice to the Debtors’ right to seek approval from the Court of a material modification on an expedited basis.

33. *Headings.* Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

34. *Payments Held in Trust.* Except as expressly permitted in this Interim Order or the DIP Documents and except with respect to the DIP Loan Parties, in the event that any person or entity receives any payment on account of a security interest in DIP Collateral, receives any DIP Collateral or any proceeds of DIP Collateral or receives any other payment with respect thereto from any other source prior to indefeasible payment in full in cash of all DIP Obligations and termination of all DIP Commitments, such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP

Lender and shall immediately turn over the proceeds to the DIP Lender, or as otherwise instructed by this Court, for application in accordance with the DIP Documents and this Interim Order.

35. *Bankruptcy Rules.* The requirements of Bankruptcy Rules 4001, 6003 and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

36. *No Third-Party Rights.* Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect or incidental beneficiary.

37. *Necessary Action.* The Debtors, the DIP Lender and the Prepetition Secured Parties are each authorized to take all actions as are necessary or appropriate to implement the terms of this Interim Order. In addition, the Automatic Stay is modified to permit affiliates of the Debtors who are not debtors in these Chapter 11 Cases to take all actions as are necessary or appropriate to implement the terms of this Interim Order.

38. *Retention of Jurisdiction.* The Court shall retain jurisdiction to enforce the provisions of this Interim Order, and this retention of jurisdiction shall survive the confirmation and consummation of any chapter 11 plan for any one or more of the Debtors notwithstanding the terms or provisions of any such chapter 11 plan or any order confirming any such chapter 11 plan.

39. *Final Hearing.* The Final Hearing shall be held on _____, 2024, at _____ (Prevailing Eastern Time) and any objections or responses to entry of the Final Order on the DIP Motion shall be in writing, filed with the Court, and served by no later than **4:00 p.m. (Prevailing Eastern Time) on _____, 2024** on the following:

- (i) proposed attorneys for the Debtors: (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ronit J. Berkovich, Esq. (ronit.berkovich@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Alejandro Bascoy, Esq. (alejandro.bascoy@weil.com)); and (b) proposed co-counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com), Zachary I. Shapiro, Esq. (shapiro@rlf.com), and David T. Queroli, Esq. (queroli@rlf.com));
- (ii) attorneys for the DIP Lender: (a) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn.: Darren S. Klein, Esq. (darren.klein@davispolk.com), Josh Sturm, Esq. (joshua.sturm@davispolk.com) and Hailey W. Klabo, Esq. (hailey.klabo@davispolk.com)); and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market St., 16th Floor, Wilmington, Delaware 19801 (Attn.: Robert J. Dehney, Esq. (rdehney@morrisnichols.com));
- (iii) the U.S. Trustee (Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov) and Malcom M. Bates (malcolm.m.bates@usdoj.gov)); and
- (iv) attorneys for any Creditors' Committee.

In the event no objections to entry of the Final Order on the DIP Motion are timely received, the Court may enter such Final Order without need for the Final Hearing.

Exhibit A

DIP Credit Agreement

**SUPERPRIORITY SENIOR SECURED DEBTOR-IN-POSSESSION CREDIT
AND GUARANTY AGREEMENT**

dated as of August 12, 2024

among

AVON PRODUCTS, INC.,

as a Borrower

and Debtor and Debtor-in-Possession under chapter 11 of the Bankruptcy Code,

THE OTHER BORROWERS PARTY HERETO FROM TIME TO TIME,
as Debtors and Debtors-in-Possession under chapter 11 of the Bankruptcy Code,

and

**NATURA &CO HOLDING S.A., NATURA COSMÉTICOS S.A.,
NATURA &CO LUXEMBOURG HOLDINGS S.À R.L. and NATURA &CO UK
HOLDINGS LIMITED**
as Lenders

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SUPERPRIORITY SENIOR SECURED DEBTOR-IN-POSSESSION CREDIT AND GUARANTY AGREEMENT (this “**Agreement**”), dated as of August 12, 2024, by and among:

- (1) **AVON PRODUCTS, INC.**, a New York corporation and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (the “**Lead Borrower**” or “**API**”);
- (2) **EACH PERSON SET FORTH IN SCHEDULE 1.01** (each, a “**Co-Borrower**”);
- (3) **EACH GUARANTOR FROM TIME TO TIME PARTY HERETO**; and
- (3) **NATURA &CO HOLDING S.A.** (“**Natura Brazil**”), **NATURA COSMÉTICOS S.A.** (“**Natura Cosmetics**”), **NATURA &CO LUXEMBOURG HOLDINGS S.À R.L.** (“**Natura Lux**”) and **NATURA &CO UK HOLDINGS LIMITED** (“**Natura UK**” and together with Natura Brazil, Natura Cosmetics and Natura Lux, collectively, the “**Lenders**”).

RECITALS:

WHEREAS, on August 12, 2024 (the “**Petition Date**”), the Borrowers (each, a “**Debtor**” and collectively, the “**Debtors**”) filed voluntary petitions with the Bankruptcy Court initiating their respective cases that are pending under chapter 11 of the Bankruptcy Code (each such case, a “**Chapter 11 Case**” and collectively, the “**Chapter 11 Cases**”) and have continued in the possession of their assets and the management of their business pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Borrowers have requested the Lenders provide a superpriority senior secured debtor-in-possession term loan credit facility in an aggregate principal amount of up to \$43,000,000 (the “**DIP Facility**”), consisting of (i) Initial Term Loans in an aggregate principal amount on the Closing Date of \$12,000,000 and (ii) Delayed Draw Term Loan Commitments in an aggregate amount on the Closing Date of \$31,000,000, with all of the Borrowers’ obligations under the DIP Facility to be guaranteed by each Guarantor, and the Lenders are willing to extend such credit to Borrowers on the terms and subject to the conditions set forth herein;

WHEREAS, the priority of the DIP Facility with respect to the Collateral granted as security for the payment and performance of the Obligations shall be as set forth in the Interim Order and the Final Order, as applicable, in each case, upon entry thereof by the Bankruptcy Court, and in the Security Documents;

WHEREAS, all claims and the Liens granted under the Orders and the Loan Documents to the Lenders in respect of the DIP Facility shall be subject and subordinate to the Carve-Out;

WHEREAS, the Borrowers and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the extensions under this Agreement; and

WHEREAS, the Lenders are willing to extend credit to the Borrowers on and subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual provisions, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. *Defined Terms.* As used in this Agreement (including in the above recitals), the following terms have the meanings specified below:

“363 Sale” has the meaning assigned to such term in the Milestones.

“363 Sale Date” has the meaning assigned to such term in the Milestones.

“Acquisition” means the acquisition, whether through a single transaction or a series of related transactions, of (a) a majority of the voting stock or other controlling ownership interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity or other ownership interest or upon the exercise of an option or warrant for, or conversion of securities into, such equity or other ownership interest, or (b) assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” has the meaning given to such term in the introductory paragraph to this Superpriority Senior Secured Debtor-In-Possession Credit and Guaranty Agreement.

“Anti-Corruption Laws” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, the UK Bribery Act 2010, as amended, and the rules and regulations thereunder, all Brazilian anti-corruption laws, rules and regulations and all other laws, rules, and regulations of any jurisdiction that, in each case, are applicable to any Loan Party or any of its respective Subsidiaries, from time to time, concerning or relating to bribery or corruption.

“Approved Bankruptcy Court Order” shall mean:

(a) each of the Orders, as such order is amended and in effect from time to time in accordance with this Agreement;

(b) any other order entered by the Bankruptcy Court regarding, relating to or impacting (i) any rights or remedies of any Lender, (ii) the Loan Documents (including the Loan Parties' obligations thereunder), (iii) the Collateral, any Liens thereon or any Superpriority Claims (including any sale or other disposition of Collateral or the priority of any such Liens or Superpriority Claims), (iv) use of cash collateral in the Chapter 11 Cases, (v) any debtor-in-possession financing of the Debtors, or (vi) adequate protection or otherwise relating to any Prepetition Indebtedness, in the case of each of the foregoing clauses (i) through (vi), (A) solely with respect to those provisions thereof that affect the rights and duties of the Lenders, in form and substance satisfactory to the Lenders, (B) that has not been vacated, reversed or stayed and (C) that has not been amended or modified in a manner adverse to the rights of the Lenders except solely with respect to those provisions thereof that affect the rights and duties of the Lenders, the consent of the Lenders; and

(c) the Cash Management Order.

"Approved Budget" shall mean, initially, the Initial Budget, and, thereafter, the most recent Updated Budget accepted (or deemed accepted) by the Lenders in accordance with Section 5.10(a).

"Avoidance Action" has the meaning assigned to such term in the Interim Order or the Final Order, as applicable.

"Avoidance Proceeds" has the meaning assigned to such term in the Interim Order or the Final Order, as applicable.

"Bankruptcy Code" means title 11 of the United States Code (11 USC § 101 *et seq.*), as it has been, or may be, amended, from time to time.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Delaware or any other court having jurisdiction over the Chapter 11 Cases from time to time.

"Bankruptcy Law" means each of (i) the Bankruptcy Code, (ii) any domestic or foreign law relating to liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, administration, insolvency, reorganization, debt adjustment, receivership or similar debtor relief laws from time to time in effect and affecting the rights of creditors generally (including without limitation any plan of arrangement provisions of applicable corporation statutes), and (iii) any order made by a court of competent jurisdiction in respect of any of the foregoing.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as the same may from time to time be in effect and applicable to the Chapter 11 Cases.

"Borrower" means the Lead Borrower and each Co-Borrower.

"Borrowing" shall mean the incurrence by any Borrower on a single date of Term Loans of the same type and as to which a single Interest Period is in effect.

“Budget” shall mean any 13-week consolidated weekly operating budget of the Debtors setting forth, among other things, projected operating and non-operating receipts, disbursements, professional fees, net operating cash flow and Liquidity for the period described therein prepared by the Lead Borrower’s management, in form and level of detail substantially consistent with the Initial Budget.

Budget Professional Variance Report” shall mean, for any Budget Professional Variance Test Period, a weekly variance report prepared by the Lead Borrower’s management, comparing for such Budget Professional Variance Test Period actual accrued fees and expenses of each Estate Professional against anticipated amounts under the Approved Budget, on a line-item basis, together with a written explanation for all variances of greater than the applicable permitted variance for any given testing period; *provided that*, to the extent the applicable Budget Professional Variance Test Period is covered by more than one Approved Budget, the applicable weeks from each applicable Approved Budget shall be utilized in calculating the comparisons for purposes of the Budget Professional Variance Report.

“Budget Professional Variance Test Date” shall mean the Wednesday of every week (commencing with the Wednesday of the second full calendar week occurring after the Petition Date) or, to the extent such Wednesday is not a Business Day, the next Business Day thereafter.

Budget Professional Variance Test Period” shall mean, with respect to any Budget Professional Variance Test Date, the period set forth opposite such Budget Professional Variance Test Date in the below table:

Budget Professional Variance Test Date	Budget Professional Variance Test Period
August 28, 2024	The period commencing on the Petition Date and ending on August 21, 2024
September 4, 2024	The period commencing on the Petition Date and ending on August 28, 2024
September 11, 2024 and each Budget Variance Test Date thereafter	The three-week period ending on the Wednesday of the week immediately preceding the applicable Budget Professional Variance Test Date

“Budget Variance Report” shall mean, for any Budget Variance Test Period, a weekly variance report prepared by the Lead Borrower’s management, comparing for such Budget Variance Test Period the actual results against anticipated results under the

Approved Budget, on a line-item basis and in the same level of detail set forth in the applicable Approved Budget, together with a written explanation for all variances of greater than the applicable permitted variance for any given testing period; *provided* that, to the extent the applicable Budget Variance Test Period is covered by more than one Approved Budget, the applicable weeks from each applicable Approved Budget shall be utilized in calculating the comparisons for purposes of the Budget Variance Report.

“Budget Variance Test Date” shall mean the Thursday of every week (commencing with the Thursday of the second full calendar week occurring after the Petition Date) or, to the extent such Thursday is not a Business Day, the next Business Day thereafter.

“Budget Variance Test Period” shall mean, with respect to any Budget Variance Test Date, the period set forth opposite such Budget Variance Test Date in the below table:

Budget Variance Test Date	Budget Variance Test Period
August 29, 2024	The period commencing on the Petition Date and ending on August 22, 2024
September 5, 2024	The period commencing on the Petition Date and ending on August 29, 2024
September 12, 2024 and each Budget Variance Test Date thereafter	The three-week period ending on the Thursday of the week immediately preceding the applicable Budget Variance Test Date

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, United States, São Paulo, Brazil, Luxembourg or London, England, are authorized or required by law to remain closed.

“Capital Lease Obligations” shall mean, as to any Person, indebtedness and obligations under any lease of property, real or personal, the obligations with respect to which are required to be capitalized on a balance sheet of such Person in accordance with IFRS.

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) in capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing, but excluding for the avoidance of doubt any Indebtedness convertible into or exchangeable for any of the foregoing.

“Carve-Out” shall have the meaning given to such term in the Interim Order or the Final Order, as applicable.

“Cash Collateral” shall have the meaning given to such term in the Interim Order or the Final Order, as applicable.

“Cash Management Order” shall mean an order of the Bankruptcy Court entered in the Chapter 11 Cases that authorizes the Debtors to maintain their existing cash management and treasury arrangements, as the same may be amended, supplemented, or modified from time to time after entry thereof subject to the consent of the Lenders (acting in their sole discretion).

“Casualty Event” means any event that gives rise to the receipt by any Borrower of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

“Challenge” shall have the meaning given to such term in the Interim Order or the Final Order, as applicable.

“Change in Control” means the Lead Borrower ceases to own, directly or indirectly, 100% of the any and all Capital Stock of each Co-Borrower and each Guarantor.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Chapter 11 Cases” shall have the meaning given to such term in the recitals to this Agreement.

“Chapter 11 Plan” shall mean a chapter 11 plan in any or all of the Chapter 11 Cases.

“Closing Date” shall mean the date on which the conditions set forth in Section 4.01 of this Agreement are satisfied or waived by the Lenders.

“Co-Borrower” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“Code” means the US Internal Revenue Code of 1986, as amended.

“Collateral” shall have the meaning given to the term “DIP Collateral” in the Interim Order (and, when applicable, the Final Order) and words of similar intent, and in any of the Security Documents, and shall include all present and after acquired assets and property, whether real, personal, tangible, intangible or mixed of the Loan Parties, wherever located, on which Liens are or are purported to be granted pursuant to the Orders or any Security Document to secure the payment and performance of the Obligations; *provided* that in no event shall the Collateral include, and there shall be no Liens upon, the Excluded Property.

“Commodity Agreement” means any hedging agreement or other similar agreement or arrangement designed to protect the Loan Parties or any of their respective Subsidiaries against fluctuations in commodity prices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

“Contractual Obligation” means, as applied to any Person, any provision of any Liens issued by such Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which such Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Currency Agreement” means any foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement designed to protect the Loan Parties or any of their respective Subsidiaries against fluctuations in currency values.

“Debt Issuance” shall mean any issuance or sale by any Borrower of any Indebtedness (other than any Indebtedness expressly permitted by Section 6.02).

“Debtor” or **“Debtors”** shall have the meaning given to such term in the recitals to this Agreement.

“Debtor Relief Laws” means Bankruptcy Law of the United States, England and Wales, The Netherlands, Spain, Poland, Hungary, Luxembourg, Brazil and South Africa and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of any of the foregoing jurisdictions and any other applicable jurisdictions from time to time in effect.

“Declined Proceeds” shall have the meaning given to such term in Section 2.11(d).

“Declining Lender” shall have the meaning given to such term in Section 2.11(d).

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, be an Event of Default.

“Delayed Draw Term Lender” shall mean any Lender having a Delayed Draw Term Loan Commitment and/or holding outstanding Delayed Draw Term Loans.

“Delayed Draw Term Loan Availability Period” means the period commencing on the Final Order Entry Date and ending on the Maturity Date.

“Delayed Draw Term Loan Borrowing Cap” means, with respect to a Delayed Draw Term Loan Borrowing Date, the aggregate of (x) forecasted net cash flow as set forth in the Approved Budget for the shortest of (A) the four weeks following such Delayed Draw Borrowing Date and (B) the period commencing on such Delayed Draw Term Loan Borrowing Date and ending on the 363 Sale Date, *minus* (y) the amount of cash on balance sheet of the Debtors in excess of \$1,000,000 on such Delayed Draw Borrowing Date.

“Delayed Draw Term Loan Borrowing Date” shall mean each date on which the conditions set forth in Section 4.02 of this Agreement are satisfied or waived by the Delayed Draw Term Lenders and a Borrowing of Delayed Draw Term Loans is made.

“Delayed Draw Term Loan Commitments” shall mean the commitment of each Delayed Draw Term Lender to make Delayed Draw Term Loans in an aggregate amount not to exceed the amount set forth opposite such Delayed Draw Term Lender’s name under the heading “Delayed Draw Term Loan Commitments” on the Term Loan Commitment Schedule, as the same may be reduced (including, without limitation, pursuant to Section 2.10(b)) or increased from time to time pursuant to the terms hereof and/or assignments by or to such Lender pursuant to Section 9.02. The aggregate amount of the Delayed Draw Term Loan Commitments on the Closing Date is \$31,000,000.

“Delayed Draw Term Loan Upfront Premium” shall have the meaning given to such term in Section 2.12(a)(ii).

“Delayed Draw Term Loans” shall have the meaning given to such term in Section 2.01(b).

“DIP Facility” shall have the meaning given to such term in the recitals to this Agreement.

“Disposition” means the sale, transfer, assignment or other disposition (including any sale and leaseback transaction) of any property, equity shareholding or assets by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Dollars” or **“\$”** refers to lawful currency of the United States.

“Domestic Subsidiary” shall mean any Subsidiary of the Borrower incorporated or organized under the laws of the United States, any state thereof, any territory thereof or the District of Columbia.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

“Environmental Laws” shall mean any and all foreign, federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, rules of common law and orders of courts or Governmental Authorities, relating to pollution, protection of the environment or protection of health and safety as related to exposure to Hazardous Substances and in each case as amended from time to time, including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, release, emission, transportation, handling, reporting, licensing, registration, authorization, permitting, investigation or remediation of Hazardous Substances.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” shall mean any Person (including any trade or business, whether or not incorporated) that would be deemed to be under **“common control”** with, or a member of the same **“controlled group”** as any Loan Party or any Subsidiary of any Loan Party, within the meaning of Sections 414 of the Code or Section 4001 of ERISA.

“Estate Professionals” shall have the meaning assigned to such term in the Orders.

“Events of Default” has the meaning assigned to such term in Article 7.

“Excluded Property” has the meaning assigned to such term in the US Security and Pledge Agreement.

“Existing Indebtedness” has the meaning assigned to such term in Section 6.02(d).

“Extraordinary Receipts” shall mean an amount equal to (a) any cash payments or proceeds (including permitted Investments) received (directly or indirectly) by or on behalf of any Debtor not in the ordinary course of business (and other than consisting of the Permitted Receivables, the Net Cash Proceeds from a Prepayment Asset Sale or any Casualty Event or in connection with any issuance or sale of debt securities or instruments or the incurrence of Indebtedness) in respect of (i) foreign, U.S. federal, state or local tax refunds (excluding for the avoidance of doubt, tariff refunds and value added tax refunds to the extent reflected in the Approved Budget), (ii) Pension Plan reversions and (iii) judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action (other than receipts from settlements with customers), *minus* (b) any selling and settlement costs and out-of-pocket expenses (including reasonable broker’s fees or commissions and legal fees) and any taxes paid or reasonably estimated to be payable by or attributable to the income of any Borrower (after taking into account any tax credits or deductions actually realized by or attributable to the income of the Borrowers with

respect to the transactions described in clause (a) of this definition) in connection with the transactions described in clause (a) of this definition.

“Fair Market Value” means, with respect to any asset or property, the price which could be negotiated in an arm’s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined in good faith by the Borrower.

“Federal Reserve Board” shall mean the Board of Governors of the Federal Reserve System or any successor thereto.

“Final Order” shall mean a final order of the Bankruptcy Court authorizing and approving on a final basis, among other things, the matters and provisions in the Interim Order, in substantially the form of the Interim Order, with only such modifications thereto as are reasonably necessary to convert the Interim Order to a final order and such other modifications solely with respect to those provisions thereof that affect the rights and duties of the Lenders, in form and substance satisfactory to the Lenders.

“Final Order Entry Date” shall mean the date on which the Final Order is entered by the Bankruptcy Court.

“Fixtures” shall have the meaning given to such term in Section 2.13(b).

“Governmental Authority” means any nation or government, any state or municipality, any multi-lateral or similar organization or any other agency, instrumentality or political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory or administrative functions of or pertaining to government.

“Guaranteed Obligations” has the meaning assigned to such term in Section 8.01(a).

“Guarantor” means (a) each Subsidiary which becomes a party hereto as a “Guarantor” after the Closing Date pursuant to Section 6.15 and (b) the Borrower (other than with respect to its own Obligations).

“Hazardous Substances” shall mean any substances, materials, or wastes (i) that are or become defined as hazardous, toxic, pollutants, or contaminants (or words of similar meaning or regulatory effect) under any Environmental Law, (ii) that are defined or regulated by any Environmental Law as toxic, explosive, corrosive, ignitable, infectious, radioactive, mutagenic or otherwise hazardous, (iii) the presence of which requires investigation or response under any Environmental Law, or (iv) that are or contain asbestos, polychlorinated biphenyls, per- and polyfluoroalkyl substances, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or wastes, crude oil, nuclear fuel, toxic mold, natural gas or synthetic gas.

“IFRS” means International Financial Reporting Standards as in effect from time to time.

“Immaterial Subsidiary” means, at any date of determination, a Subsidiary which (a) when considered on an individual basis (taken on a consolidated basis with its Subsidiaries), does not have (i) assets with an aggregate book value in excess of 1% of consolidated total assets of the Lead Borrower and its Subsidiaries as of the last day of the most recently ended fiscal quarter or (ii) revenues attributable to such Subsidiary in excess of 1% of the consolidated revenues of the Lead Borrower and its Subsidiaries for the most recently ended fiscal quarter.

“Improvements” shall have the meaning given to such term in Section 2.13(b).

“Indebtedness” means with respect to any Person, without duplication:

- (1) all indebtedness and other obligations of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business);
- (4) all obligations for the reimbursement of any obligor on any letter of credit transaction, excluding obligations in respect of letters of credit or bankers’ acceptances issued in respect of trade accounts payables to the extent not drawn upon or presented, or, if drawn upon or presented, to the extent the resulting obligation of the Person is paid within ten (10) Business Days;
- (5) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (4) above and clauses (7) and (8) below to the extent so guaranteed;
- (6) all obligations of any other Person of the type referred to in clauses (1) through (5) above that are secured by any Lien on any property or asset of such Person;
- (7) to the extent not otherwise included in this definition, net obligations of all Interest Swap Obligations and all obligations under Currency Agreements and Commodity Agreements; and
- (8) all Capital Lease Obligations.

The amount of Indebtedness of any Person will be deemed to be:

- (A) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the Obligation;
- (B) with respect to Indebtedness secured by a Lien on the property or asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the

lesser of (x) the Fair Market Value of such property or asset on the date the Lien attached and (y) the amount of such Indebtedness;

(C) with respect to any Indebtedness issued with original issue discount, the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness;

(D) with respect to any Interest Swap Obligations or obligations under Currency Agreements and Commodity Agreements, the net amount payable if such agreement or arrangement giving rise to such obligation terminated at that time due to default by such Person; and

(E) otherwise, the outstanding principal amount thereof.

The principal amount of any Indebtedness or other obligation that is denominated in any currency other than Dollars (after giving effect to any Interest Swap Obligations or obligations under Currency Agreements and Commodity Agreements in respect thereof) shall be the amount thereof, as determined pursuant to the foregoing sentence, converted into Dollars at the spot rate in effect on the date of determination.

“Indemnified Costs” shall have the meaning given to such term in Section 9.13(b).

“Initial Budget” shall mean the initial budget for the 13-week period commencing on or about the Petition Date, in form and substance acceptable to the Lenders, a copy of which is attached as Exhibit B.

“Initial Term Lender” shall mean any Lender having an Initial Term Loan Commitment and/or holding outstanding Initial Term Loans.

“Initial Term Loan Commitments” shall mean the commitment of each Initial Term Lender to make Initial Term Loans hereunder on the Closing Date in an aggregate amount not to exceed the amount set forth opposite such Initial Term Lender’s name under the heading “Initial Term Loan Commitments” on the Term Loan Commitment Schedule, as the same may be reduced from time to time pursuant to the terms hereof and/or assignments by or to such Lender pursuant to Section 9.02. The aggregate amount of the Initial Term Loan Commitments on the Closing Date is \$12,000,000.

“Initial Term Loan Upfront Premium” shall have the meaning given to such term in Section 2.12(a)(i).

“Initial Term Loans” shall have the meaning given to such term in Section 2.01(a).

“Interest Payment Date” means the last day of the Interest Period applicable to the Term Loans.

“Interest Period” means, with respect to any Term Loan, (i) the period commencing on (and including) the date such Loan was made and ending on (but excluding) the numerically corresponding day in the calendar month that is one (1) month thereafter,

and (ii) for each subsequent Interest Period, the period commencing on (and including) the last date of the Interest Period then ending with respect to such Loan and ending on (but excluding) the numerically corresponding day in the calendar month that is one (1) month thereafter; *provided* that (i) if any Interest Period would end on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date shall instead end on the Maturity Date.

“Interest Swap Obligations” means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

“Interim Order” shall mean an interim order of the Bankruptcy Court approving the Loan Documents and related matters in the form set forth as Exhibit A, with such modifications thereto solely with respect to those provisions thereof that affect the rights and duties of the Lenders, in form and substance satisfactory to the Lenders, as the same may be amended, supplemented, or modified from time to time after entry thereof solely with respect to those provisions thereof that affect the rights and duties of the Lenders, the consent of the Lenders.

“Interim Order Entry Date” shall mean the date on which the Interim Order is entered by the Bankruptcy Court.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Judgment Currency” has the meaning assigned to such term in Section 9.09.

“Land” shall have the meaning given to such term in Section 2.13(b).

“Leases” shall have the meaning given to such term in Section 2.13(b).

“Lenders” has the meaning assigned to such term in the introductory paragraph of this Agreement; it being understood that, notwithstanding any provision of this Agreement to the contrary, any Term Loan hereunder may be made in whole or in part by one or more Lenders, in their capacity as a Lender hereunder in their sole discretion and reference to “Lender” herein shall be construed accordingly.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien, license, pledge, hypothecation, charge, security interest or encumbrance of any kind, in, on or of such asset, including the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Liquidation Insurance Receivable” means Net Cash Proceeds arising from or relating to the Lead Borrower’s claims in the liquidation of The Home Insurance Company.

“Liquidity” shall mean, at any time, an amount equal to the aggregate unrestricted cash and cash equivalents of the Debtors on such date.

“Loan” or **“Term Loan”** means, individually or collectively, as the context may require, the Initial Term Loans and the Delayed Draw Term Loans, as applicable.

“Loan Documents” means, collectively:

- (i) this Agreement;
- (ii) the Security Documents; and
- (iii) any other document issued or entered into under this Agreement and designated by the Loan Parties and the Lenders as a Loan Document.

“Loan Parties” means, collectively, the Borrowers and the Guarantors.

“Management Meeting” shall have the meaning given to such term in Section 5.16.

“Margin” shall have the meaning given to such term in Section 2.06.

“Margin Stock” shall have the meaning given to such term in Regulation U.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or results of operations of the Loan Parties and their Subsidiaries, taken as a whole; (b) the rights and remedies, taken as a whole, of the Lenders under the Loan Documents; or (c) the ability of the Loan Parties, taken as a whole, to perform their payment obligations under the Loan Documents; provided that, for the avoidance of doubt, it is understood and agreed that the following shall be disregarded in determining whether a “Material Adverse Effect” has occurred: the effect of (x) the filing of the Chapter 11 Cases, the events and conditions related to and/or leading up thereto and/or typically resulting from the filing of the cases under chapter 11 of the Bankruptcy Code, (y) any

actions required to be taken under the Loan Documents or the Orders and (z) any matters (including, for the avoidance of doubt, any litigation) disclosed in schedules to the Loan Documents and/or publicly disclosed in any first day pleadings or declarations in the Chapter 11 Cases.

“Material Indebtedness” means, with respect to any Person, Indebtedness of such Person incurred under or evidenced by a single agreement or instrument or a series of related agreements and instruments, in each case in a principal outstanding amount in excess of \$1,000,000.00 (one million Dollars) or its equivalent in other currencies other than Indebtedness incurred under this Agreement and the other Loan Documents.

“Maturity Date” means the earliest to occur of:

- (a) the Scheduled Maturity Date;
- (b) the effective date of any Chapter 11 Plan for any Borrower;
- (c) the date of acceleration or termination of the DIP Facility in accordance with the terms hereof; and
- (d) the date of consummation of a sale or other disposition of all or substantially all assets of the Debtors, taken as a whole, under section 363 of the Bankruptcy Code (including, without limitation, consummation of the 363 Sale).

“Milestones” shall have the meaning given to such term in Section 5.15.

“Mortgages” shall mean any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of any Lender (or any sub agent or other Person acting for or on behalf of any Lender) on any Realty.

“Multiemployer Plan” shall mean a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or, within any of the preceding six years, has made or accrued an obligation to make contributions.

“Natura Brazil” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“Natura Cosmetics” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“Natura Lux” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“Net Cash Proceeds” shall mean:

(a) in the case of any issuance of Capital Stock or Debt Issuance, the aggregate cash payments received by the Borrowers *less* customary fees, Taxes and expenses incurred by the Borrowers in connection therewith;

(b) in the case of any Casualty Event, the aggregate cash proceeds of insurance, condemnation awards and other compensation received by the Borrowers in respect of such Casualty Event *less* fees and expenses incurred by the Borrowers in connection therewith;

(c) in the case of any Prepayment Asset Sale, the aggregate amount of all cash payments received by the Borrowers in connection with such Prepayment Asset Sale *less* (i) fees and expenses incurred by the Borrowers in connection therewith, (ii) Indebtedness to the extent the amount thereof is secured by a Lien on the property that is the subject of such Prepayment Asset Sale (excluding (A) the Term Loans, (B) any Prepetition Indebtedness and (C) any Indebtedness secured by Liens on such property that are junior to the Liens securing the Obligations) and the transferee of (or holder of the Lien on) such assets requires that such Indebtedness be repaid as a condition to such Prepayment Asset Sale, (iii) any liability or obligation associated with such asset or assets which are the subject of such Prepayment Asset Sale, which liability or obligation has been retained by the Borrowers, (iv) any income taxes or transfer taxes paid or reasonably estimated by the Lead Borrower to be payable by the Borrowers as a result of such Prepayment Asset Sale; and

(d) with respect to Extraordinary Receipts, 100% of such Extraordinary Receipts.

provided that in no event shall Net Cash Proceeds include the Permitted Receivables.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any debtor relief laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed or allowable claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees (including the Upfront Premiums), indemnities and other amounts payable by any Loan Party under any Loan Document, (b) the obligation of the Loan Parties’ to reimburse any amount in respect of any of the foregoing that the the Lenders, in each case in their sole discretion, may elect to pay or advance on behalf of the Borrower, (c) any and all sums advanced by the Lenders in order to preserve the Collateral or to preserve the Security Interests and (d) in the event of any enforcement action in respect of the Collateral, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Lenders of their rights under the Security Documents, together with reasonable attorneys’ fees and court costs.

“OFAC” means the Office of Foreign Assets Control of the U.S. Treasury Department.

“Orders” shall mean, collectively, the Interim Order and the Final Order.

“PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Payment in Full” shall have the meaning given to such term in the lead-in to Article 5.

“Pension Plan” shall mean an “employee benefit plan” as defined in Section 3 of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA maintained or contributed to by the Credit Parties or any of its Subsidiaries or to which the Loan Parties or any of its Subsidiaries has an obligation to contribute, or, within any of the preceding six years, has maintained or contributed to or to which such parties had an obligation to make contributions.

“Perfection Certificate” shall mean the Perfection Certificate substantially in the form of Exhibit I to the Security Agreement.

“Permitted Receivables” means the Liquidation Insurance Receivable and/or the Rabbi Trust Proceeds, as the context requires.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Petition Date” shall have the meaning given to such term in the recitals to the Agreement.

“Post-Petition” shall mean the time period commencing immediately upon filing of the Chapter 11 Cases.

“Premises” shall have the meaning given to such term in Section 2.13(b).

“Prepayment Asset Sale” shall mean any Disposition (other than as a result of a Casualty Event) by any Loan Party to any other Person (other than to another Loan Party), whether in one transaction or in a series of related transactions, of any of its assets, business units or other properties (other than the Permitted Receivables and Dispositions pursuant to Section 6.03(a), (b), (d)(i), (f) or (j)).

“Prepayment Notice” shall mean a written notice substantially in the form of Exhibit D hereto.

“Prepetition Credit Agreements” means the Secured Prepetition Credit Agreements and the Unsecured Prepetition Credit Agreements.

“Prepetition Indebtedness” shall mean Indebtedness under the Prepetition Credit Agreements.

“Prohibited Transaction” shall mean any transaction described in (i) Section 406 of ERISA that is not exempt by reason of Section 408 of ERISA or by reason of a Department of Labor prohibited transaction individual or class exemption or (ii) Section 4975(c) of the Code that is not exempt by reason of Section 4975(c)(2) or 4975(d) of the Code.

“Pro Rata Basis” means, for the purpose of allocating payments to Lenders, in proportion to each Lender’s Pro Rata Share.

“Pro Rata Share” means, with respect to any Lender at any time, (a) the aggregate principal amount of such Lender’s outstanding Loans *divided by*, (b) the aggregate principal amount of the outstanding Loans owed to all Lenders, in each case, at such time.

“Rabbi Trust Order” means a final order of the Bankruptcy Court authorizing and approving on a final basis, among other things, the turnover of assets relating to the Trust Agreement by and between Avon Products, Inc. and Chase Manhattan Bank, N.A. (amended and restated as of October 29, 1998), as amended effective as of January 1, 2009 and as assumed by Wells Fargo Bank, National Association as of May 8, 2014.

“Rabbi Trust Proceeds” mean, following entry of the Rabbi Trust Order, any Net Cash Proceeds, cash equivalents, securities, or proceeds turned over to the Borrowers pursuant to the Rabbi Trust Order.

“Realty” shall mean all real property and interests in real property now or hereafter acquired or leased by the Loan Parties.

“Regulation U” shall mean Regulation U of the Federal Reserve Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Relevant Governmental Body” means, the Board of Governors of the Federal Reserve System of the United States of America and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened thereby or, in each case, any successor thereto.

“Representatives” shall have the meaning given to such term in Section 9.13.

“Responsible Officer” of any Person shall mean (a) the chief executive officer, the president, executive vice president, any senior vice president, any vice president, the chief operating officer, the chief financial officer, vice president - finance, principal accounting officer, finance director or treasurer or any other executive officer of such Person and any other individual or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement or (b) if such Person does not have any officers or similar officials, the authorized director or directors of the board of directors of such Person.

“Restricted Debt Payment” shall mean any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect

to any Subordinated Debt or any unsecured Indebtedness for borrowed money of the Loan Parties.

“Restricted Junior Payment” shall mean collectively Restricted Debt Payments and Restricted Payments.

“Restricted Payment” shall mean (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of the Lead Borrower, except a dividend payable solely in shares of that class of stock to the holders of that class, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of the Lead Borrower and (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of the Lead Borrower.

“Scheduled Maturity Date” shall mean the date that is one-hundred and fifty (150) calendar days after the Closing Date; provided that if such date is not a Business Day, the Scheduled Maturity Date shall be the immediately preceding Business Day.

“Secured Prepetition Credit Agreements” means (i) the Secured Credit and Guaranty Agreement dated as of December 13, 2023, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among Avon Cosmetics Limited, as borrower, the guarantors from time to time party thereto and Natura Lux, as lender, (ii) the Secured Credit and Guaranty Agreement dated as of December 13, 2023, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Lead Borrower, as borrower, the guarantors from time to time party thereto and Natura UK, as lender, and (iii) the Secured Credit and Guaranty Agreement dated as of April 20, 2024, as amended by that certain Amendment No. 1 to Secured Credit and Guaranty Agreement, dated as of June 17, 2024, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, by and among Avon Cosmetics Limited, as borrower, the guarantors from time to time party thereto and Natura Lux, Natura Brazil and Natura Cosmetics, as lenders.

“Security Documents” means, collectively:

- (i) the US Security and Pledge Agreement;
- (ii) the US IP Security Documents;
- (iii) the UK Debenture;
- (iv) the Orders; and
- (v) each of the other agreements, instruments or documents that creates or purports to create a Lien on any assets or other property as security for payment of the Obligations.

“Security Interest” means the Liens on the Collateral or any other collateral purported to be granted under the Orders and the Security Documents to any of the Lenders (or any sub agent or other Person acting for or on behalf of any Lender).

“Shared Services Agreements” means each shared services agreement between any Loan Party, on the one hand, and any Subsidiary that is not a Loan Party, on the other hand, as in effect on the date hereof and as previously disclosed to the Lenders in writing (with any amendments or other modifications after the date hereof as may be approved by the Lenders in accordance to the terms of such agreement).

“SOFR” means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Loans” shall mean a Term Loan that bears interest at a rate based on Term SOFR.

“Subsidiary” means, as to any Person, any corporation or other entity of which shares of stock or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons having similar functions of such corporation or other entity (other than stock or other interests having such power only by reason of the happening of any contingency) are at the time directly or indirectly owned by such Person. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Lead Borrower.

“Subordinated Debt” shall mean Indebtedness of any Borrower or any Subsidiary of a Borrower that is expressly subordinated in right of payment to the Obligations or secured on a junior basis to the Obligations.

“Superpriority Claims” shall mean superpriority administrative expense claim status in the Chapter 11 Cases having a priority over all administrative expenses and any claims of any kind or nature whatsoever (but subject and subordinate to the Carve-Out), specified in or ordered pursuant to any applicable provisions of the Bankruptcy Code.

“Taxes” means any and all present and future taxes, duties, levies, imposts, assessments, deductions, fees or other charges or withholdings (including back-up withholding) of any nature imposed by any Governmental Authority, including any penalties, fines or interest with respect thereto.

“Term Loan Commitment Schedule” shall mean the Schedule attached hereto as Schedule 2.01.

“Term SOFR” means the forward-looking term rate based on SOFR for a tenor comparable to the applicable Interest Period on the day that is two (2) US Government Securities Business Days (or the preceding Business Day if such rate has not been published on such day) prior to the first day of such Interest Period, as such rate is published by the Federal Reserve Bank of New York (or a successor administrator of the secured

overnight financing rate); provided that if Term SOFR shall ever be less than one percent (1.00%), then Term SOFR shall be deemed to be one percent (1.00%).

“Transactions” means the execution and delivery by the Loan Parties of the Loan Documents and the funding of the Loans hereunder.

“Trust Property” shall have the meaning given to such term in Section 2.13(b).

“Unsecured Prepetition Credit Agreements” means (i) that certain Promissory Note, dated as of May 17, 2022, between API and Natura UK and (ii) that certain Indenture, dated as of February 27, 2008 (as amended, restated, amended and restated, supplemented or modified from time to time), between API and Deutsche Bank Trust Company Americas.

“United States” or **“US”** means the United States of America.

“Updated Budget” shall have the meaning given to such term in Section 5.10.

“Updated Budget Delivery Date” shall have the meaning given to such term in Section 5.10.

“Upfront Premium” shall have the meaning given to such term in Section 2.12(a)(ii).

“UK Debenture” means the English law debenture, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the companies listed as chargors, therein and the Lenders.

“US Copyright Security Agreement” means the copyright security agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Loan Parties party thereto as grantors and the Lenders.

“US Government Securities Business Day” means any day other than a Saturday or a Sunday and a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

“US IP Security Agreement” means the security agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Lead Borrower, certain other grantors as named therein and the Lenders.

“US IP Security Documents” means collectively, the US IP Security Agreement, the US Copyright Security Agreement, the US Trademark Security Agreement and the US Patent Security Agreement.

“US Patent Security Agreement” means the patent security agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise

modified from time to time, among the Loan Parties party thereto as grantors and the Lenders.

“US Security and Pledge Agreement” means the security and pledge agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Borrowers and the Lenders.

“US Trademark Security Agreement” means the trademark security agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Loan Parties party thereto as grantors and the Lenders.

“Weekly Payment Matrix” shall have the meaning given to such term in Section 5.09(b).

“Withholding Agent” means the Loan Parties.

Section 1.02. *Terms Generally.* The definitions of terms herein (including those incorporated by reference to another document) shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words **“include”**, **“includes”** and **“including”** shall be deemed to be followed by the phrase **“without limitation”**. The word **“will”** shall be construed to have the same meaning and effect as the word **“shall”**. The word **“year”** shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendment and restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words **“herein”**, **“hereof”** and **“hereunder”**, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to treaties, statutes and related regulations shall include any amendments of the same and any successor treaties, statutes and regulations (unless otherwise specified) and (f) the word **“asset”** and **“property”** shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.03. *Accounting Terms and Changes in IFRS.* (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS as in effect from time to time; *provided* that, if the Lead Borrower notifies the Lenders that the Lead Borrower requests an amendment of any provision hereof to eliminate the effect of any change occurring after the date hereof in IFRS or in the application thereof (or if the Lenders notify the Lead Borrower that the Lenders request an

amendment of any provision hereof for such purpose), regardless of whether such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be applied on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(b) Notwithstanding anything to the contrary contained in Section 1.03(a) or in the definition of “Capital Lease Obligations,” any change in accounting for leases pursuant to IFRS resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under IFRS as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

Section 1.04. Reclassification. For purposes of determining compliance with Article 6, in the event that an item of proposed Lien, Indebtedness or Disposition meets the criteria of more than one of the categories within the same covenant, or is entitled to be incurred or outstanding pursuant to more than one exception in the same covenant, the Borrowers shall be permitted to classify such item of Lien, Indebtedness or Disposition on the date of its incurrence, or later reclassify all or a portion of such item of Lien, Indebtedness or Disposition, in any manner that complies with the applicable covenant in Article 6.

Section 1.05. Borrowers.

(a) Each Borrower accepts joint and several liability hereunder with respect to all Obligations in consideration of the financial accommodation provided or to be provided by the Lenders under this Agreement and the other Loan Documents, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of each Borrower to accept joint and several liability for the Obligations of each other such person.

(b) Each Borrower shall be jointly and severally liable for the Obligations under the Loan Documents, regardless of which Borrower actually receives or is allocated the Loans hereunder or the amount of the Loans received or the manner in which any Borrower or any Lender accounts for the Obligations on its books and records. Each Borrower’s obligations with respect to Loans made or allocated to it, and each Borrower’s Obligations arising as a result of the joint and several liability of such Borrower hereunder, with respect to Loans made to and other Obligations owing by Borrowers hereunder, shall be separate and distinct obligations, but all such Obligations shall be primary obligations of each Borrower.

(c) Upon the occurrence and during the continuation of any Event of Default, the Lenders may proceed directly and at once, without notice, against any Borrower to collect and recover the full amount, or any portion of, the Obligations, without first proceeding against any other Borrower or any other person, or against any security or

collateral for the Obligations. Each Borrower waives all suretyship defenses and consents and agrees that the Lenders shall be under no obligation to marshal any assets in favor of any Borrower or against or in payment of any or all of the Obligations

(d) Reference in this Agreement or any other Loan Document to “Borrower” shall include a reference to each Borrower individually and collectively, on a joint and several basis in accordance with this Section.

Section 1.06. *Lead Borrower.* Each Co-Borrower hereby appoints the Lead Borrower as the administrative borrower hereunder, and the Lead Borrower shall act under this Agreement as the agent, attorney-in-fact and legal representative of the Co-Borrowers for all purposes, including receiving account statements, giving and receiving all notices and consents hereunder or under any other Loan Documents, taking all other actions (including in respect of compliance with covenants and certificates) and communications to the Co-Borrowers from any Lender. The Lenders may rely, and shall be fully protected in relying, on any certificate, report, information or any notice or communication made or given by the Lead Borrower, whether in its own name or on behalf of any or all Co-Borrowers, and none of the Lenders shall have any obligation to make any inquiry or request any confirmation from or on behalf of any Co-Borrower as to the binding effect on it of any such notice or request.

Section 1.07. *Divisions.* For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE 2

AMOUNT AND TERMS OF THE TERM LOANS

Section 2.01. *Term Loans.* Subject to the terms and conditions set forth herein and in the Orders:

(a) each Initial Term Lender hereby severally, but not jointly, agrees to make term loans in Dollars (each, an “**Initial Term Loan**” and collectively, the “**Initial Term Loans**”) to the Borrower on the Closing Date, in a single borrowing, in a principal amount equal to its Initial Term Loan Commitment; and

(b) each Delayed Draw Term Lender hereby severally, but not jointly, agrees to make term loans in Dollars (each, including the Initial Term Loan Upfront Premium paid in kind as a term loan under Section 2.12(a)(ii), a “**Delayed Draw Term Loan**” and collectively, the “**Delayed Draw Term Loans**”) to the Borrower during the Delayed Draw Term Loan Availability Period, in a one or more borrowings, in a principal amount for each such borrowing not exceed the lesser of (x) an amount equal to its unused Delayed

Draw Term Loan Commitment and (y) an amount equal to its pro rata share of the Delayed Draw Term Loan Borrowing Cap for such borrowing, in each case, on the applicable Delayed Draw Term Loan Borrowing Date.

For the avoidance of doubt, to the extent repaid or prepaid, Term Loans may not be reborrowed.

Section 2.02. *[Reserved]*.

Section 2.03. *Loan Procedures.*

(a) Subject to the terms and conditions set forth herein and in the Orders, the Term Loans shall all be SOFR Loans.

(b) The Borrower may request any Term Loan by delivering a written request that satisfies the requirements of Section 2.03(c) to the Lenders specifying the maximum amount of such Term Loan that it requests be funded by the Lenders (each such request, a “**Loan Request**”).

(c) In order to make a Borrowing, the Lead Borrower will deliver to the Lenders a Loan Request not later than 1:00 p.m. (New York City time), four (4) Business Days prior to each Borrowing; provided that notwithstanding the foregoing, the Initial Term Loans borrowed on the Closing Date may, at the election of the Borrower, be borrowed on written notice to the Lenders no later than 1:00 p.m. (New York City time), two (2) Business Day prior to the Closing Date. Each such Loan Request shall be irrevocable, shall be shall be given in substantially the form of Exhibit C and shall specify (i) the aggregate principal amount of the Term Loans to be made pursuant to such Borrowing, (ii) whether such Term Loan is an Initial Term Loan or a Delayed Draw Term Loan, (iii) in the case of a Borrowing of Delayed Draw Term Loans, the applicable Delayed Draw Term Loan Borrowing Cap for such Borrowing (including reasonable detail as to the calculation thereof with reference to the then-extant Approved Budget), (iv) the initial Interest Period to be applicable thereto (which shall be one month), (v) the requested date of such Borrowing, which shall be a Business Day, and (vi) that the proceeds of the Term Loans shall be disbursed in accordance with the Approved Budget.

(d) Notwithstanding anything to the contrary contained herein:

(i) the aggregate principal amount of the Borrowing of the Initial Term Loans shall be in the amount of the aggregate Initial Term Loan Commitments;

(ii) the aggregate principal amount of any Borrowing of Delayed Draw Term Loans on any Delayed Draw Term Loan Borrowing Date shall be the lesser of (x) the amount of the aggregate unused Delayed Draw Term Loan Commitments (*minus*, in the case of the first Delayed Draw Borrowing Date, the Delayed Draw Term Loan Upfront Premium) and (y) an amount equal to the Delayed Draw Term Loan Borrowing Cap, in each case, as of such Delayed Draw Term Loan Borrowing Date;

(iii) no more than one Loan Request for Delayed Draw Term Loans may be made in any calendar month; and

(iv) the Interest Period to be applicable to any Borrowing of SOFR Loans shall at all times be an Interest Period with a duration of one month.

(e) Subject to the satisfaction or waiver of applicable conditions to lending hereunder and the Orders, such Lender will make the aggregate of such amounts available to the Borrower in accordance with Section 2.03(f).

(f) The Borrowers hereby authorize each Lender to disburse the proceeds of each Borrowing in accordance with the terms of any Loan Request or other written instructions from any Responsible Officer of the Lead Borrower; *provided* that, notwithstanding anything to the contrary herein or in any other Loan Document, on the date of each Borrowing, the proceeds of the Term Loans subject to such Borrowing shall be disbursed by such Lender in accordance with the Approved Budget.

Section 2.04. *Payment at Maturity; Evidence of Indebtedness.* (a) The Borrower unconditionally promises to pay to each Lender on the Maturity Date, the then-unpaid principal amount of the Loans owing to such Lender, together in each case with accrued and unpaid interest thereon and all fees, expenses and other Obligations payable or accrued in respect thereof.

(b) The Lenders shall maintain in accordance with their usual practice an account or accounts evidencing the indebtedness of the Borrower to the Lenders resulting from the Loans that may be made by the Lenders from time to time, including the amounts of principal and interest payable and paid to the Lenders from time to time.

Section 2.05. *Optional Prepayments.* (a) At any time and from time to time, the Borrowers shall have the right to prepay the Term Loans, in whole or in part, without premium or penalty (subject to the provisions outlined in clause (b) below), upon delivery of a Prepayment Notice given to the Lenders not later than 1:00 p.m. (New York City time), three (3) Business Days prior to each intended prepayment. Each such Prepayment Notice shall specify the proposed date of such prepayment, the aggregate principal amount of the Term Loans to be prepaid, the Borrowing pursuant to which made and the Interest Period applicable thereto and shall be irrevocable and shall bind the Borrowers to make such prepayment on the terms specified therein.

(b) Each prepayment of the Term Loans made pursuant to clause (a) above shall be applied to the repayment of the Term Loans then outstanding, together with accrued and unpaid interest thereon, until such Term Loans are repaid in full.

Section 2.06. *Interest.* (a) Each Term Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to Term SOFR plus 5.50% (the “**Margin**”); *provided* that if Term SOFR is not available as reasonably determined by the Lenders, then such Term Loan shall bear interest at a rate per annum equal to (x) the Margin, plus (y) a rate per annum reasonably determined by the Lenders giving due consideration to (i) any selection or

recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for Term SOFR for dollar-denominated syndicated credit facilities at such time in the United States. Unless the Lead Borrower otherwise elects to pay such interest in cash, such interest shall be payable in kind in arrears on each Interest Payment Date and the Maturity Date by adding such accrued interest amount to the outstanding principal amount of the Delayed Draw Term Loans; *provided* that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable in kind, except after the Obligations have been accelerated, such interest shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(b) Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default, the Loans and all other amounts under the Loan Documents (including overdue principal or interest) shall bear interest, after as well as before judgment, at a rate per annum equal to 2.00% plus the rate otherwise applicable to the Loans as provided in Section 2.06(a) (whether or not the Loan is then outstanding) to the fullest extent permitted by applicable laws.

(c) All interest hereunder will be computed on the basis of a year of three hundred sixty (360) days, and will be payable for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.07. *Taxes.* Any and all payments by any Loan Party to or for the account of any Lender under any Loan Document shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable law; *provided* that, if any Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any such payments, such Withholding Agent shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and such Loan Party shall promptly furnish to such Lender, at its address referred to in Section 9.01, the original or a certified copy of a receipt or return issued by such Governmental Authority evidencing payment thereof, (or other evidence of payment reasonably satisfactory to such Lender) within ten (10) Business Days after the date such payment is made. Each Lender shall use commercially reasonable efforts to provide the Loan Parties with any certificate or other documentary evidence (including any documents that would enable a Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements) (i) required by any Tax law or (ii) which such Lender is entitled by any Tax law to provide in order to reduce the amount of any Taxes that may be deducted or withheld from such payment and the Loan Parties agree to accept and act in reliance on any such duly and properly executed or other applicable documentary evidence. Each party shall reasonably cooperate and use commercially reasonable efforts to minimize or eliminate any withholding Tax liability.

Section 2.08. *Payments Generally.* Unless otherwise provided for herein, each Borrower shall make each payment required to be made by it under the Loan Documents (whether of principal, interest or fees or otherwise) before the time expressly required

under the relevant Loan Document for such payment (or, if no such time is expressly required, before 12:00 noon, New York City time), on the date when due, in immediately available funds, without set-off or counterclaim. If a prepayment or repayment of principal or interest is made in part, such prepayment or repayment shall be made to each Lender on a Pro Rata Basis (or other applicable basis as provided in this Agreement). This Agreement is not a revolving credit agreement. Amounts repaid or prepaid on account of the Loans may not be re-borrowed.

Section 2.09. *[Reserved]*.

Section 2.10. *Termination of Commitments.* (a) The Initial Term Loan Commitments shall be automatically and permanently terminated on the Closing Date upon the funding of the Initial Term Loans.

(b) The Delayed Draw Term Loan Commitments shall be automatically and permanently terminated (i) on each Delayed Draw Term Loan Borrowing Date upon the funding of the Delayed Draw Term Loans and in an amount corresponding to the Delayed Draw Term Loans so funded on such Delayed Draw Term Loan Borrowing Date, (ii) on the Closing Date and the first Delayed Draw Borrowing Date upon payment in kind of the applicable Upfront Premium and in an amount corresponding to such Upfront Premium and (iii) on each Interest Payment Date upon payment in kind of accrued interest in accordance with Section 2.06(a) and in an amount corresponding such interest amount paid in kind.

Section 2.11. *Mandatory Payments and Prepayments.* (a) Not later than one Business Day after the receipt thereof by the Loan Parties, the Borrowers will prepay the outstanding principal amount of the Term Loans in an amount equal to 100% of the Net Cash Proceeds from any Debt Issuance issued or any issuance of Capital Stock (other than the issuance of Capital Stock of any Subsidiary of the Borrowers to the Borrowers or any other Subsidiary of the Borrowers to the extent expressly permitted by Section 6.07).

(b) Not later than five (5) Business Days after receipt by any Borrower of Net Cash Proceeds from any Prepayment Asset Sale or Casualty Event, in each case, in excess of \$250,000 in any single transaction or series of related transactions, the Borrowers will prepay the outstanding principal amount of the Term Loans in an amount equal to 100% of the Net Cash Proceeds received with respect thereto in excess of such threshold; *provided* that no such prepayment shall be required under this Section 2.11(b) if the Net Cash Proceeds received will be reinvested (or subject to a legally binding commitment to be reinvested) in assets used or useful in the business of the Borrowers within ninety (90) days of receipt (or, in the case of a legally binding commitment to reinvest, within 30 days of such ninety (90) day period) thereof, in each case, (i) pursuant to, and as expressly set forth in, the Approved Budget (including pursuant to an Approved Budget for a future period), subject to any permitted variance described in Section 6.14, and (ii) with the consent of the Lenders (acting in their sole discretion).

(c) Not later than five (5) Business Days following the receipt of Net Cash Proceeds in respect of Extraordinary Receipts received, in excess of \$1,000 in the aggregate

for all such Extraordinary Receipts during the term of this Agreement, the Borrowers shall apply an amount equal to 100% of the Net Cash Proceeds received with respect thereto in excess of such threshold to prepay outstanding Term Loans.

(d) Each Lender may elect, of any prepayment of Term Loans required to be made by the Borrowers pursuant to this Section 2.11 (except any prepayment required pursuant to Section 2.11(b)), to decline all (but not a portion) of its pro rata share of the outstanding Term Loans of such prepayment (such declined amounts, the “**Declined Proceeds**” and, any such Lender, a “**Declining Lender**”), in which case such Declined Proceeds shall be offered to Lenders that are not Declining Lenders on a pro rata basis, and any Declined Proceeds remaining thereafter may be retained by the Borrower.

(e) All prepayments of Term Loans hereunder shall be made in accordance with Section 2.08, and together with all accrued and unpaid interest and fees on the principal of Term Loans prepaid on the date of such prepayment.

Section 2.12. Discounts, Fees and Premiums. (a) Upfront Premium.

(i) On the Closing Date, the Borrowers agree to pay to each Initial Term Lender, for its own account, an upfront premium in an amount equal to 1.00% of the aggregate amount of each such Initial Term Lender’s Initial Term Loan Commitment on the Closing Date (the “**Initial Term Loan Upfront Premium**”), which Initial Term Loan Upfront Premium shall be earned, due and payable in kind (by incurring the Initial Term Loan Upfront Premium of each such Lender as a principal amount of Delayed Draw Term Loans without satisfying the conditions precedent set forth in Section 4.02 and without such incurrence constituting a Delayed Draw Term Loan Borrowing Date) on the Closing Date.

(ii) On the first Delayed Draw Term Loan Borrowing Date, the Borrowers agree to pay to the each Delayed Draw Term Lender, for its own account, an upfront premium in an amount equal to 1.00% of the aggregate amount of such Delayed Draw Term Lender’s Delayed Draw Term Loan Commitment on the first Delayed Draw Term Loan Borrowing Date (the “**Delayed Draw Term Loan Upfront Premium**” and, together with the Initial Term Loan Upfront Premium, the “**Upfront Premiums**”), which Delayed Term Loan Upfront Premium shall be earned, due and payable in kind (by capitalizing and adding the Delayed Draw Term Loan Upfront Premium of each such Lender to the principal amount of its Delayed Draw Term Loans) on the first Delayed Draw Term Loan Borrowing Date.

(b) All fees, discounts and premiums payable hereunder shall be paid on the dates due, in immediately available funds, to the Lenders, in the case of discounts and premiums due to the Lenders hereunder. The Borrowers and the Lenders agree that (i) the fees, discounts and premiums paid hereunder (A) are made without set-off or counterclaim and (B) shall not be refundable under any circumstances and (ii) for U.S. federal, and applicable state and local, income tax purposes, the Borrowers and the Lenders shall treat each Upfront Premium as reducing the “issue price” of the corresponding Loans, and the Borrowers and the Lenders shall not take any inconsistent position on any tax return,

unless required to do so pursuant to a change in law following the date hereof or a “determination” as defined under Section 1313 of the Code.

Section 2.13. *Priority and Liens.* (a) The relative priorities of the Liens on the Collateral of the Debtors shall be as set forth in the Interim Order (and, when entered, the Final Order). Subject to the entry of the Interim Order (and, when entered, the Final Order), and the provisions, limitations and/or exceptions set forth in this Agreement and/or any other Loan Document, the Liens granted by the Debtors on the Collateral in favor of the Lenders shall be effective and perfected (except to the extent such perfection (i) is prohibited or restricted by applicable law or, in the case of any equipment or assets subject to a Lien securing a purchase money or Capital Lease Obligation, the underlying contract or agreement and/or (ii) would require the consent of any Governmental Authority or third party to such perfection) without the necessity of the execution or recordation of filings by any such Debtor of security agreements, mortgages, control agreements, pledge agreements, financing statements or other similar documents, or the possession or control by the Lenders of, or over, any Collateral, and no further actions shall be taken with respect thereto in any jurisdiction; *provided that*, for the avoidance of doubt, each such Lien shall be subject and subordinate to the Carve-Out.

(b) Subject to clause (a) above and the entry of the Interim Order (and, when entered, the Final Order) in respect of the Debtors, to secure the full and timely payment and performance of the Obligations, each Loan Party hereby and unconditionally grants, bargains, assigns, mortgages, sells, transfers and conveys, to the Lenders the Trust Property (defined below), to have and to hold the Trust Property, in trust for the Lenders with power of sale (to the fullest extent permitted by applicable law) (but excluding from the foregoing grant, Excluded Property) and each party does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Trust Property unto the Lenders.

As used in this Section 2.13(b), the “**Trust Property**” means all right, title and interest of each Loan Party, whether now owned or hereafter acquired, in and to:

(1) fee interests and/or leasehold interests in land (the “**Land**”), together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing and all interests now or in the future arising in respect of, benefiting or otherwise relating to the Land, including easements, rights-of-way and development rights, including all right, title and interest now owned or hereafter acquired by such Loan Party in and to any land lying within the right of way of any street, open or proposed, adjoining the Land, and any and all sidewalks, alleys, driveways, and strips and gores of land adjacent to or used in connection with the Land;

(2) all improvements now owned or hereafter acquired by such Loan Party, now or at any time situated, placed or constructed upon the Land (the “**Improvements**”);

(3) all of such Loan Party's right, title and interest in and to fixtures, machinery, appliances, goods, building or other materials, equipment, including all machinery, equipment, engines, appliances and fixtures for generating or distributing air, water, heat, electricity, light, sewage, fuel or refrigeration, or for ventilating or sanitary purposes, the exclusion of vermin or insects, or the removal of dust, refuse or garbage, and all extensions, additions, accessions, improvements, betterments, renewals, substitutions, and, replacements to any of the foregoing, which, to the fullest extent permitted by law, shall be conclusively deemed fixtures and improvements and a part of the real property hereby encumbered (the "**Fixtures**") (the Land, Improvements and Fixtures are collectively referred to as the "**Premises**");

(4) all of such Loan Party's right, title and interest in and to leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person a possessory interest in, or the right to use, all or any part of the Trust Property, together with all related security and other deposits (the "**Leases**");

(5) all of such Loan Party's right, title and interest in and to the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Trust Property;

(6) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof;

(7) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by such Debtor; and

(8) all awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Premises.

(c) Upon the request of the Lenders, each Loan Party shall execute and deliver to such Lenders, as soon as reasonably practicable following such request but in any event within 60 days following such request (as may be extended by the Lenders), a Mortgage in recordable form with respect to any Realty constituting Collateral with a Fair Market Value in excess of \$1,000,000 owned by such Loan Party and identified by the Lenders on terms reasonably satisfactory to the Lenders.

(d) In the event that any Loan Party that is a Debtor receives any payment or property in violation of the payment and lien priorities described herein or in the Orders,

such Debtor shall be deemed to have received such payment in trust for the Lenders in accordance with the provisions hereof and thereof and shall promptly turn over such amounts (in the form received, with any necessary endorsements) to such Lenders.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Lenders on the date hereof that:

Section 3.01. *Organization; Powers.* Subject in the case of the Debtors to the entry of the Orders and the terms thereof, each Loan Party, and each of its Subsidiaries, is duly organized and validly existing and, if applicable, in good standing, under the laws of the jurisdiction of its organization. Except where failure to do so, in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each Loan Party and each of its Subsidiaries has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is relevant and required.

Section 3.02. *Authorization; Enforceability.* Subject to the entry of the Orders and the terms thereof, (a) the Transactions are within the corporate powers of each Loan Party and have been duly authorized by all necessary corporate action. Subject to the entry of the Orders and the terms thereof, this Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which each Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, in each case enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally (including the Orders) and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Each Loan Party and each of its Subsidiaries possesses all licenses, concessions, permits, consents, approvals and other authorizations issued by, and has made all declarations and filings with, the appropriate Governmental Authority, that are necessary for the ownership or lease of its properties or the conduct of its businesses and to keep all such licenses, concessions, permits, consents, approvals and other authorizations valid and in full force and effect, except to the extent that any of the foregoing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.03. *Governmental Approvals; No Conflicts.* Subject to the entry of the Orders and the terms thereof, in the case of each Debtor, the Transactions (a) do not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate (i) any applicable law or regulation, except to the extent any such violations would not, in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) the organizational documents of any Loan Party and (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its properties, or give rise to a right thereunder to require any Loan Party to make any payment or result in the creation or imposition of any Lien on any property of any Loan

Party, except for the Liens created under the Loan Documents and to the extent such violations, defaults or Liens would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.04. *No Default.* No Default or Event of Default has occurred and is continuing.

Section 3.05. *Taxes.* Subject to Bankruptcy Law, the terms of the applicable Orders and any required approval by the Bankruptcy Court, each Loan Party and each of its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed by or on behalf of it and has timely paid or caused to be paid all Taxes required to have been paid by it, except (i) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which such Person has set aside on its books adequate reserves in accordance with IFRS, where applicable or (ii) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect, or the payment of which has been stayed by the commencement of the Chapter 11 Cases.

Section 3.06. *Properties; Intellectual Property; Collateral.* (a) Subject to the terms of the applicable Orders, each Loan Party and each of its Subsidiaries has good title to, or valid leasehold interests in, all real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or to the extent that any such failures would not in the aggregate reasonably be expected to have a Material Adverse Effect. As of the Closing Date, Schedule 3.06 sets forth an accurate and complete list of all fee owned Realty of the Loan Parties with a Fair Market Value in excess of \$1,000,000, indicating in each case, the address of the property.

(b) The properties of the Loan Parties and their Subsidiaries are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrowers, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party and/or their Subsidiaries operate.

(c) Each of the Loan Parties and each of its Subsidiaries owns, licenses or possesses the right to use all of the trademarks, tradenames, service marks, copyrights, patents, franchises, licenses and other intellectual property rights that are necessary for the operation of their respective businesses, as currently conducted, and the use thereof by any Loan Party and any Subsidiary thereof does not conflict with the rights of any other Person, except to the extent that such failure to own, license or possess or such conflicts, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of such Loan Party, threatened that would reasonably be expected to be adversely determined, and, if so determined, would reasonably be expected to have a Material Adverse Effect.

(d) [Reserved.]

(e) Upon the entry of the Interim Order (and, if entered, the Final Order), the Liens granted thereunder by the Debtors to the Lenders on any Collateral shall be valid and automatically perfected with the priority set forth herein and in the Orders, and no filing or other action will be necessary to perfect or protect such Liens and security interests with respect to any Debtor's Obligations under the Loan Documents and such Order.

Section 3.07. *Compliance with Laws.* Each Loan Party and each of its Subsidiaries is in compliance in all respects with all applicable laws and regulations, except such noncompliance as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, any violations that arise as a result of the commencement of Chapter 11 Cases and any violations that may otherwise be excused by the Bankruptcy Court.

Section 3.08. *Ranking.* The payment obligations of the Loan Parties under this Agreement and the other Loan Documents constitute direct and unconditional unsubordinated obligations of the Loan Parties and will rank at least *pari passu* in right of payment with all other unsubordinated of the Loan Parties.

Section 3.09. *No Immunity.* None of the Loan Parties nor any of their respective property has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under applicable law in respect of their obligations under the Loan Documents.

Section 3.10. *Material Litigation.* Except for the Chapter 11 Cases, matters subject to the automatic stay under section 362 of the Bankruptcy Code or as otherwise previously disclosed to the Lenders in writing, there are no actions, investigations, suits or proceedings (including arbitration proceedings) pending or threatened in writing before any Governmental Authority or arbitrator (a) against or affecting any of the Loan Parties or any of their Subsidiaries or any of their respective properties or (b) with respect to this Agreement or any of the Loan Documents or the consummation of the transactions contemplated hereby or thereby, in the case of each of clauses (a) and (b) above, that would, if adversely determined, reasonably be expected to have a Material Adverse Effect.

Section 3.11. *Margin Regulations.* None of the Loan Parties or any of their Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No proceeds of the Term Loans will be used, directly or indirectly, to purchase or carry any Margin Stock, to extend credit for such purpose or for any other purpose that would violate or be inconsistent with Regulation T, Regulation U or Regulation X.

Section 3.12. *No Material Adverse Effect.* Since the Petition Date, there has been no event, condition or state of facts that has resulted, or would reasonably be expected to result, in a Material Adverse Effect.

Section 3.13. *Financial Matters.* The financial projections included in the Initial Budget and any Updated Budget prepared by or on behalf of the Lead Borrower or any of

its representatives and that have been made available to any Lender in connection with the Transactions or the Loan Documents have been prepared in good faith based upon assumptions believed by the Borrowers to be reasonable at the time furnished (it being understood that the projections are as to future events and are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond the control of the Borrowers, that no assurance can be given that any particular financial projection will be realized, that actual results may differ significantly from projected results and that such differences may be material).

Section 3.14. *Full Disclosure.* (a) As of the Closing Date, all written information concerning the Borrowers and their Subsidiaries and the Chapter 11 Cases (other than any projections, forward-looking information and information of a general economic or general industry nature) prepared by or on behalf of the Loan Parties or any of their respective representatives and made available to any Lender on or prior to the Closing Date, when taken as a whole, did not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made (after giving effect to all supplements and updates thereto from time to time provided on or prior to the Closing Date).

(b) As of the Closing Date, the projections prepared by or on behalf of the Borrowers or any of its representatives and that have been made available to any Lender on or prior to the Closing Date in connection with the Transactions have been prepared in good faith based upon assumptions believed by the Borrowers to be reasonable at the time furnished (it being understood that the projections are as to future events and are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond the control of the Borrowers, that no assurance can be given that any particular financial projection will be realized, that actual results may differ significantly from projected results and that such differences may be material).

Section 3.15. *Budget Variance Report.* Each Budget Variance Report delivered pursuant to Section 5.10(b) is true, complete and correct in all material respects for the period covered thereby as of the date such Budget Variance Report is delivered.

Section 3.16. *Orders.* The Loan Parties that are Debtors are in compliance in all material respects with the terms and conditions of the Orders. Each of the Interim Order (with respect to the period prior to the entry of the Final Order) and the Final Order (from and after the Final Order Entry Date) is in full force and effect and has not been vacated or reversed, is not subject to a stay and has not been modified or amended other than solely with respect to those provisions thereof that affect the rights and duties of the Lenders, the consent of each Lender.

Section 3.17. *Use of Proceeds.* Subject to the Orders, the proceeds of the Term Loans will be used in accordance with and as provided in the Approved Budget (subject to permitted variances).

ARTICLE 4

CONDITIONS TO FUNDING

Section 4.01. *Conditions to Closing Date.* The obligation of each Lender to make Initial Term Loans on the Closing Date is subject to the satisfaction or written waiver by the Lenders of the following conditions precedent:

(a) The Lenders shall have received a counterpart of this Agreement, duly executed by each of the parties hereto and thereto;

(b) the Lenders shall have received a counterpart of each Security Document, duly executed by each of the parties thereto and (i) with respect to the Security Documents (other than the US IP Security Documents and the UK Debenture), subject to Section 5.08(c), any document or deed required to be delivered, filed, registered, notarized, recorded or published under the relevant Security Documents or in order to create and perfect the Security Interests created thereunder as first priority Liens shall have been properly delivered, filed, registered, notarized, recorded or published in each office or publication, as the case may be, in each jurisdiction in which such deliveries, filings, registrations, notarizations, recordations and publications are required; it being understood that any financing statements required to be filed under the Uniform Commercial Code shall have been made (and the Lenders shall have received acknowledgment copies or other evidence satisfactory to the Lenders that all necessary deliveries, filings, notarizations, recordations and publications have been made or shall be made and all fees, taxes and expenses related to such deliveries, filings, notarizations, registrations, recordings and publications have been or shall be paid in full), in connection with the grant and perfection of Security Interests in the Collateral under the Security Documents, (ii) with respect to the and the US IP Security Documents, the filing of thereof with the US Copyright Office and the US Patent and Trademark Office, as applicable, shall have been properly initiated and (iii) with respect to the UK Debenture, the registration of the UK Debenture at Companies House to the extent required to created a perfected security interest shall have been initiated and the registration in the name of the applicable Borrowers pursuant to the UK Debenture in respect of all the Charged Intellectual Property (as defined under the UK Debenture) shall have been initiated and all such acts and filings required to record or perfect (to the extent applicable) the security interests granted pursuant to the UK Debenture in such registered Charged Intellectual Property, shall have been made to the relevant registers to the satisfaction of the Lenders;

(c) The representations and warranties of the Loan Parties set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for such representations and warranties which by their term are made as of a specified date, which shall be true and correct in all material respects as of such specified date (other than any representations and warranties that are already qualified by materiality, Material Adverse Effect or words of similar import, in which case they shall be true and correct in all respects);

(d) The Lenders shall have received a certificate dated as of the Closing Date and executed by a Responsible Officer of each of the Loan Parties, certifying:

(i) that (A) attached thereto is (1) a true and complete copy of the articles or certificate of incorporation or other comparable organizational document of such Loan Party, certified by the relevant authority of the jurisdiction of organization of such Loan Party and (2) a true and complete copy of the bylaws, operating or comparable governing document of such Loan Party and (B) such documents or agreements have not been amended (except as otherwise attached to such certificate and certified therein as being the only amendments thereto as of such date);

(ii) that attached thereto is a true and complete copy of resolutions or written consents of its equityholders or board of directors, as the case may be, authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and that such resolutions or written consents have not been modified, rescinded or amended and are in full force and effect without amendment, modification or rescission; and

(iii) as to the incumbency and genuineness of the signature of the officers, directors, managers or other authorized signatories of each Loan Party executing this Agreement and the other Loan Documents to which it is a party;

(e) The Lenders shall have received a customary closing certificate, dated as of the Closing Date and signed by a Responsible Officer of the Lead Borrower on behalf of each Borrower, confirming compliance with the conditions precedent set forth in Sections 4.01(c), (h) and (l);

(f) The Lenders shall have received a certificate as of a recent date of the good standing (or equivalent) of each of the Loan Parties under the laws of its jurisdiction of organization from the relevant authority of its jurisdiction of organization;

(g) The Lenders shall have received a completed Perfection Certificate with respect to the Loan Parties dated as of the Closing Date and signed by a Responsible Officer of the Lead Borrower, together with all attachments contemplated thereby;

(h) Since the Petition Date, no Material Adverse Effect shall have occurred;

(i) [Reserved];

(j) The Lenders shall have received the results of recent Lien and judgment searches reasonably required by the Lenders, and such search shall reveal no material judgments and no Liens on any of the assets of the Loan Parties except for Liens expressly permitted pursuant to Section 6.01;

(k) The Loan Parties shall have paid all fees, premiums, expenses and other amounts due and payable to the Lenders on the Closing Date;

(l) At the time of and immediately after giving effect to the Borrowing of the Initial Term Loans on the Closing Date, no Default or Event of Default shall have occurred and be continuing;

(m) The Lenders shall have received a Loan Request with respect to the Initial Term Loans in accordance with Section 2.03;

(n) The Petition Date shall have occurred, and each Borrower as of the Closing Date shall be a debtor and a debtor-in-possession in the Chapter 11 Cases;

(o) The Chapter 11 Cases shall not have been dismissed or converted to cases under chapter 7 of the Bankruptcy Code;

(p) The Interim Order Entry Date shall have occurred and the Interim Order shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any respect without the consent of the Lenders, solely with respect to their own rights, obligations, liabilities, duties and treatment, and the Debtors shall be in compliance with the Interim Order;

(q) The Lenders shall have received (i) the Initial Budget, (ii) a copy of an operating budget of the Borrowers prepared by the Borrowers' management covering the period through the Scheduled Maturity Date, which operating budget shall set forth, on a weekly basis, projected operating and non-operating receipts, disbursements, net operating cash flow and Liquidity and in form and substance acceptable to the Lenders and (iii) a copy of an operating budget of the Subsidiaries of the Lead Borrower that are not Debtors prepared by the Borrowers' management covering the period through the Scheduled Maturity Date, which operating budget shall set forth, on a weekly basis, projected operating and non-operating receipts, disbursements, net operating cash flow and Liquidity and in form and substance acceptable to the Lenders;

(r) No trustee under chapter 7 or chapter 11 of the Bankruptcy Code or examiner with expanded powers shall have been appointed in any of the Chapter 11 Cases; and

(s) All applicable Milestones designated for satisfaction prior to the Closing Date shall have been accomplished in accordance with the terms herein (unless waived or extended by the Lenders).

For purposes of determining compliance with the conditions specified in this Section 4.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with the satisfaction of each condition above unless an officer of such Lender responsible for the transactions contemplated by the Loan Documents shall have delivered a notice prior to the Closing Date specifying its objection thereto and such Lender shall not have made available such Lender's ratable portion of the Term Loans.

Section 4.02. Conditions to Delayed Draw Term Loan Borrowing Date. The obligation of each Delayed Draw Term Lender to make Delayed Draw Term Loans pursuant to the Delayed Draw Term Loan Commitments on each Delayed Draw Term Loan Borrowing Date is (other than in the case of payment in kind of the Initial Term Loan Upfront Premium) subject to the satisfaction or written waiver by the Lenders of the following conditions precedent:

(a) the Closing Date shall have occurred;

(b) the Lenders shall have received a Loan Request with respect to the Delayed Draw Term Loans in accordance with Section 2.03;

(c) the representations and warranties of the Loan Parties set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Loan Request and on the applicable Delayed Draw Term Loan Borrowing Date as if made on each such date, except for such representations and warranties which by their term are made as of a specified date, which shall be true and correct in all material respects as of such specified date (other than any representations and warranties that are already qualified by materiality, Material Adverse Effect or words of similar import, in which case they shall be true and correct in all respects);

(d) At the time of and immediately after giving effect to the Borrowing of the Delayed Draw Term Loans, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(e) The Final Order Entry Date shall have occurred and the Final Order shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to any stay and shall not have been modified or amended in any respect without the consent of the Lenders;

(f) Subject to the expiration of the Challenge Period, the Lenders shall have valid, binding, enforceable, non-avoidable, and automatically and fully and perfected Liens on, and security interests, in the Collateral, in each case, having the priorities set forth in the Orders and subject and subordinate only to the payment in full in cash of any amounts due under the Carve-Out;

(g) The Chapter 11 Cases shall not have been dismissed or converted to cases under chapter 7 of the Bankruptcy Code;

(h) No trustee under chapter 7 or chapter 11 of the Bankruptcy Code or examiner with expanded powers shall have been appointed in any of the Chapter 11 Cases;

(i) The Lenders shall have received (i) an Approved Budget for the 13-week period commencing on or about the applicable Delayed Draw Term Loan Borrowing Date (*provided* that the condition set forth in this clause (i) shall be deemed satisfied if an Updated Budget with respect to the same 13-week period has been timely delivered pursuant to Section 5.10(a) and has been accepted (or deemed accepted) in accordance therewith) and (ii) all Budget Variance Reports then required to be delivered pursuant to Section 5.10(b);

(j) The requested principal amount of the Delayed Draw Term Loans on the applicable Delayed Draw Borrowing Date shall not exceed an amount equal to the Delayed Draw Term Loan Borrowing Cap for such Delayed Draw Borrowing Date;

(k) All applicable Milestones designated for satisfaction prior to the applicable Delayed Draw Term Loan Borrowing Date shall have been accomplished or satisfied in accordance with the terms herein (unless waived or extended by the Lenders); and

(l) the Lenders shall have received a certificate from a Responsible Officer of the Lead Borrower, dated as of the applicable Delayed Draw Term Loan Borrowing Date, certifying that conditions set forth in Section 4.02(c) and (d) have been satisfied.

ARTICLE 5

AFFIRMATIVE COVENANTS

Until the principal of and interest and fees on the Term Loans and all other Obligations (other than contingent indemnification obligations for which no claim or demand has been made) have been irrevocably paid in full in cash (“**Payment in Full**”), each Loan Party covenants and agrees with the Lenders that:

Section 5.01. *Existence; Conduct of Business.* Each Loan Party will and will cause each of its Subsidiaries to (a) preserve and keep in full force and effect its legal existence and, if applicable, good standing under the laws of its jurisdiction of organization, except (other than with respect to the legal existence and good standing of the Loan Parties) where failure to do so, in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (b) take all reasonable action to maintain all rights, privileges and licenses necessary to the conduct of its business, except to the extent that failure to take such action to maintain such rights, licenses, permits, privileges and franchises would not reasonably be expected to result in a Material Adverse Effect and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which would reasonably be expected to have a Material Adverse Effect, and, in each case, except as otherwise permitted under this Agreement.

Section 5.02. *Payment of Obligations.* Subject to Bankruptcy Law, the terms of the applicable Order and any required approval by the Bankruptcy Court, each Loan Party will pay, and will cause each of its Subsidiaries to pay, its obligations, including Tax liabilities, that, if not paid, would reasonably be expected to result in a Material Adverse Effect, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) such Loan Party (or its relevant Subsidiary) has set aside on its books adequate reserves with respect thereto to the extent required by IFRS.

Section 5.03. *Maintenance of Properties and Insurance.* Each Loan Party will, and will cause its Subsidiaries to, (a) keep all property necessary to its business in reasonably good working order and condition, ordinary wear and tear excepted, except where the failure to maintain any such property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) maintain with financially sound and reputable insurance companies, insurance in at least such amounts, with such deductibles and against at least such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, except where the failure to maintain any such insurance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.04. *Compliance with Laws.*

(a) Each Loan Party will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including the Bankruptcy Code, Environmental Laws, OFAC, PATRIOT Act and the U.S. Foreign Corrupt Practices Act of 1977), except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Loan Party will, and will cause its Subsidiaries to, comply in all material respects with all Anti-Corruption Laws that are applicable to such Loan Party or Subsidiary.

Section 5.05. *Use of Proceeds.* The Borrowers shall use the proceeds of the Term Loans solely for the purposes described in Section 3.17.

Section 5.06. *Further Assurances.* Each Loan Party will execute and deliver any and all further documents, agreements and instruments, and take all such further actions, that may be required under any applicable law, or that the Lenders may reasonably request, in order to effect the purposes of this Agreement or any other Loan Document, to protect the rights or interests of the Lenders under the Loan Documents or to grant, preserve, protect, and perfect the validity and priority of the security interests created or intended to be created by the Security Documents.

Section 5.07. *Ranking.* The Loan Parties will take all actions as may be reasonably necessary to ensure that all payment obligations under the Loan Documents will constitute direct and unconditional unsubordinated obligations of the Loan Parties and will rank at least pari passu in right of payment with all other unsubordinated indebtedness of the Loan Parties.

Section 5.08. *Preservation of Rights under Security Documents.*

(a) Each Loan Party shall take such actions as may be necessary or, to the extent reasonably requested by the Lenders, advisable in order to preserve the rights of the Lenders under each of the Security Documents. Without limiting the generality of the foregoing, each Loan Party shall execute any documents, filing statements, agreements and instruments, and take all further action that may be required under applicable law, or that the Lenders may reasonably request, in order to effectuate the transactions contemplated by the Security Documents and/or the Orders and in order to grant, preserve, protect and perfect the validity and first priority of the Liens created or intended to be created by the Security Documents and the Orders or such other Liens that may replace the Liens created or intended to be created by the Security Documents in accordance with their terms, in form and substance reasonable satisfactory to the Lenders.

(b) In the event that any Loan Party shall obtain an ownership or other interest in any assets or property that shall constitute “After-Acquired Intellectual Property” pursuant to Section 3.02(d) of the US IP Security Agreement or “Article 9 Collateral” of the type contemplated by Section 3.03 or 3.04 of the US Security and Pledge Agreement or constitutes “Pledged Securities” under the US Security and Pledge Agreement it shall

notify the Lenders in writing within three (3) Business Days of obtaining such ownership or other interest.

(c) Within ten (10) Business Days of the Closing Date (or, if owned or acquired after the Closing Date, within fifteen (15) Business Days of such acquisition or ownership):

(i) the Loan Parties shall deliver to the Lenders any certificated equity securities that constitutes Collateral and accompanying undated stock powers or other undated instruments of transfer (duly executed in blank), including those required to be delivered in accordance with the US Security and Pledge Agreement and/or any other Security Document; and

(ii) subject to Section 5.15, in respect of all of the Charged Intellectual Property (as defined under the UK Debenture) registered in the name of the security providers pursuant to the UK Debenture, that all such acts and filings required to record or perfect (to the extent applicable) the security interests granted pursuant to the UK Debenture in such registered Charged Intellectual Property, have been made to the relevant registers to the satisfaction of the Lenders.

Section 5.09. *Reports.* The Borrowers will deliver to each Lender and FTI Consulting:

(a) within 30 days after the end of each fiscal month of each fiscal quarter of each fiscal year, commencing with the fiscal month ending August 31, 2024, (i) an unaudited consolidated balance sheet of the Lead Borrower and its Subsidiaries as of the end of such fiscal month and related statements of income and cash flows for the Lead Borrower and its Subsidiaries for the fiscal month, in each case setting forth comparative consolidated figures for the corresponding period in the preceding fiscal year, which may be internally prepared management financials, all in reasonable detail, and prepared in accordance with IFRS and (y) all management reporting materials for each Loan Party and each of their Subsidiaries, including operational cash flow forecasts for operating entities, in each case, in substantially the same form as prepared and disclosed to the Lenders prior to the Closing Date (subject to reasonable adjustment to account for intervening transactions); and

(b) not later than 5:00 pm (New York City time) on each Thursday occurring after the Petition Date, commencing with the Thursday of the first full calendar week occurring after the Petition Date (or to the extent such Thursday is not a Business Day, the next Business Day thereafter), (i) a cash flow forecast for the most recently ended Budget Variance Test Period for the subsequent calendar week in form and substance reasonably satisfactory to the Lenders and (ii) a matrix/schedule (“**Weekly Payment Matrix**”) of the aggregate amount of payments made during the immediately preceding calendar week with respect to any (x) critical vendors, (y) foreign vendors and (z) administrative expenses under section 503(b)(9) of the Bankruptcy Code, including the following information: (1) the category or type of payment identified in the foregoing clauses (x), (y) and (z), (2) the date and aggregate amount of each payment and (iii) the Debtors that made the payment;

provided that each such Weekly Payment Matrix shall be in form and substance reasonably acceptable to the Lenders.

Section 5.10. *Other Business and Financial Information.* The Borrowers will deliver to each Lender and FTI Consulting:

(a) not later than 5:00 p.m. (New York City time) on every fourth Thursday occurring after the Petition Date (each, an “**Updated Budget Delivery Date**”), commencing with the Thursday of the fourth full calendar week occurring after the Petition Date (or if any such Thursday is not a Business Day, the next Business Day thereafter), a Budget for the rolling 13-week period commencing on the Saturday immediately preceding the applicable Updated Budget Delivery Date (each, an “**Updated Budget**”), in form and substance acceptable to the Lenders; *provided* that:

(i) such Updated Budget shall be deemed acceptable to the Lenders if the Lenders have not objected (which may be provided by email to the Borrower) to such Updated Budget within five Business Days after receipt by the Lenders of such Updated Budget;

(ii) the failure of any Updated Budget to be accepted by the Lenders shall not be deemed to be a violation of this Section 5.10(a) and no Default or Event of Default shall result from any objection by the Lenders to any Updated Budget; and

(iii) for the avoidance of doubt, upon (and subject to) the acceptance (or deemed acceptance) by the Lenders of any Updated Budget, such Updated Budget shall constitute the “**Approved Budget**”.

(b) not later than 5:00 pm (New York City time) on each Thursday occurring after the Petition Date, commencing with the Thursday of the second full calendar week occurring after the Petition Date (or to the extent such Thursday is not a Business Day, the next Business Day thereafter), a Budget Variance Report for the most recently ended Budget Variance Test Period;

(c) not later than 5:00 pm on every Thursday occurring after the Closing Date, commencing with the Thursday of the second full week after the Petition Date, or to the extent such Thursday is not a Business Day, the next Business Day thereafter, a certificate of a Responsible Officer on behalf of the Lead Borrower certifying the amount of Liquidity as of the Friday immediately preceding such delivery date;

(d) together with each delivery of the reports and financial statements pursuant to Section 5.09(a), a duly executed and completed certificate certifying that no Default or Event of Default has occurred and is continuing (or if one is, describing in reasonable detail such Default or Event of Default and the steps being taken to cure, remedy or waive the same);

(e) promptly upon any Responsible Officer of any Loan Party obtaining knowledge (i) of any Default or Event of Default that has occurred, (ii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate,

a Material Adverse Effect or (iii) the occurrence of any material breach of, or default under, the Orders, a detailed notice specifying the nature and period of existence of such condition, event or change, or specifying the notice given or action taken by any such Person and the nature of such claimed Default or Event of Default, event or condition, and what action the Borrowers have taken, are taking and propose to take with respect thereto;

(f) promptly upon any Responsible Officer of any Loan Party obtaining knowledge of the institution of, or threat of, any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Loan Party or any Loan Party's Subsidiaries) at law or in equity, not previously disclosed in writing by the Borrowers to the Lenders that could reasonably be expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other non-privileged information as may be reasonably available to the Loan Parties to enable the Lenders and their counsel to evaluate such matters; and

(g) such other information about the business or financial condition of the Borrowers or any of their respective Subsidiaries as the Lenders may from time to time reasonably request.

Section 5.11. *Maintenance of Books and Records; Inspection.*

(a) The Borrowers will, and will cause each of their Subsidiaries to, maintain proper books, accounts and records, in which full, true and correct entries in all material respects shall be made of all material financial transactions in relation to its business and properties, and prepare all financial statements required under this Agreement, in each case in accordance with IFRS.

(b) The Loan Parties will permit employees or agents of the Lenders to visit and inspect its properties and examine or inspect its books, and financial and accounting records, and make copies and memoranda of them, and to discuss its affairs, finances and accounts with its Responsible Officers and, upon prior written notice to the Lead Borrower, the independent public accountants of the Loan Parties (and by this provision the Loan Parties authorize such accountants to discuss the finances and affairs of the Loan Parties, *provided* that a representative of the Loan Parties shall be entitled to attend any such meetings with such independent public accountants), all at such reasonable times and from time to time, upon reasonable notice and during business hours, as may be reasonably requested; *provided* that:

(i) in no event shall the Loan Parties be required, other than during the continuance of an Event of Default, to pay any fees or expenses relating to any inspection contemplated hereby more than once in any calendar year;

(ii) except as expressly set forth in the proviso below during the continuance of an Event of Default, the Lenders shall not exercise such rights more often than one time during any calendar year; *provided* that, during the

continuance of an Event of Default, the Lenders may exercise such rights at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice;

provided, further, that notwithstanding anything to the contrary herein, no Loan Party shall be required to disclose, permit the inspection, examination or making of copies of or taking abstracts from, or discuss any document, information, or other matter (A) that constitutes non-financial trade secrets or non-financial proprietary information of the Borrowers and/or any of its customers and/or suppliers, (B) in respect of which disclosure to any Lender (or any of their respective representatives or agents) is prohibited by applicable law, (C) that is subject to attorney-client or similar privilege or constitutes attorney work product or (D) in respect of which any Borrower owes confidentiality obligations to any third party.

Section 5.12. *Post-Closing Covenants*. The Loan Parties will take each of the actions set forth on Schedule 5.12 within the time period prescribed therefor on such schedule (or such later time period approved in writing by the Lenders (which may be provided via email to the Lead Borrower)).

Section 5.13. *Certain Bankruptcy Matters (Compliance with Orders)*. The Loan Parties shall comply in all material respects after entry thereof, with all of the requirements and obligations set forth in the Approved Bankruptcy Court Orders, as each such order is amended and in effect from time to time in accordance with this Agreement; *provided that*, notwithstanding anything herein to the contrary, any actions taken to enforce any rights or remedies arising from a breach of this Section 5.13 shall be subject to any requirements in the Orders requiring a ruling or entry of an order of the Bankruptcy Court.

Section 5.14. *Bankruptcy Notices*. The Lead Borrower will furnish to the Lenders (for delivery to each Lender), to the extent reasonably practicable, prior to any of the Loan Parties or their Subsidiaries filing with the Bankruptcy Court, the Final Order and all other proposed orders and pleadings relating to the Term Loans and the Loan Documents, any other financing or use of Cash Collateral, any sale or other disposition of Collateral outside the ordinary course having a value in excess of \$250,000, cash management, adequate protection, any Chapter 11 Plan and/or any disclosure statement.

Section 5.15. *Certain Case Milestones*. Each Loan Party shall use commercially reasonable efforts to achieve the milestones set forth on Schedule 5.15 hereto (the “**Milestones**”, which, to the extent such date (including any extension thereof), does not consist of a date certain, shall be calculated in accordance with Bankruptcy Rule 9006 of the Bankruptcy Rules) unless waived or extended in in accordance with the Loan Documents or Orders.

Section 5.16. *Management Conference Calls*.

(a) The Lead Borrower (including at least one senior member of the Lead Borrower’s management team) shall, and shall cause its financial advisors to, participate in an in-person meeting with the Lenders (the “**Management Meeting**”), at reasonable

times to be mutually and reasonably agreed from time to time (but, in any event, within five (5) Business Days of the management reports and financials delivered pursuant to Section 5.09(a), and no more frequently than once every month) between the Loan Parties and the Lenders, to review the most recently delivered Budget Variance Reports, financial statements, the financial and operational performance and forecasts of Loan Parties and other reports and materials provided pursuant to Section 5.09 and Section 5.10.

(b) The Borrowers shall make the members of their senior management (including the chief executive officer and chief financial officer) and its professional advisors, available from time to time, at reasonable times, and during business hours, upon the reasonable request of and reasonable advance notice to the Lenders and their professional advisors to discuss, inform and/or confer on the matters described in clause (a) above and other matters reasonably related thereto.

Section 5.17. *Priority of Liens and Claims.* Each Loan Party hereby covenants, represents and warrants that, upon entry of the Interim Order (and when applicable, the Final Order), its Obligations hereunder and under the other Loan Documents, in each case subject to the Orders, as applicable:

(a) Each Loan Party hereby covenants, represents and warrants that, upon entry of the Interim Order (and when applicable, the Final Order), its Obligations hereunder and under the other Loan Documents as applicable shall at all times (i) constitute an allowed Superpriority Claim against each of the Debtors on a joint and several basis, which will be payable from and have recourse to all pre and Post-Petition property of such Debtors and all proceeds thereof (excluding Avoidance Actions but including, subject to entry of a Final Order, Avoidance Proceeds), subject and subordinate in all respects to the Carve-Out, and any payments or proceeds on account of such Superpriority Claim shall be distributed in accordance with this Agreement and the Security Documents and (ii) be secured by a valid, binding, continuing, enforceable, fully-perfected senior security interest and Lien on all of the assets of the Debtors, whether currently existing or thereafter acquired, of the same nature, scope and type as the Collateral with the priorities set forth in the Orders.

(b) Subject to and effective only upon entry of the Final Order, except to the extent of the Carve-Out and the Orders, no costs or expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including a case under Chapter 7 of the Bankruptcy Code, shall be charged against or recovered from the Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code, the enhancement of collateral provisions of section 552 of the Bankruptcy Code, or any other legal or equitable doctrine (including, without limitation, unjust enrichment) or any similar principle of law, without the prior written consent of the Lenders, as the case may be with respect to their respective interests, and no consent shall be implied from any action, inaction or acquiescence by the Lenders. In no event shall the Lenders or the Prepetition Secured Parties (as defined in the Orders) be subject to (i) the “equities of the case” exception contained in section 552(b) of the Bankruptcy Code (subject only to and effective upon entry of the Final Order), or (ii) the equitable doctrine of “marshaling” or any other similar doctrine with respect to the Collateral (subject only to and effective upon entry of the Final Order).

(c) Except for the Carve-Out and as otherwise set forth in the applicable Order and herein, the Superpriority Claims shall at all times be senior to the rights of any Loan Party that is a Debtor, any Chapter 11 trustee and, subject to section 726 of the Bankruptcy Code, any Chapter 7 trustee, or any other creditor (including, without limitation, Post-Petition counterparties and other Post-Petition creditors) in the cases or any subsequent proceedings under the Bankruptcy Code, including, without limitation, any Chapter 7 cases (if any of the cases are converted to cases under Chapter 7 of the Bankruptcy Code).

ARTICLE 6

NEGATIVE COVENANTS

Until the Payment in Full of all the Obligations, each Loan Party covenants and agrees with the Lenders that, unless such Loan Party receives the prior written consent of the Lenders:

Section 6.01. *Liens.* No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, agree to create, incur, assume or suffer to exist any Lien upon or with respect to any of its property or assets, whether now owned or hereafter acquired; *provided* that nothing in this Section 6.01 shall prevent the creation, agreement to create, incurrence, assumption or existence of the following Liens:

(a) Liens existing on the date hereof and disclosed to the Lenders in writing prior to the Closing Date; *provided* that such Lien does not secure any obligation other than those it secured on the Closing Date;

(b) Liens (i) created pursuant to the Security Documents or otherwise granted to the Lenders to secure the Obligations and (ii) in existence on the Petition Date securing Indebtedness under the Secured Prepetition Credit Agreements;

(c) any other Liens granted to the Lenders or, as agreed by the Lenders, to any of their respective Affiliates;

(d) Liens securing Indebtedness permitted pursuant to Section 6.02(b) and obligations relating thereto not constituting Indebtedness;

(e) Liens existing on property at the time of its acquisition after the date hereof (other than Liens on the equity interests of any Person that becomes a Subsidiary)

(f) Liens for Taxes, assessments or governmental charges or claims either (i) not delinquent or (ii) contested in good faith by appropriate proceedings and as to which such Loan Party or any of its Subsidiaries shall have set aside on its books such reserves as may be required pursuant to IFRS;

(g) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(h) any judgment Lien not giving rise to an Event of Default or a Material Adverse Effect;

(i) easements, rights-of-way, defects, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary course of the business of any of the Loan Parties or any of their respective Subsidiaries;

(j) non-exclusive licenses or sublicenses (including intellectual property related licenses and sublicenses) granted to others in the ordinary course of business and which do not interfere in any material respect with the business of the Loan Parties;

(k) real estate leases and subleases granted to others in the ordinary course of business and which do not interfere in any material respect with the business of the Loan Parties and their Subsidiaries taken as a whole and ground leases in respect of real property on which facilities owned or leased by the Loan Parties or any of its Subsidiaries are located;

(l) (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business complies, and (ii) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Loan Parties, taken as a whole;

(m) the modification, replacement, renewal, refinancing, restructuring or extension of any Lien permitted by Sections 6.01(a) and 6.01(e); *provided* that (x) the Lien does not extend to any additional property, other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien and (B) proceeds and products thereof, (y) the modification, replacement, renewal, refinancing, restructuring or extension of the obligations secured or benefited by such Liens is permitted by Section 6.02 (to the extent constituting Indebtedness) and (z) the Lien shall not be amended, replaced or renewed so as to increase its priority in relation to Liens securing other Indebtedness with respect to such property or assets, if any, as on the Closing Date;

(n) deposits of cash with the owner or lessor of premises leased and operated by any Borrower or any Subsidiary of a Borrower to secure the performance of such Borrower's or Subsidiary's, as applicable, obligations under the terms of the lease for such premises;

(o) any other Liens approved by the Lenders; and

(p) Liens granted pursuant to any Order (including Liens granted to provide adequate protection and the Carve-Out).

Section 6.02. *Indebtedness.* No Loan Party shall, nor shall it permit any of its Subsidiaries to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness under the Prepetition Credit Agreements;

(c) other Indebtedness of any Loan Party or any Subsidiary in an aggregate principal amount not to exceed at any time outstanding \$250,000 (two-hundred and fifty thousand Dollars) or its equivalent in other currencies;

(d) Indebtedness of any Loan Party or any Subsidiary of any Loan Party outstanding on the date hereof and disclosed to the Lenders in writing prior to the Closing Date or, in the case if any such Indebtedness outstanding on the date hereof is for borrowed money, described in Schedule 6.02 (other than any Prepetition Indebtedness) (collectively, the “**Existing Indebtedness**”);

(e) Indebtedness representing deferred compensation or similar obligations to employees of incurred in the ordinary course of business;

(f) Indebtedness in respect of performance bonds, surety bonds, appeal bonds or customs bonds required in the ordinary course of business or in connection with the enforcement of rights or claims of any Borrower or any Subsidiary or in connection with judgments that do not result in an Event of Default; and

(g) other Indebtedness that the Lenders agree from time to time may be incurred by any Loan Party or any of its Subsidiaries after the date of this Agreement.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar equivalent of the principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt. The accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 6.02. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of such Borrower dated such date prepared in accordance with IFRS.

Section 6.03. *Dispositions*. No Loan Party shall, nor shall it permit any of its Subsidiaries to make any Disposition or enter into any agreement to make any Disposition, except (to the extent not prohibited by Section 6.13):

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Disposition of cash or cash equivalents in the ordinary course of business;

(c) any Disposition made in accordance with the terms and conditions set forth under the Security Documents;

(d) (i) Dispositions of inventory and goods held for sale in the ordinary course of business and (ii) Dispositions of immaterial assets and termination of leases and licenses in the ordinary course of business;

(e) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property; *provided* that to the extent the property being transferred constitutes Collateral, such replacement property shall constitute Collateral;

(f) Dispositions of assets (other than any assets that constitute Collateral) (i) by and among (x) any Borrowers or (y) any Subsidiaries of the Lead Borrower that are not Loan Parties and (ii) by any Loan Parties and/or any of its Subsidiaries to the Lenders and/or to any of their Affiliates as agreed by the Lenders;

(g) leases or subleases, in each case in the ordinary course of business and which do not materially interfere with the business of the Loan Parties and their respective Subsidiaries, taken as a whole;

(h) (i) non-exclusive licenses or sublicenses (including the provision of software under an open source license), in each case in the ordinary course of business and which do not materially interfere with the business of the Loan Parties and their respective Subsidiaries, taken as a whole, and (ii) Dispositions of intellectual property (including inbound licenses thereof) that is no longer material to the business of the Loan Parties and their respective Subsidiaries;

(i) transfers of property subject to Casualty Events;

(j) the unwinding or settlement of any Interest Swap Obligations or obligations under Currency Agreements and Commodity Agreements of any Loan Party or any of its Subsidiaries;

(k) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any immaterial intellectual property rights;

(l) Dispositions of property not to exceed \$2,000,000 (two million Dollars) or its equivalent in other currencies) in the aggregate in any fiscal year; and

(m) Disposition of the Liquidation Insurance Receivable,

Provided, however, that any Disposition pursuant to sub-sections (a) through (m) above shall only be permitted to the extent that (x) such Disposition does not constitute a Disposition of any Collateral and (y) such Disposition is not between any Loan Party, on the one hand, and any Subsidiary of the Lead Borrower that is not a Loan Party, on the other hand.

Section 6.04. *Investments*. No Loan Party shall, nor shall it permit any of its Subsidiaries to make any Investment or enter into any agreement to make any Investment, except:

(a) Investments held by a Loan Party or any of its Subsidiaries in the form of cash and cash equivalents;

(b) (i) Investments by any Borrower in any other Borrower and (ii) Investments by any Borrower in any Subsidiary that is not a Borrower, subject, in the case of this clause (ii), to the prior written consent of the Lenders;

(c) [reserved];

(d) [reserved];

(e) [reserved];

(f) loans or advances to officers, directors and employees of the Loan Parties or any of their respective Subsidiaries (which also include loans made by Subsidiaries with third parties or loans made among Subsidiaries) in an aggregate amount not to exceed \$100,000.00 at any time outstanding, in the ordinary course of business consistent with past practices;

(g) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business.

Section 6.05. *Fundamental Changes.* No Loan Party shall, nor shall it permit any of its Subsidiaries to merge, dissolve, liquidate, consolidate with or into another Person or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except (i) with the consent of the Lenders or (ii) as otherwise expressly permitted in the Interim Order or, if applicable, the Final Order.

Section 6.06. *Burdensome Agreements.* No Loan Party shall, nor shall it permit any of its Subsidiaries to, enter into any Contractual Obligation that limits the ability of any of the Borrowers or any of their Subsidiaries to pay, directly or indirectly, dividends or make any other distributions in respect of its Equity Interests to the Borrowers or to otherwise transfer property to the Borrowers.

Section 6.07. *Restricted Junior Payments.* No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except, subject to Section 6.13, that:

(a) each Subsidiary of the Lead Borrower may make Restricted Junior Payments (i) in the case of any Subsidiary that is not a Debtor, ratably to its equity holders that are not Debtors, and (ii) in the case of any Subsidiary that is a Borrower, to any other Borrower; *provided that*, the Borrowers may only make Restricted Payments pursuant to this clause (a) to another Borrower;

(b) to the extent expressly contemplated by the Approved Budget (subject to any permitted variance described in Section 6.14), any Borrower may make Restricted Junior Payments in cash to another Borrower to the extent necessary to pay, or the proceeds of which are applied by the Borrower to pay, (i) legal, accounting and reporting expenses,

(ii) general administrative costs and expenses and to pay customary and reasonable directors fees and expenses, (iii) franchise fees or similar taxes and fees required to maintain its organizational existence and/or (iv) insurance premiums relating to the ownership or operations of the Borrower, in each case that are set forth in the Approved Budget; and

(c) any Taxes or other amounts paid or reasonably estimated to be payable in connection with the distribution or repatriation of any Net Cash Proceeds, in each case that are set forth in the Approved Budget; and

(d) the Subsidiaries of the Lead Borrower that are not Loan Parties may make Restricted Debt Payments with respect to intercompany Indebtedness between such Subsidiaries that are not Loan Parties, subject to any subordination provisions applicable thereto.

Section 6.08. *Transactions with Affiliates.* No Loan Party will, or shall it permit any of its Subsidiaries to, enter into any transaction (including any purchase, sale, lease or exchange of property or the rendering of any service) involving, pursuant to such transaction, payments in excess of \$500,000 in any fiscal year, with any Affiliate of the Lead Borrower, except upon terms that are no less favorable to it than it would obtain in a comparable arm's length transaction with a Person other than an Affiliate of the Borrower; *provided* that nothing contained in this Section 6.08 shall prohibit:

(a) (i) transactions in existence on the Closing Date and disclosed in writing to the Lenders prior to the Closing Date and (ii) transactions approved by the Bankruptcy Court for which Lenders have provided prior written consent;

(b) the payment of reasonable and customary fees to members of its board of directors (or similar governing body);

(c) Restricted Junior Payments otherwise permitted by Section 6.07 and any Investment otherwise permitted by Section 6.04;

(d) transactions between or among the Borrowers or one or more of the Lead Borrower's Subsidiaries, in each case, to the extent such transactions are otherwise permitted by this Agreement and entered into in the ordinary course of business and/or consistent with past practice;

(e) compensation and indemnification of and other employment agreements and arrangements, employee benefit plans and stock incentive plans with, directors, officers and employees of any Loan Party or any Subsidiary that is not a Loan Party entered in the ordinary course of business, and in each case in accordance with the Approved Budget (subject to any permitted variance described in Section 6.14);

(f) transactions with customers, clients, suppliers, joint ventures, purchasers or sellers of goods or services or providers of employees or other labor entered into in the ordinary course of business and/or consistent with past practice, which are fair to the applicable Loan Party in the good faith determination of the Lead Borrower or its senior

management, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

- (g) [reserved]; or
- (h) the Transactions, including payment of the related costs associated therewith.

Section 6.09. *Lines of Business.* The Loan Parties will not, and will not permit or cause any Subsidiary to, engage in any business other than the businesses engaged in on the Closing Date and businesses and activities that are similar, complementary, ancillary, adjacent, related reasonably related or incidental thereto.

Section 6.10. *Certain Amendments.* The Loan Parties will not, and will not permit or cause any other Subsidiary to, without the consent of the Lenders (such consent not to be unreasonably withheld or delayed), (a) in the case of the Loan Parties, amend, modify or change any provision of their respective organizational documents in a manner that is materially adverse to the Lenders (taken as a whole) or (b) in the case of the Loan Parties and their respective Subsidiaries, amend, modify or change, or permit the amendment, modification or changing of any documents in respect of the Prepetition Indebtedness other than any amendment, modification or change permitted under any Approved Bankruptcy Court Order.

Section 6.11. *Limitation on Restrictions on Subsidiary Distributions; Negative Pledges.* Except as provided herein or in any other Loan Document, the Loan Parties shall not, and shall not permit, any of their Subsidiaries to, directly or indirectly, create or suffer to exist or become effective any agreement restricting the ability of (i) any Subsidiary of the Lead Borrower to make any dividend payments or other distributions to any Loan Party, (ii) any Subsidiary of the Lead Borrower to make cash loans or advances to any Loan Party or (iii) any Subsidiary of the Lead Borrower to create, permit or grant a Lien on any of its properties or assets to secure the Obligations, in each case, subject to Section 6.13, other than restrictions:

- (a) existing under or by reason of the Orders or the Loan Documents;
- (b) set forth in any agreement evidencing (i) Indebtedness of any Subsidiary that is not a Loan Party permitted by Section 6.02 and (ii) Indebtedness permitted by Section 6.02 that is secured by a Lien permitted under this Agreement if the relevant restriction applies only to the Person obligated under such Indebtedness and its Subsidiaries or the property or assets intended to secure such Indebtedness;
- (c) that are or were created by virtue of any Lien granted upon, transfer of, agreement to transfer or grant of, any option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement;
- (d) arising under or as a result of applicable law or the terms of any license, authorization, concession or permit;

(e) arising under customary non-assignment provisions with respect to assignments, leases, subletting or other transfers (including the granting of any Lien) contained in leases, subleases, licenses, sublicenses, joint venture agreements and other agreements, in each case entered into in the ordinary course of business and consistent with past practice;

(f) set forth in agreements or instruments which prohibit the payment of dividends or the making of other distributions with respect to any class of Capital Stock of a Person other than on a pro rata basis;

(g) set forth in documents which exist on the Closing Date and were not created in contemplation thereof;

(h) on cash, other deposits or net worth or similar restrictions imposed by Persons under contracts entered into in the ordinary course of business or for whose benefit such cash, other deposits or net worth or similar restrictions exist;

(i) contained in any employment, compensation or separation agreement or arrangement entered into by any Loan Party or any of their Subsidiaries in the ordinary course of business;

(j) arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred hereunder if the relevant restrictions, taken as a whole, are not materially less favorable to the Lenders than the restrictions contained in this Agreement, taken as a whole (as determined in good faith by the Borrower);

(k) relating to any asset (or all of the assets) of and/or the Capital Stock of any Loan Party or any of their Subsidiaries which are imposed pursuant to an agreement entered into in connection with any Disposition of such asset (or assets) and/or all or a portion of the Capital Stock of the relevant Person that is permitted by this Agreement;

(l) set forth in any agreement relating to any Lien permitted under this Agreement that limit the right of any Loan Party or any Subsidiary thereof to Dispose of or encumber the assets subject thereto; and

(m) imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (l) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancing are, in the good faith judgment of the Borrower, not materially more restrictive with respect to such encumbrances and other restrictions, taken as a whole, than those in effect prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 6.12. *Additional Subsidiaries.* The Loan Parties shall not, nor shall they permit any of their Subsidiaries to, create or acquire any Subsidiary except with the prior written consent of the Lenders (which may be provided via email to the Borrower).

Section 6.13. *Limitations on Upstreaming; Cash Pooling.*

(a) Notwithstanding anything herein to the contrary, no Loan Party shall permit any of its Subsidiaries that are not Loan Parties to contribute or transfer (including by way of any Restricted Payments, Investments or Dispositions) any assets or other property, including cash and cash equivalents, to (x) any Loan Party or (y) any of its direct or indirect Subsidiaries except (A) transfers of cash and cash equivalents in the ordinary course of business and (B) other transfers of assets which do not exceed, in the aggregate for all such transfers pursuant to this clause (y)(B), \$100,000; *provided that*, for the avoidance doubt, this clause (a) shall not prohibit any Subsidiary that is not a Loan Party from making payments to Loan Parties in the ordinary course of business pursuant to Shared Services Agreements.

(b) Notwithstanding anything herein to the contrary, no Loan Party shall permit any of its Subsidiaries that are not Loan Parties to, contribute to, deposit in, or transfer cash, cash equivalents or other assets to any cash pooling, or other cash management accounts of, or shared with, the Debtors other than cash pooling arrangements that (x) exist on the date hereof and were previously disclosed in writing to the Lenders and (y) the Debtors do not make contributions or transfers to, deposits in, or withdrawals from or otherwise actively participate in.

Section 6.14. *Financial Covenant.* The Borrowers covenant and agree that:

(a) *Liquidity Covenant.* Commencing with the Friday of the first full week after the Petition Date and tested on each Friday thereafter, the Borrowers shall not permit Liquidity to be less than \$2,000,000 as of such testing date; and

(b) *Budget Variance Covenant.* On each Budget Variance Test Date, the Borrowers shall not permit actual total disbursements (excluding professional fees) and actual capital expenditures for such Budget Variance Test Period to be greater than 115% of the forecasted total disbursements (excluding professional fees) and forecasted total capital expenditures for such Budget Variance Test Period in the applicable Approved Budget.

(c) *Budget Professionals Variance Covenant.* On each Budget Professional Variance Test Date, the Borrowers shall not permit cumulative actual accrued fees and expenses of Estate Professional for such Budget Professional Variance Test Period to be greater than 115% of the forecasted total disbursements for Estate Professionals for such Budget Professional Variance Test Period in the applicable Approved Budget.

It is expressly understood and agreed that (i) to the extent that any Budget Variance Test Period or Budget Professional Variance Test Period encompasses a period that is covered in more than one Approved Budget, the applicable weeks from each applicable Approved Budget shall be utilized in making the calculations pursuant to Section 6.14 and 6.14(c), and (ii) for purposes of calculating compliance with Section 6.14(b) and Section 6.14(c) on any Budget Variance Test Date or Budget Professional Variance Test Date, to the extent that the applicable Budget Variance Test Period or Budget Professional Variance

Test Period, as applicable, encompasses a period that is covered in an Updated Budget that has yet to be accepted (or deemed accepted) by the Lenders, such Budget Variance Test Period or Budget Professional Variance Test Period, as applicable, will commence on the first date of the period covered by the Approved Budget and end on the Thursday or Wednesday, as applicable, of the week immediately preceding the applicable Budget Variance Test Date or Budget Professional Variance Test Date, as applicable (i.e., the Budget Variance Test Period or Budget Professional Variance Test Period will be extended beyond three weeks); *provided* that in no event shall the Budget Variance Test Period or Budget Professional Variance Test Period be extended beyond a six-week period.

Section 6.15. *Additional Guarantors.* Subject to the Orders, the Borrowers shall (unless waived by the Lenders) cause each of its direct or indirect Subsidiaries that becomes a Debtor in the Chapter 11 Cases after the Closing Date to, upon such date (or such longer period as the Lenders may agree in its reasonable discretion), execute a supplement (in form and substance reasonably satisfactory to the Lenders) to this Agreement, the US Security and Pledge Agreement and the US IP Security Agreement in order to become a Guarantor hereunder and a grantor/pledgor under the US Security and Pledge Agreement and the US IP Security Agreement.

Section 6.16. *Additional Bankruptcy Matters.* Subject to the Orders, the Loan Parties shall not, nor shall they permit any of its Subsidiaries to, without the Lenders' prior written consent, object to, contest, delay, prevent or interfere with in any material manner the exercise of rights and remedies by the Lenders with respect to the Collateral following the occurrence of an Event of Default.

ARTICLE 7

EVENTS OF DEFAULT

Section 7.01. *Events of Default.* If any of the following events ("**Events of Default**") shall occur:

(a) the Borrower or any other Loan Party shall default in the payment when due of (i) any principal of the Loan or (ii) any interest on the Loan or any other amounts owing hereunder or under any Loan Document and, solely in the case of clause (ii), such default shall continue unremedied for five (5) or more Business Days;

(b) any representation, warranty or certification made or deemed made by or on behalf of any Loan Party in this Agreement or in any other Loan Document or in any report, certificate, financial statement or other document furnished to the Lenders pursuant to the provisions hereof or any other Loan Document, shall prove to have been incorrect in any material respect when made or deemed made;

(c) any Loan Party shall fail to observe or perform any covenant or agreement contained in Sections 5.01, 5.05, 5.08, 5.09, 5.10 (other than clauses (a) or (c) of Section 5.10), 5.12, 5.13, 5.14, 5.15 or Article 6 or in the Security Documents;

(d) any Loan Party shall fail to observe or perform any covenant or agreement contained in any Loan Document (other than those specified in clause (a) through (c) above), and such failure shall continue unremedied for a period of fifteen (15) days (or, in the case of a failure to observe or perform Section 5.09, 5.10(a) or 5.10(c), five (5) days) after the earlier of (x) receipt of written notice from the Lenders or (y) such Loan Party becomes aware of such failure;

(e) (i) any Loan Party or any Subsidiary of a Loan Party shall fail to pay any principal or interest under any Material Indebtedness that is not otherwise subject to the automatic stay under section 362 of the Bankruptcy Code, when due and payable, after giving effect to any applicable grace period in the agreement or instrument evidencing such Material Indebtedness or under which such Material Indebtedness has been incurred, or (ii) any event or condition occurs that results in any Material Indebtedness becoming due and payable or to be required to be prepaid, redeemed, purchased or defeased, in each case prior to its stated maturity by reason of any default, event of default or the like (however described);

(f) any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary or any Debtor) shall: (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner, administrator, liquidator, or similar Person of itself or of all or any substantial part of its property; (ii) make a general assignment for the benefit of its creditors; (iii) file a petition seeking bankruptcy, insolvency, reorganization in an insolvency or comparable context, dissolution, arrangement or winding up or composition or readjustment of debts; or (iv) take any corporate action for the purpose of effecting any of the foregoing; *provided* that the foregoing clauses (f)(i) through (iii) shall not apply to the extent that (A) with respect to the case of any Domestic Subsidiary of the Lead Borrower, within five (5) Business Days after the commencement thereof, such case becomes jointly administered with the Chapter 11 Cases and (B) each of the Interim Order and/or Final Order (as applicable) are made applicable to such Domestic Subsidiary as a Post-Petition Guarantor hereunder on terms and conditions reasonably satisfactory of the Lenders;

(g) an involuntary proceeding or case shall be commenced against any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary or any Debtor), without its application or consent, seeking: (i) its reorganization, liquidation, dissolution, arrangement or winding up, or the composition or readjustment of its debts; (ii) the appointment of a receiver, custodian, trustee, examiner, administrator, liquidator or similar Person of it or of all or any substantial part of its property; or (iii) similar relief in respect of it under any applicable law relating to bankruptcy, insolvency, reorganization, dissolution or winding up or composition or readjustment of debts, and either (x) such proceeding shall not be contested by such Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary or any Debtor), or (y) such proceeding shall continue undismissed for any period of sixty (60) consecutive days unless a judicial deposit is made for the claimed amounts; *provided* that this clause (g) shall not apply to the extent that (A) with respect to the case of any Domestic Subsidiary of the Lead Borrower, within five (5) Business Days after the commencement thereof, such case becomes jointly administered with the Chapter 11 Cases and (B) each of the Interim Order and/or Final Order (as

applicable) are made applicable to such Domestic Subsidiary as a Post-Petition Guarantor hereunder on terms and conditions reasonably satisfactory of the Lenders;

(h) one or more final non-appealable judgments by courts of competent jurisdiction or decrees shall be entered against any Loan Party or any of its Subsidiaries (which in the case of the Debtors, only arose following the Petition Date) involving in the aggregate a liability in excess of \$2,000,000 (two million Dollars) or its equivalent in other currencies, but in any event determined net of any amount paid or covered by a valid and binding policy of insurance issued by an insurer believed by such Loan Party or any of its Subsidiaries to be reputable, if and to the extent that such insurer shall have been notified of, and not denied coverage for, the claim made for payment of such judgment or decree) and such judgments remain undischarged, unpaid or unstayed for a period of sixty (60) consecutive days after such judgment or judgments become final and non-appealable and amounts thereunder are due and payable; and

(i) (i) the Orders or any material portions of the Security Interest, at any time, shall cease to be or shall not provide a valid and perfected Lien having the priorities set forth in the Orders or otherwise ceases to be in full force and effect for any reason (other than in accordance with the terms of this Agreement and/or any Security Document or as a result of the discharge of the applicable Loan Party in accordance with the terms thereof and other than as a result of any act or omission by the Lenders) or (ii) the assertion by any Loan Party or any of its Subsidiaries, in any pleading in any court of competent jurisdiction, that any such Security Interest is invalid or unenforceable;

(j) a Change in Control shall have occurred;

(k) any Loan Party shall fail to achieve any Milestone set forth on Schedule 5.15 hereto; and

(l) the occurrence of any one or more of the following events:

(i) the Bankruptcy Court shall enter an order dismissing any of the Chapter 11 Cases, converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or providing for a change of venue with respect to such Chapter 11 Cases, which order, in each case, has not been reversed, stayed, or vacated within five (5) Business Days of the entry of such order, any Loan Party (or any Subsidiary) shall file a motion or other pleading seeking entry of such an order, in each case, without the prior written consent of the Lenders (which may be provided via email to the Lead Borrower and the Lenders);

(ii) a trustee, a responsible officer or an examiner having expanded powers (beyond those set forth under sections 1106(a)(3) and (4) of the Bankruptcy Code under Bankruptcy Code section 1104 (other than a fee examiner), or any similar person is appointed or elected in any of the Chapter 11 Cases, any Loan Party (or any Subsidiary thereof) applies for, consents to, or fails to contest in, any such appointment, or the Bankruptcy Court shall have entered an order providing for such appointment, which order, in each case, has not been reversed,

stayed, or vacated within five (5) Business Days of the entry of such order, in each case, without the prior written consent of the Lenders (which may be provided via email to the Lead Borrower and the Lenders);

(iii) (A) the Bankruptcy Court shall enter an order, or any Loan Party (or any Subsidiary thereof) shall file an application, motion or other pleading seeking entry of an order, staying, reversing, amending, supplementing, vacating or otherwise modifying the Interim Order or the Final Order, or the Borrower or any of its Subsidiaries shall apply for authority to do so without the prior written consent of the Lenders (in each case, which may be provided via email to the Borrower and the Lenders), as applicable, or (B) the Interim Order or the Final Order, as applicable, shall cease to be in full force and effect;

(iv) the Bankruptcy Court shall enter an order in any of the Chapter 11 Cases confirming a Chapter 11 Plan that does not provide for Payment in Full;

(v) (A) the Bankruptcy Court shall enter an order in any of the Chapter 11 Cases denying or terminating use of Cash Collateral by the Loan Parties that are Debtors; (B) the termination of the right of any Loan Party that is a Debtor to use any Cash Collateral under the Orders; or (C) any other event that terminates the Borrowers' right to use Cash Collateral and, in each case under this clause (v), the Debtors have not otherwise obtained authorization to use Cash Collateral pursuant to an order with the prior written consent of the Lenders (in each case which may be provided via email to the Lead Borrower and the Lenders);

(vi) any of the Loan Parties or any of their Subsidiaries shall commence, join in, assist, support or otherwise participate as an adverse party in any suit or other proceeding against the Lenders (in each case, in their capacities as such) with respect to the Debtors' stipulations, admissions, agreements and releases contained in the Orders, the invalidation, subordination or other challenging of the Superpriority Claims and Liens granted to secure the Obligations or any other rights granted to the Lenders in the Orders or this Agreement or with respect to any relief under section 506(c) of the Bankruptcy Code with respect to any Collateral, in each case, without the prior written consent of the Lenders (which may be provided via email to the Lead Borrower and the Lenders); *provided* that the Debtors shall not be precluded from contesting whether an Event of Default has occurred and is continuing;

(vii) the Bankruptcy Court shall enter an order in any of the Chapter 11 Cases (other than any Approved Bankruptcy Court Order) granting authority to use Cash Collateral or to obtain financing under section 364 of the Bankruptcy Code (other than with respect to, or as permitted under, this Agreement);

(viii) the Bankruptcy Court shall enter an order in any of the Chapter 11 Cases (other than any Approved Bankruptcy Court Order) granting adequate protection to any other Person (which, for the avoidance of doubt, shall not apply

to any payments made pursuant to any Order acceptable to the Lenders (which may be provided via email to the Lead Borrower and the Lenders);

(ix) the filing or support of any pleading by any Loan Party (or any of its Subsidiaries) seeking, or otherwise consenting to, any of the matters set forth in clauses (i) through (viii) above;

(x) other than as permitted by the Orders or any other Approved Bankruptcy Court Order, the Bankruptcy Court shall enter an order granting any superpriority administrative expense claim in the Chapter 11 Cases pursuant to section 364(c)(1) of the Bankruptcy Code pari passu with or senior to the claims of the Lenders, or the filing by any Loan Party of a motion or application seeking entry of such an order, in each case;

(xi) noncompliance by any Loan Party or any of its Subsidiaries with the terms of the Interim Order or the Final Order in any material respects;

(xii) the filing by any Loan Party or any of its Subsidiaries of a Chapter 11 Plan that does not provide for Payment in Full;

(xiii) any Loan Party shall file a motion, without the Lenders' written consent, seeking authority to sell all or substantially all of its assets or consummate a sale of assets of the Loan Parties that are Debtors or the Collateral having a value in excess of \$250,000 and not otherwise permitted hereunder in a transaction other than the 363 Sale, in each case that is not approved by the Lenders; or

(xiv) a default occurs under any lease or leases by a Loan Party as lessee of any real or personal property regarding a failure to make a Post-Petition payment under which the aggregate rentals payable under such lease or all such leases in the aggregate exceed \$250,000, excluding (i) any defaults due to a Borrower's chapter 11 filing or (ii) any Bankruptcy Court approved rejection of such lease or leases under section 365 or 1110 of the Bankruptcy Code;

then, and in every such event (other than an event with respect to any Loan Party described in clause (f) or (g) above), and at any time thereafter during the continuance of such event, the Lenders, by written notice to the Lead Borrower, may take either or both of the following actions, at the same or different times: (i) declare the portion of the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are waived by the Borrowers; and in the case of any event with respect to the Loan Parties described in clause (f) or (g) above, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which

are waived by the Borrowers, (ii) declare the Delayed Draw Term Loan Commitments to be terminated, whereupon the same shall terminate (*provided* that, upon the occurrence of an Event of Default pursuant to clause (f) or (g) above, the Delayed Draw Term Loan Commitments shall automatically be terminated) and (iii) instruct the Lenders to enforce the Security Interests and to exercise any other rights and remedies available under any Loan Document or other document or instrument entered into in connection therewith and exercise all rights and remedies available to the Lenders under the Loan Documents and applicable law.

Section 7.02. *Application of Funds.* Upon the occurrence and during the continuance of an Event of Default, all proceeds received by the Lenders pursuant to the exercise of any rights or remedies pursuant to or by operation of any of the terms of this Agreement and the other Loan Documents shall be subject to the provisions of the Interim Order (and when entered, the Final Order), including with respect to the Remedies Notice Period (as defined in the Orders) and shall be applied in accordance with the order of priority set forth in the Orders, as applicable.

ARTICLE 8

GUARANTEE

Section 8.01. *Guarantee.*

(a) Each Guarantor hereby unconditionally, absolutely and irrevocably guarantees, on a joint and several basis, until termination of this guarantee pursuant to Section 8.07, the full and punctual payment of each and all of the obligations of the Borrowers under this Agreement and under the other Loan Documents when due (whether at stated maturity, upon acceleration or otherwise) (collectively, the “**Guaranteed Obligations**”). If any Borrower fails to pay any Guaranteed Obligation when due (after giving effect to any applicable grace period), each Guarantor agrees that, within two (2) Business Days of such failure to pay, it will pay or cause to be paid such overdue Guaranteed Obligation at the place and in the manner specified in this Agreement or any other Loan Document, as applicable. Each Guarantor further agrees that this guarantee constitutes a guarantee of payment and not of collection. Without limiting the generality of the foregoing, the Guaranteed Obligations shall include any such indebtedness, obligations, and liabilities which may be or hereafter become unenforceable or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any Guarantor or any Borrower under any Debtor Relief Laws and shall include interest that accrues after the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws.

(b) The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations and the obligations of any other guarantor, and a separate action may be brought against any Guarantor to enforce this guarantee whether or not any Borrower or any other person or entity is joined as a party.

(c) Notwithstanding anything contained herein to the contrary, the obligations of any Guarantor hereunder at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Agreement not constituting an unlawful obligation, fraudulent transfer or conveyance for purposes of any Debtor Relief Law (or otherwise) to the extent applicable to this Agreement and the obligations of such Guarantor hereunder.

Section 8.02. *Guarantee Unconditional.* The obligations of each Guarantor under this guarantee shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, increase, renewal, settlement, compromise, waiver, acceleration or release in respect of any Guaranteed Obligation, or any obligation of any other guarantor or any other Person under any Loan Document by operation of law or otherwise;

(b) any change in the corporate existence, structure or ownership of any Borrower, any other guarantor or any other Person or any of their respective Subsidiaries, or any insolvency, bankruptcy, reorganization or other similar proceeding (including the Orders) affecting any Borrower, any other guarantor or any other Person or any of their assets or any resulting release or discharge of any obligation of any Borrower, any other guarantor or any other Person under any Loan Document;

(c) the existence of any claim, set-off or other right that any Guarantor may have at any time against any Borrower, any other guarantor, the Lenders or any other Person, whether in connection with the Loan Documents or any unrelated transactions, *provided* that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(d) any invalidity or unenforceability relating to or against any Borrower, any other guarantor or any other Person for any reason of any Loan Document, or any provision of applicable law or regulation purporting to prohibit the payment of any Guaranteed Obligation by any Borrower, any other guarantor or any other Person; or

(e) any other act or omission to act or delay of any kind by any Borrower, any other guarantor, any other party to any Loan Document, the Lenders or any other Person, or any other circumstance whatsoever that might, but for the provisions of this clause (e), constitute a legal or equitable discharge of or defense to any obligation of any Guarantor.

Each Loan Party further agrees that to the extent that a Borrower or a Guarantor shall make a payment or a transfer of an interest in any property to any Lender, which payment or transfer or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, or otherwise is avoided, and/or required to be repaid to such Borrower or such Guarantor, the estate of such Borrower or such Guarantor, a trustee, receiver or any other party under any Debtor Relief Law, state or federal law, common law or equitable cause, then to the extent of such avoidance or repayment, the obligation or part

thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made.

Section 8.03. *Waiver by Guarantor.* Subject to the Orders, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any of the Lenders against any Borrower.

Section 8.04. *Subrogation.* Payment by any Guarantor with respect to a Guaranteed Obligation hereunder shall be subrogated to the rights of the payee against the Borrower with respect to such payment; *provided*, however, that no Guarantor shall enforce its rights against any Borrower to any repayment by way of subrogation or by exercising its rights of contribution, indemnification, exoneration, participation or reimbursement or the right to participate in any security now or hereafter held by or for the benefit of the Lenders until the Guaranteed Obligations have been paid in full.

Section 8.05. *Stay of Acceleration.* If acceleration of the time for payment of any Guaranteed Obligation by any Borrower is stayed, all Guaranteed Obligations otherwise subject to acceleration under the terms of any Loan Documents shall nonetheless be payable by each Guarantor forthwith on demand by the Lenders.

Section 8.06. *Continuing Guarantee.* This guarantee is a continuing guarantee, it shall be binding on each Guarantor and its successors and assigns, and shall be enforceable by the Lenders until termination of this guarantee pursuant to Section 8.07.

Section 8.07. *Termination.* The provisions of this Article 8 shall remain in effect until the indefeasible payment in full in cash of all Guaranteed Obligations. This guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lenders upon the insolvency, bankruptcy or reorganization of the Borrower (including the Orders) or otherwise, all as though such payment had not been made.

ARTICLE 9

MISCELLANEOUS

Section 9.01. *Notices.* (a) All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email, as follows:

- (i) if to the Borrowers or any Guarantor, to the Lead Borrower at:

Lancaster House, Nunn Mills Rd, Northampton NN1 5PA, United Kingdom
Attention: General Counsel
Email: lisa.siders @avon.com

with a copy to:

Hay's Galleria, 1 Battle Bridge Ln, London SE1 2HD, United Kingdom
Attention: Assistant General Counsel
Email: anna.tolley@avon.com

with copy to:

Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153
Attention: Andrew Yoon
Email: andrew.yoon@weil.com

(ii) if to any of the Lenders, to:

Natura &Co Holding S.A.
Avenida Alexandre Colares, No. 1188 Room A17-Block A, Vila Jaguara,
05106-000, Brazil
Attention: Itamar Gaino Filho, Chief Legal and Compliance Officer
Telephone: +55 (11) 4389-7881
Email: itamargaino@natura.net

with copy to:

Davis Polk & Wardwell LLP, 450 Lexington Ave, New York, NY 10017
Attention: David Kennedy
Email: david.kennedy@davispolk.com

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Lenders and the Borrower.

Section 9.02. *Waivers; Amendments.* (a) No failure or delay by the Lenders in exercising any right, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, remedies, powers and privileges of the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that they would otherwise have.

(b) No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by subsection (c), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(c) No Loan Document or provision thereof may be waived, amended or modified except, in the case of this Agreement, by an agreement or agreements in writing entered into by the Lead Borrower and the Lenders.

Section 9.03. *Successors and Assigns.*

(a) The provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lenders (and any attempted assignment or transfer by such Loan Party without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (except the parties hereto, their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement. No such assignment shall be made to any natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person). The Lead Borrower shall maintain, at one of its offices in New York, NY, United States of America, a copy of each assignment or transfer delivered to it and a register for the recordation of the names and addresses of the applicable assignees or transferee and the principal amounts (and stated interest) owing to, the Lenders pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive absent manifest error, and each of the Loan Party and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as the Loan Party or the Lenders, as applicable, hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties and the Lenders at any reasonable time and from time to time upon reasonable prior notice.

(b) The Lenders may at any time, without the consent of any Borrower or any other Loan Party, assign to one or more Persons all or a portion of their rights and obligations under this Agreement (including all or a portion of the Term Loans).

Section 9.04. *Survival.* All covenants, agreements, representations and warranties made by any Loan Party herein, in any other Loan Document and in certificates or other instruments delivered in connection with or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and of the other Loan Documents and the making of the Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lenders may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any principal of or accrued interest on the Loans or any other Obligation is outstanding and unpaid. The provisions of Section 2.07 and Section 8.07 shall survive and remain in full force and effect regardless of any assignment of rights by, or the replacement of any Lender, the consummation of the Transactions, the repayment of any Loan or the termination of this Agreement or any provision hereof

Section 9.05. *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by email or any other electronic means that reproduces an image of the actual executed signature

page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include Electronic Signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.06. *Severability.* If any provision of this Agreement or any other Loan Document is held to be invalid, illegal or unenforceable, (a) the validity, legality and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.07. *Governing Law; Jurisdiction; Consent to Service of Process.* (a) This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of New York and, to the extent applicable, the Bankruptcy Code.

(b) Each party hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have or abstains from jurisdiction, the courts of the State of New York sitting in the Borough of Manhattan, the courts of the United States of America for the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any Loan Document (except as is otherwise provided in such other Loan Document), or for recognition or enforcement of any judgment with respect thereto, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Bankruptcy Court, New York State court or, to the extent permitted by law, in such Federal court, as the case may be. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in subsection (b) of

this Section 9.07. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law. In addition, each Loan Party hereby irrevocably designates, appoints and empowers, the Lead Borrower, at One Avon Place, Suffern, New York, New York 10901, United States, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents which may be served in any such action or proceeding. If for any reason such designee, appointee and agent shall cease to be available to act as such, each Loan Party agrees to designate a new designee, appointee and agent in New York City on the same terms and for the purposes of this provision reasonably satisfactory to the Lenders. Each Loan Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Loan Party at its address set forth in Section 9.01, such service to become effective thirty (30) days after such mailing. Nothing herein shall affect the right of each Lender to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Loan Party in any other jurisdiction.

Section 9.08. *Waiver of Immunity*. To the extent that any Loan Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid or execution, or otherwise) with respect to itself or its property, such Loan Party hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents to the extent permitted by applicable law and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section shall have effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and are intended to be irrevocable for purposes of such Act.

Section 9.09. *Judgment Currency*. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Dollars into another currency (the “**Judgment Currency**”), the parties hereto agree, to the fullest extent that they may legally and effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lenders could purchase Dollars with such Judgment Currency in New York, New York, on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligation of any Loan Party in respect of any sum due to any Lender hereunder in Dollars shall, to the extent permitted by applicable law, notwithstanding any judgment in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt of any sum adjudged to be so due in the Judgment Currency such Lender may in accordance with normal banking procedures purchase the Dollars in the amount originally due to such Lender with the Judgment Currency. If the amount of

Dollars so purchased is less than the sum originally due to such Lender, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender against the resulting loss; and if the amount of Dollars so purchased is greater than the sum originally due to such Lender, such Lender agrees to repay such excess to such Loan Party.

Section 9.10. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. *Use of English Language.* Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes hereof.

Section 9.12. *Headings.* Article and Section headings and the Table of Contents herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.13. *Indemnification and Expenses.*

(a) Each Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of each Lender and any of their respective Affiliates and any agent, sub-agent, attorney-in-fact or other representative or advisor (the “**Representatives**”) appointed by the Lenders in connection with, arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Lender or Representative is a party thereto and regardless of whether such matter is initiated by a third party or by any Borrower or any of its Affiliates) that relates to the DIP Facility, the transactions contemplated thereby or in connection therewith, or in connection with the enforcement, attempted enforcement or preservation of any rights or remedies under this Agreement or any of the other Loan Documents, whether in any action, suit or proceeding (including any bankruptcy or insolvency proceeding) or otherwise, including the reasonable and documented out-of-pocket costs and expenses of PJT Partners LP and FTI Consulting and limited, in the case of legal fees and expenses, to the reasonable and documented fees and

out-of-pocket expenses of Davis Polk & Wardwell LLP (and, if necessary, of one local counsel to the applicable parties or groups in any relevant jurisdiction and, solely in the case of an actual or perceived conflict of interest and to the extent notice thereof is provided to the Lead Borrower, one additional firm of outside legal counsel to the applicable parties or groups) but excluding any fee, cost, expense, loss, claim or liability incurred or arising in connection with any challenge, defense, prosecution, negotiation, settlement, or resolution of any claims subject to a Challenge, that are the subject of the 9019 Motion, or in connection with a 363 Sale. Subject to the Orders, all amounts due under this Section 9.13(a) shall be payable by the Borrower within ten (10) days of receipt of an invoice relating thereto, setting forth such expenses in reasonable detail and together with reasonable backup documentation supporting such reimbursement requests. For the avoidance of doubt, no fees or expenses for work done in the ordinary course negotiation or seeking and obtaining approval of the Prepetition Indebtedness and/or the DIP Facility, as applicable, shall be payable by any Borrowers to the Lender.

(b) Each Borrower agrees to indemnify and hold each Lender and each of their Representatives (each, an “**Indemnified Person**”) harmless from and against any and all actual out-of-pocket losses, liabilities, costs and expenses (but limited, in the case of legal fees and expenses, to the reasonable and documented fees and out-of-pocket expenses of Davis Polk & Wardwell LLP, as counsel to the Lenders, taken as a whole (and, if necessary, of one local counsel to the Lenders, taken as a whole, in any other relevant jurisdiction and, solely in the case of an actual or perceived conflict of interest and to the extent notice thereof is provided to the Lead Borrower, one additional firm of outside legal counsel to the Lenders, taken as a whole)) (in each case, excluding allocated costs of in-house counsel) (collectively, “**Indemnified Costs**”), that may at any time be imposed on, incurred by or asserted against any such Indemnified Person as a result of, arising from or in any way relating to the enforcement of this Agreement or any of the other Loan Documents, or any action, suit or proceeding (including any inquiry or investigation) by any Person, whether threatened or initiated, related to any of the foregoing, and in any case whether or not any Borrower or such Indemnified Person or their respective affiliates is a party to any such action, proceeding or suit or a subject of any such inquiry or investigation; *provided* that no Indemnified Person shall have the right to be indemnified hereunder for any Indemnified Costs to the extent such Indemnified Costs (w) are incurred or arise in connection with any challenge, defense, prosecution, negotiation, settlement, or resolution of any claims subject to a Challenge, that are the subject of the 9019 Motion, or in connection with a 363 Sale; (x) are determined by a final and nonappealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct, bad faith or material breach of the Loan Documents by such Indemnified Person or any of its Representatives, or (y) arise in connection with a dispute, claim, litigation, investigation or proceeding brought by such Indemnified Person (or its Representatives) against another Indemnified Person (or its Representatives). For the avoidance of doubt, no fees or expenses for work done in the ordinary course negotiation or seeking and obtaining approval of the Prepetition Indebtedness and/or the DIP Facility, as applicable, shall be payable by any Borrowers to the Lender.

(c) To the extent permitted by applicable law, no party hereto shall assert, and each party hereto hereby waives, any claim against any other party hereto and their

respective Representatives on any theory of liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each party hereto hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor; provided that nothing contained in this clause (c) shall limit any Loan Party's indemnification obligations set forth in clause (b) of this Section 9.13 to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such Indemnified Person is entitled to indemnification hereunder.

Section 9.14. *Orders Control.* To the extent that any specific provision hereof or in any other Loan Document is inconsistent with any of the Orders, the Interim Order or Final Order (as applicable) shall control.

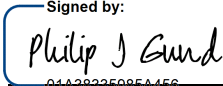
[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

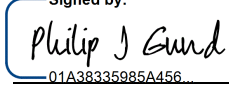
AVON PRODUCTS, INC., as Lead Borrower

By:  Signed by:
Name: Phil Gund
Title: Treasurer

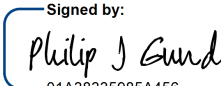
MI HOLDINGS, INC., as a Borrower

By:  Signed by:
01A38335985A456...
Name: Phil Gund
Title: Treasurer

AIO US, INC., as a Borrower

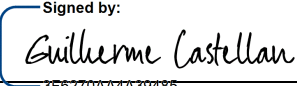
By:  Signed by:
01A38335985A456...
Name: Phil Gund
Title: Treasurer

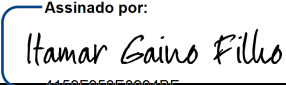
AVON CAPITAL CORPORATION, as a
Borrower

By:  Signed by:
01A30335905A456...
Name: Phil Gund
Title: Treasurer

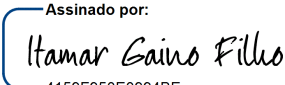
LENDERS:

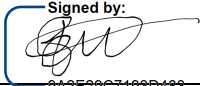
NATURA &CO HOLDING S.A., as a
Lender

By:  Signed by:
Name: Guilherme Castellan
Title: officer

By:  Assinado por:
Name: Itamar Gaino
Title: officer

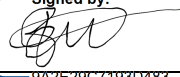
NATURA COSMÉTICOS S.A., as a
Lender

By:  Assinado por:
Name: Itamar Gaino
Title: Attorney in fact

By:  Signed by:
Name: Patricia Espinelli
Title: Attorney in fact

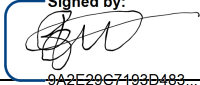
**NATURA &CO LUXEMBOURG
HOLDINGS S.À R.L., as a Lender**

By:

Signed by:


Name: Patricia Espinelli
Title: officer

**NATURA &CO UK HOLDINGS
LIMITED**, as a Lender

By:  Signed by:
Name: Patricia Espinelli
Title: Officer

Schedule 5.15
Milestones

Each Debtor shall use commercially reasonable efforts to achieve the following Milestones, in accordance with the applicable timing referred to below or such later dates as approved by the Lenders in writing in their sole discretion:

1. no later than August 12, 2024, the Chapter 11 Cases shall have commenced;
2. no later than one (1) calendar day after the Petition Date, the Debtors shall have filed a motion, reasonably acceptable to the Lenders, seeking approval of bid procedures in respect of a sale of the Debtors' assets (the "**Bidding Procedures Motion**");
3. no later than one (1) calendar day after the Petition Date, the Debtors shall have filed a motion seeking approval of an agreement settling estate claims against the Lenders and certain of its subsidiaries (the "**9019 Motion**");
4. no later than the date that is three (3) business days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order;
5. no later than the date that is thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered (i) the Final Order and (ii) an order approving the Bidding Procedures Motion;
6. no later than the date that is sixty-two (62) calendar days after the Petition Date, the Bankruptcy Court shall have entered the order approving the 9019 Motion (the "**9019 Approval Order Date**"); *provided, however*, in the event the Bankruptcy Court declines to hold a hearing on the 9019 Motion prior to the expiration of the Challenge Period, such Milestone shall be extended to no later than the date that is seventy-five (75) calendar days after the entry of the Interim Order or such earlier date as permitted by the Bankruptcy Court.
7. no later than the date that is sixty-seven (67) calendar days after the Petition Date, the "bid deadline" provided for under the Bidding Procedures Motion shall have occurred;
8. no later than the date that is seventy-seven (77) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the sale of all or substantially all of the Debtors' assets under section 363 of the Bankruptcy Code (a "**363 Sale**"); and
9. no later than the date that is eighty-five (85) calendar days after the Petition Date, the 363 Sale shall have been consummated (the date on which such 363 Sale is consummated, the "**363 Sale Date**").

Exhibit B

Initial DIP Budget

Project Sheep
Cash Flow - 13-Week DIP Budget

\$ in thousands

#	Week 1 8/16/2024	Week 2 8/23/2024	Week 3 8/30/2024	Week 4 9/6/2024	Week 5 9/13/2024	Week 6 9/20/2024	Week 7 9/27/2024	Week 8 10/4/2024	Week 9 10/11/2024	Week 10 10/18/2024	Week 11 10/25/2024	Week 12 11/1/2024	Week 13 11/8/2024	Budget 13-Week
1. Receipts														
2. Sublease Receipts	\$0	\$0	\$0	\$1,409	\$0	\$0	\$0	\$0	\$1,409	\$0	\$0	\$0	\$1,409	\$4,228
3. Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Total - Receipts	-	-	-	1,409	-	-	-	-	1,409	-	-	-	1,409	4,228
5. Disbursements														
6. Payroll & Benefits	(354)	(200)	(487)	(127)	(458)	(109)	(449)	(126)	(390)	(105)	(383)	(104)	(354)	(3,647)
7. Rent	-	-	-	(1,373)	-	-	-	(1,373)	-	-	-	-	(1,373)	(4,120)
8. Other Operating Expenses	-	(3,624)	(1,761)	(415)	-	(1,761)	-	(105)	(2,011)	-	-	(2,456)	(2,011)	(14,145)
9. Subtotal - Disbursements	(\$354)	(\$3,824)	(\$2,249)	(\$1,915)	(\$458)	(\$1,870)	(\$449)	(\$1,604)	(\$2,402)	(\$105)	(\$383)	(\$2,560)	(\$3,739)	(\$21,912)
10. Net Cash Flow bf Debt Service & Rx	(\$354)	(\$3,824)	(\$2,249)	(\$506)	(\$458)	(\$1,870)	(\$449)	(\$1,604)	(\$992)	(\$105)	(\$383)	(\$2,560)	(\$2,329)	(\$17,684)
11. Shared Service Reimbursement														
12. Shared Service Reimbursement	-	-	-	-	344	4,033	1,563	95	561	1,069	477	94	1,460	9,696
13. Subtotal - Shared Service Reimbursement	\$0	\$0	\$0	\$0	\$344	\$4,033	\$1,563	\$95	\$561	\$1,069	\$477	\$94	\$1,460	\$9,696
14. Restructuring Disbursements														
15. Debtor Professional Fees	(1,335)	(1,296)	(1,286)	(1,122)	(1,022)	(1,261)	(1,006)	(1,077)	(902)	(902)	(897)	(1,067)	(809)	(13,979)
16. Lender Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17. UCC Professional Fees	-	(410)	(635)	(410)	(310)	(310)	(310)	(500)	(275)	(275)	(275)	(395)	(170)	(4,275)
18. US Trustee Fees	-	-	-	-	-	-	-	-	-	-	(188)	-	-	(188)
19. Subtotal - Restructuring Disbursements	(\$1,335)	(\$1,706)	(\$1,921)	(\$1,532)	(\$1,332)	(\$1,571)	(\$1,316)	(\$1,577)	(\$1,177)	(\$1,177)	(\$1,359)	(\$1,462)	(\$979)	(\$18,442)
20. Total Net Cash Flow	(\$1,689)	(\$5,529)	(\$4,169)	(\$2,038)	(\$1,445)	\$592	(\$202)	(\$3,086)	(\$1,609)	(\$213)	(\$1,265)	(\$3,928)	(\$1,849)	(\$26,430)
21. Cash Roll-Forward:														
22. Starting Cash Balance	2,618	12,929	7,399	3,230	1,193	5,747	6,339	6,137	3,051	1,442	10,230	8,964	5,037	2,618
23. Net Cash Flow	(1,689)	(5,529)	(4,169)	(\$2,038)	(1,445)	592	(202)	(3,086)	(1,609)	(213)	(1,265)	(3,928)	(1,849)	(26,430)
24. DIP Draw / Repayment	12,000	-	-	-	6,000	-	-	-	-	9,000	-	-	-	27,000
25. Ending Cash Balance	\$12,929	\$7,399	\$3,230	\$1,193	\$5,747	\$6,339	\$6,137	\$3,051	\$1,442	\$10,230	\$8,964	\$5,037	\$3,188	\$3,188
26. DIP Rollforward														
27. Beginning Balance	-	12,120	12,120	12,120	12,230	18,540	18,540	18,540	18,707	18,707	27,707	27,707	27,958	-
28. DIP Draw / Repayment	12,000	-	-	-	6,000	-	-	-	-	9,000	-	-	-	27,000
29. PIK Interest	-	-	-	110	-	-	-	168	-	-	-	251	-	528
30. PIK DIP Fee	120	-	-	-	310	-	-	-	-	-	-	-	-	430
31. Ending Balance	\$12,120	\$12,120	\$12,120	12,230	\$18,540	\$18,540	\$18,540	18,707	\$18,707	\$27,707	\$27,707	\$27,958	\$27,958	\$27,958