

EXTRACTION OIL & GAS, INC.

**GENERAL UNSECURED CLAIM
RIGHTS OFFERING AND CASH OUT ELECTION PROCEDURES**

The New Common Shares (collectively, the “*GUC Equity Rights Offering Shares*”) issued pursuant to the rights offering contemplated by these procedures (the “*GUC Equity Rights Offering*”) are being distributed and issued without registration under the Securities Act of 1933, as amended (the “*Securities Act*”), in reliance on the exemption from registration provided by Section 1145 of the Bankruptcy Code.

None of the GUC Subscription Rights (as defined below) or GUC Equity Rights Offering Shares issuable upon exercise of such rights distributed pursuant to these procedures (the “*GUC Equity Rights Offering and Cash Out Election Procedures*”) have been or, at the time of original issuance, will be registered under the Securities Act, or the securities laws of any state.

In lieu of the opportunity to participate in the GUC Equity Rights Offering, each Eligible GUC Offeree (as defined below) is entitled to instead elect to receive a cash payment pursuant to the GUC Cash Out Election, as defined below and described herein.

IF AN ELIGIBLE GUC OFFEREE MAKES THE GUC CASH OUT ELECTION, SUCH PARTY IS NOT ENTITLED TO PARTICIPATE IN THE GUC EQUITY RIGHTS OFFERING.

The GUC Subscription Rights and the right to receive cash in respect of the GUC Cash Out Election are not detachable from the Allowed General Unsecured Claims and no GUC Subscription Rights may be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the GUC Subscription Rights, the GUC Equity Rights Offering Shares, the Allowed General Unsecured Claims or any related claims) (each of the above, a “*Transfer*”); provided, however, that the right to make the GUC Cash Out Election may be Transferred only if accompanied by documentary evidence evidencing the Transfer of the underlying Allowed General Unsecured Claim, in a form and substance reasonably satisfactory to the Debtor, provided to the Debtor, executed by the transferor and transferee participating in such Transfer on or prior to the GUC Subscription Expiration Deadline.

Participation in the GUC Equity Rights Offering or the GUC Cash Out Election is limited to Eligible GUC Offerees. The GUC Equity Rights Offering Shares and the right to receive cash payment by making the GUC Cash Out Election are available only to Eligible GUC Offerees, and any invitation, offer or agreement to subscribe, purchase or elect will be entered into only with Eligible GUC Offerees. No offer or invitation to subscribe, purchase or elect is being made to any person who is not an Eligible GUC Offeree and no such person should act or rely on any offer or invitation to subscribe or purchase GUC Equity Rights Offering Shares or make the GUC Cash Out Election.

To exercise the GUC Subscription Rights, you must complete and return to the Subscription Agent (as defined below) a GUC Rights Offering Exercise Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) and pay the GUC Subscription Rights Exercise Price (as defined below) to the Subscription Agent, prior to the GUC Subscription Expiration Deadline (as defined below). Any Eligible GUC Offeree that subscribes for GUC Equity Rights Offering Shares and is an “underwriter” under Section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article XI of the Disclosure Statement, entitled “Important Securities Laws Disclosures.”

The distribution of these GUC Equity Rights Offering and Cash Out Election Procedures and the issuance of the GUC Equity Rights Offering Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the distribution of these GUC Equity Rights Offering and Cash Out Election Procedures in any jurisdiction where any action for that purpose may be required. Accordingly, the GUC Equity Rights Offering Shares may not be subscribed, purchased or issued, in any jurisdiction, except in circumstances where such distribution, subscription, purchase or issuance would comply with all applicable laws and regulations without the need for the issuer to take any action or obtain any consent, approval or authorization therefor, except for any notice filings required under U.S. federal and applicable state securities laws.

The GUC Equity Rights Offering is being conducted in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security offered or sold under the plan of the debtor, or an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

Eligible GUC Offerees should note the following times relating to the GUC Equity Rights Offering:

Date	Calendar Date	Event
GUC Equity Rights Offering Record Date	December 21, 2020	The date fixed by the Debtors for the determination of the holders of Allowed General Unsecured Claims eligible to participate in the GUC Equity Rights Offering or make the GUC Cash Out Election.
GUC Equity Rights Offering Commencement Date	December 24, 2020	Commencement of the GUC Equity Rights Offering.
GUC Subscription Expiration Deadline	5:00 p.m. New York City time on January 13, 2021	<p>The deadline for Eligible GUC Offerees to subscribe for GUC Equity Rights Offering Shares or make the GUC Cash Out Election.</p> <p>An Eligible GUC Offeree must submit their GUC Rights Offering Exercise Form(s) (with accompanying IRS Form W9 or appropriate IRS Form W-8, as applicable), to the Subscription Agent in sufficient time so such documents are received by the Subscription Agent on or before the GUC Subscription Expiration Deadline.</p> <p>Eligible GUC Offerees who wish to exercise the GUC Subscription Rights must pay the GUC Subscription Rights Exercise Price to the Subscription Agent so that payment of the GUC Subscription Rights Exercise Price is <u>actually received</u> by the Subscription Agent on or before the GUC Subscription Expiration Deadline.</p> <p>Eligible GUC Offerees who wish to make the GUC Cash Out Election must follow the instructions to make the GUC Cash Out Election in their GUC Rights Offering Exercise Form and return their GUC Rights Offering Exercise Form on</p>

Date	Calendar Date	Event
		or before the GUC Subscription Expiration Deadline.

1. Introduction

Extraction Oil & Gas, Inc. and certain of its subsidiaries (collectively, the “**Debtors**”)¹ are pursuing a restructuring of their existing debt and other obligations to be effectuated pursuant to a plan of reorganization (the “**Plan**”) in connection with their respective chapter 11 bankruptcy cases, in accordance with the terms and conditions set forth in, as amended, the Restructuring Support Agreement, dated as of June 15, 2020 (as amended, the “**Restructuring Support Agreement**”), by and among the Debtors and certain holders of Senior Note Claims. Capitalized terms used but not otherwise defined herein shall have the meanings set forth for such terms in the Plan.

On December 23, 2020, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) entered the Confirmation Order that approved (the “**Rights Offering Approval**”), among other things, the form and manner of the GUC Equity Rights Offering. In connection with the Plan, and in accordance with these GUC Equity Rights Offering and Cash Out Election Procedures, the Debtor will launch the GUC Equity Rights Offering to Eligible GUC Offerees, pursuant to which Eligible GUC Offerees will be entitled to receive their pro rata portion of non-transferable subscription rights to acquire \$50 million of GUC Equity Rights Offering Shares in the aggregate on the terms and conditions set forth in the Plan. An “**Eligible GUC Offeree**” is a holder of Allowed General Unsecured Claims as of the GUC Equity Rights Offering Record Date (as defined below).

Only Eligible GUC Offerees may participate in the GUC Equity Rights Offering. These GUC Equity Rights Offering and Cash Out Election Procedures will govern the ability of Eligible GUC Offerees to participate in the GUC Equity Rights Offering.

All questions relating to these GUC Equity Rights Offering and Cash Out Election Procedures, other documents associated with the GUC Equity Rights Offering, or the requirements to participate in the GUC Equity Rights Offering or make the GUC Cash Out Election should be directed to KCC LLC, the subscription agent (the “**Subscription Agent**”) retained by the Debtors at:

KCC LLC
222 North Pacific Coast Highway, Suite 300
El Segundo, CA 90245-5614
Attention: XOG GUC Rights Offering
Tel: (866) 571-1791 (U.S./Canada) or (781) 575-2049

Questions (but not documents) may be directed to XOGInfo@kccllc.com (please reference “Extraction Oil & Gas, Inc.” in the subject line)

THE DISCLOSURE STATEMENT AND THE SUPPLEMENT THERETO DISTRIBUTED IN CONNECTION WITH THE DEBTORS’ SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN SETS FORTH IMPORTANT INFORMATION THAT SHOULD BE

¹ The entities included in the definition of “Debtors” are as follows: Extraction Oil & Gas, Inc.; XTR Midstream, LLC; 7N, LLC; Mountain Minerals, LLC; 8 North, LLC; XOG Services, LLC; Extraction Finance Corp.; Axis Exploration, LLC; Northwest Corridor Holdings, LLC; Table Mountain Resources, LLC.

CAREFULLY READ AND CONSIDERED BY EACH ELIGIBLE GUC OFFEREE PRIOR TO MAKING A DECISION TO PARTICIPATE IN THE GUC EQUITY RIGHTS OFFERING, INCLUDING THE SECTIONS ENTITLED “CERTAIN RISK FACTORS TO BE CONSIDERED,” “VALUATION ANALYSIS,” AND “CERTAIN TAX CONSEQUENCES OF THE PLAN.” THE DISCLOSURE STATEMENT IS AVAILABLE ON THE DEBTORS’ RESTRUCTURING WEBSITE AT [HTTP://WWW.KCCLLC.NET/EXTRACTIONOG](http://www.kccllc.net/extractionog) AND COPIES ARE ALSO AVAILABLE UPON REQUEST FROM THE SUBSCRIPTION AGENT.

2. GUC Equity Rights Offering

To fully exercise its right to participate in the GUC Equity Rights Offering (the “**GUC Subscription Rights**”), an Eligible GUC Offeree must (i) complete the rights offering subscription exercise form (the “**GUC Rights Offering Exercise Form**”), which has been distributed with these GUC Equity Rights Offering and Cash Out Election Procedures to Eligible GUC Offerees and (ii) pay the purchase price, which is an amount equal to its pro rata share of \$50 million for Eligible GUC Offerees (the “**GUC Subscription Rights Exercise Price**”), such pro rata share to be calculated as the proportion that the amount of an Eligible GUC Offeree’s General Unsecured Claim bears to the aggregate of all General Unsecured Claims as of December 21, 2020 (the “**GUC Equity Rights Offering Record Date**”), in each case, based upon the applicable amounts reflected in the Debtors’ books and records (the “**GUC Claims Schedule**”). No Eligible GUC Offeree shall be permitted to exercise its GUC Subscription Rights to purchase its pro rata share of more than an aggregate of \$50 million of GUC Rights Offering Shares (the “**GUC Maximum Rights Offering Shares**”).

To the extent that an Eligible GUC Offeree does not agree with the amount of its General Unsecured Claims as reflected in the Debtors’ books and records and set forth in the GUC Claims Schedule or in its GUC Rights Offering Exercise Form,² such Eligible GUC Offeree must file a motion with the Bankruptcy Court for determination of its General Unsecured Claims for purposes of the GUC Equity Rights Offering and receive an order from the Bankruptcy Court no later than the GUC Subscription Expiration Deadline. If the Eligible GUC Offeree does NOT receive an order from the Bankruptcy Court by the GUC Subscription Expiration Deadline, the amount of such Eligible GUC Offeree’s General Unsecured Claims set forth in the Debtors’ books and records will be the final and binding amount for all purposes under the GUC Equity Rights Offering and Cash Out Election Procedures and the GUC Rights Offering Exercise Form.

On and after the GUC Subscription Expiration Date, the Debtors, in consultation with the Official Committee of Unsecured Creditors, will make a subsequent determination of the total amount of all General Unsecured Claims for purposes of participating in the GUC Equity Rights Offering. If, upon the GUC Subscription Expiration Deadline, the total amount of all General Unsecured Claims entitled to participate in the GUC Equity Rights Offering exceeds the

² The amount of an Eligible GUC Offeree’s General Unsecured Claims set forth in its GUC Rights Offering Exercise Form is solely for purposes of determining its pro rata allocation of GUC Subscription Rights and the amount such Eligible GUC Offeree is entitled as part of the GUC Cash Out Election. Such amount will not be used for any other purposes, including for determining the final “Allowed” amount of the Eligible GUC Offeree’s General Unsecured Claim for distribution purposes under the Plan.

aggregate amount of General Unsecured Claims as reflected in the Company's books and records and set forth in the GUC Claim Schedule as of the GUC Equity Rights Offering Record Date, then the Debtors, in consultation with the Official Committee of Unsecured Creditors, shall proportionally adjust (the "***Allocation Adjustment***") the number of shares each Eligible GUC Offeree is entitled to purchase such that each Eligible GUC Offeree may purchase only its pro rata portion of the GUC Maximum Rights Offering Shares based on the amount of its General Unsecured Claims as of the GUC Subscription Expiration Deadline relative to the amount of all General Unsecured Claims entitled to participate in the GUC Equity Rights Offering. The Debtors shall provide written notice of any Allocation Adjustment to each Eligible GUC Offeree who has participated in the GUC Equity Rights Offering (with a copy to counsel to the Official Committee of Unsecured Creditors) within two (2) Business Days following the GUC Subscription Expiration Date. Any excess funds received by the Debtors from any participating Eligible GUC Offerees as a result of the Allocation Adjustment shall be refunded to the applicable Eligible GUC Offeree within two (2) Business Days.

Each Eligible GUC Offeree may exercise (in whole dollar increments) all, some, or none of such pro rata share, and the GUC Subscription Rights Exercise Price for such Eligible GUC Offeree will be adjusted accordingly (in whole dollar increments). The portion of GUC Equity Rights Offering Shares issued to an Eligible GUC Offeree who elects to acquire such GUC Equity Rights Offering Shares shall be rounded down to the nearest dollar. No compensation shall be paid, whether in cash or otherwise, in respect of such rounded-down amounts.

The GUC Subscription Rights will not be detachable from the Allowed General Unsecured Claims and no GUC Subscription Rights may be Transferred; provided, however, that the right to make the Cash Out Election may be Transferred only if accompanied by documentary evidence evidencing the Transfer of the underlying Allowed General Unsecured Claim, in a form and substance reasonably satisfactory to the Debtor, provided to the Debtor, executed by the transferor and transferee participating in such Transfer on or prior to the GUC Subscription Expiration Deadline.

Once an Eligible GUC Offeree has properly exercised its GUC Subscription Rights, subject to the terms and conditions contained in these GUC Equity Rights Offering and GUC Cash Out Election Procedures, such exercise will be irrevocable, subject only to the Allocation Adjustment. If an Eligible GUC Offeree elects to exercise its GUC Subscription Rights on account of a General Unsecured Claim that is subject to a pending appeal or other litigation as of the GUC Subscription Expiration Deadline, such Eligible GUC Offeree's election to exercise its GUC Subscription Rights shall, subject to Article III.6.b of the Plan, constitute a waiver and release of any and all other rights, remedies, or legal entitlements on account of such General Unsecured Claim, including any such rights, remedies, or legal entitlements against the Debtors otherwise resulting from such appeal or litigation.

3. GUC Cash Out Election

Under the terms of the Plan, Holders of Allowed General Unsecured Claims, may make an affirmative election (the "***GUC Cash Out Election***") to receive a cash payment in lieu of the opportunity to participate in the GUC Equity Rights Offering.

The cash payment, which will be paid following, and subject to, effectiveness of the Plan, will be in an amount equal to 65% of the value of the GUC Subscription Rights such Holder would otherwise have received under the Plan. The Debtors have ascribed a total value for all GUC Subscription Rights of \$26.9 million. As such, a Holder has the right to make the GUC Cash Out Election in an amount equal to its pro rata share of approximately \$17.485 million, which represents 65% of the total value of the GUC Subscription Rights (based off the Debtors' valuation). For example, if a Holder of an Allowed General Unsecured Claim exercises the GUC Cash Out Election, for every \$1,000 in Allowed General Unsecured Claims held by such Holder, it shall receive \$30.6747 in cash.

A Holder making the GUC Cash Out Election must do so with respect to all of the Allowed General Unsecured Claims that it holds. It cannot make a partial GUC Cash Out Election. **Note that Holders of Allowed General Unsecured Claims that make the GUC Cash Out Election are still eligible to receive their Pro Rata share of the Claims Equity Allocation pursuant to Art. III.B.6 of the Plan based on the Allowed amount of such Holders' General Unsecured Claims.**

In order to make the GUC Cash Out Election, a Holder of an Allowed General Unsecured Claim must (i) duly complete and execute a GUC Rights Offering Exercise Form in accordance with these GUC Equity Rights Offering and Cash Out Election Procedures indicating an intention to make the GUC Cash Out Election; and (ii) deliver the executed GUC Rights Offering Exercise Form to the Subscription Agent so that it is received by the Subscription Agent no later than the GUC Subscription Expiration Deadline.

Holders of Allowed General Unsecured Claims that make the GUC Cash Out Election must so indicate on the GUC Rights Offering Exercise Form, and must not complete any part of the GUC Rights Offering Exercise Form that relates to the exercise of the GUC Subscription Rights. The Holders must also complete the information for the bank or brokerage account that they designate to receive the cash payable to them in accordance with the GUC Cash Out Election.

4. Commencement/Expiration of the GUC Equity Rights Offering

The GUC Equity Rights Offering shall commence on the day upon which the GUC Rights Offering Exercise Form is first mailed or made available to Eligible GUC Offerees (the “***GUC Equity Rights Offering Commencement Date***”). The GUC Equity Rights Offering shall expire at 5:00 p.m. New York City time January 13, 2021, unless, if permitted by the Rights Offering Approval, extended by the Debtors, the Required Consenting Senior Noteholders and the Official Committee of Unsecured Creditors (the “***Creditors' Committee***”) in accordance with the Plan, which shall in not event be later than January 13, 2021 (such time and date, as may be amended, the “***GUC Subscription Expiration Deadline***”). The Debtors shall promptly (within one (1) Business Day) notify the Eligible GUC Offerees of any extension of the new GUC Subscription Expiration Deadline by filing a notice on the Debtors' docket for the Bankruptcy Cases.

5. Exercise of GUC Subscription Rights or GUC Cash Out Election

Each Eligible GUC Offeree that elects to participate in the GUC Equity Rights Offering or make the GUC Cash Out Election must affirmatively make a binding, irrevocable election to exercise

its GUC Subscription Rights or make the GUC Cash Out Election (the “***Binding GUC Subscription Rights / Cash Out Election***”), as applicable, before the GUC Subscription Expiration Deadline.

The Binding GUC Subscription Rights / Cash Out Election, upon receipt by the Subscription Agent, cannot be withdrawn.

Each Eligible GUC Offeree will be entitled to participate in the GUC Equity Rights Offering solely to the extent provided in these GUC Equity Rights Offering and Cash Out Election Procedures.

(a) Exercise of GUC Subscription Rights by Eligible GUC Offerees

In order to exercise its GUC Subscription Rights, each Eligible GUC Offeree must (i) return a duly completed GUC Rights Offering Exercise Form(s) to the Subscription Agent so that the duly completed GUC Rights Offering Exercise Form is **actually received** by the Subscription Agent on or before the GUC Subscription Expiration Deadline and (ii) pay to the Subscription Agent, by wire transfer of immediately available funds, the GUC Subscription Rights Exercise Price, so that payment of the GUC Subscription Rights Exercise Price is **actually received** by the Subscription Agent on or before the GUC Subscription Expiration Deadline; provided that any excess funds received by the Debtors as a result of the Allocation Adjustment shall be refunded to the applicable Eligible GUC Offeree.

(b) Deemed Representations and Acknowledgements

Any Eligible GUC Offeree that participates in the GUC Equity Rights Offering is deemed to have made the following representations and acknowledgements:

(i) Such Eligible GUC Offeree recognizes and understands that the GUC Subscription Rights are not transferable, and that the benefits of the GUC Subscription Rights are not separable from the claim or securities with respect to which the GUC Subscription Rights have been granted. Such Holder represents and warrants that it is an Eligible GUC Offeree; provided, however, that the right to make the GUC Cash Out Election may be Transferred only if accompanied by documentary evidence evidencing the Transfer of the underlying Allowed General Unsecured Claim, in a form and substance reasonably satisfactory to the Debtor, provided to the Debtor, executed by the transferor and transferee participating in such Transfer on or prior to the GUC Subscription Expiration Deadline.

(ii) Such Eligible GUC Offeree represents and warrants that it holds all of the Allowed General Unsecured Claims associated with its GUC Subscription Rights as of the GUC Equity Rights Offering Record Date.

(iii) Such Eligible GUC Offeree represents and warrants that its election to exercise its GUC Subscription Rights shall, subject to Article III.6.b of the Plan,

constitute a waiver and release of any and all other rights, remedies, or legal entitlements on account of the General Unsecured Claim underlying its GUC Subscription Rights, including any such rights, remedies, or legal entitlements otherwise resulting from such appeal or litigation.

(c) Failure to Exercise GUC Subscription Rights

Unexercised GUC Subscription Rights will be relinquished at the GUC Subscription Expiration Deadline. No Eligible GUC Offeree shall receive any oversubscription rights in connection with the GUC Equity Rights Offering.

If the Subscription Agent does not receive from an Eligible GUC Offeree a duly completed GUC Rights Offering Exercise Form on or prior to the GUC Subscription Expiration Deadline, such Eligible GUC Offeree shall be deemed to have irrevocably relinquished and waived its right to participate in the GUC Equity Rights Offering and its right to receive a cash payment in connection with the GUC Cash Out Election with respect to the Allowed General Unsecured Claims underlying such undelivered GUC Rights Offering Exercise Form; however, the Debtors and Subscription Agent may, in their discretion, communicate with Eligible GUC Offerees in order to cure any defect, irregularity, mistake or ambiguity on any GUC Rights Offering Exercise Forms that are received by the Subscription Agent in order for Eligible GUC Offerees to receive the full benefits provided under this GUC Equity Rights Offering and Cash Out Election Procedures.

Any attempt to exercise GUC Subscription Rights or make the GUC Cash Out Election after the GUC Subscription Expiration Deadline shall be null and void, and the Debtors shall not be obligated, but shall retain the discretion, with the consent of the Creditors' Committee, to honor any such purported exercise received by the Subscription Agent after the GUC Subscription Expiration Deadline regardless of when the documents relating thereto were sent.

The method of delivery of the GUC Rights Offering Exercise Form and any other required documents is at each Eligible GUC Offeree's option and sole risk, and delivery will be considered made only when actually received, including by electronic mail, by the Subscription Agent. Delivery by reputable overnight courier, together with emailing a PDF copy to the Subscription Agent, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the GUC Subscription Expiration Deadline.

The risk of non-delivery of the GUC Rights Offering Exercise Form and any other required documents sent to the Subscription Agent in connection with the exercise of the GUC Subscription Rights and the making of GUC Cash Out Election lies solely with the Holders of the Allowed General Unsecured Claims, and none of the Debtors, the reorganized Debtors, or any of their respective officers, directors, employees, agents or advisers, including the Subscription Agent, assumes the risk of non-delivery under any circumstance whatsoever.

(d) Payment for GUC Subscription Rights

If, on or prior to the GUC Subscription Expiration Deadline, the Subscription Agent for any reason does not receive on behalf of an Eligible GUC Offeree immediately available funds by wire transfer in an amount equal to the total GUC Subscription Rights Exercise Price for such Eligible GUC Offeree's GUC Subscription Rights, such Eligible GUC Offeree shall be deemed to have relinquished and waived its GUC Subscription Rights, subject to the next paragraph, and provided that such Eligible GUC Offeree shall thereafter be given the right to make the GUC Cash Out Election.

(e) Disputes, Waivers, and Extensions

Any and all disputes concerning the timeliness, viability, form, and eligibility of any exercise of GUC Subscription Rights shall be addressed in good faith by the Debtors with the approval of the Creditors' Committee. The Debtors may waive any defect or irregularity, or permit a defect or irregularity to be corrected, within such times as it may determine to be appropriate and with the consent of the Creditors' Committee. GUC Rights Offering Exercise Forms shall be deemed not to have been properly completed until all irregularities have been waived or cured. The Debtors shall use commercially reasonable efforts to give notice to any Eligible GUC Offeree regarding any defect or irregularity in connection with any purported exercise of GUC Subscription Rights on or prior to the GUC Subscription Expiration Deadline by such Eligible GUC Offeree and the Debtors shall permit such defect or irregularity to be cured on or prior to the GUC Subscription Expiration Deadline; it being understood that none of the Debtors or the Subscription Agent shall incur any liability for failure to give such notification.

The Debtors, with the approval of the Bankruptcy Court (if applicable), the Creditors' Committee and the Required Consenting Senior Noteholders, may (i) extend the duration of the GUC Equity Rights Offering or adopt additional detailed procedures to more efficiently administer the distribution and exercise of the GUC Subscription Rights; and (ii) make such other changes to the GUC Equity Rights Offering, including changes that affect which parties constitute Eligible GUC Offerees.

(f) Funds

The payments made to acquire GUC Equity Rights Offering Shares pursuant to the GUC Equity Rights Offering (the "***GUC Equity Rights Offering Funds***") shall be deposited when made and held by the Subscription Agent pending the Effective Date in a segregated account or accounts (i) which shall be separate and apart from the Subscription Agent's general operating funds and any other funds subject to any lien, encumbrance, or cash collateral arrangements and (ii) which segregated account or accounts will be maintained for the purpose of holding the money for administration of the GUC Equity Rights Offering until the Effective Date. The Subscription Agent shall not use the GUC Equity Rights Offering Funds for any purpose other than to release the funds as directed by the Debtor on the Effective Date or as otherwise set forth in these GUC Equity Rights Offering and Cash Out Election Procedures or in the Plan, and, until released in accordance with the foregoing, the GUC Equity Rights Offering Funds will not be deemed part of the Debtors' bankruptcy estate. The Subscription Agent shall not permit the GUC Equity Rights Offering Funds to be encumbered by any lien, encumbrance, or cash collateral obligation. No interest will be paid to participating Eligible GUC Offerees on account of any amounts paid in connection with their exercise of GUC Subscription Rights under any circumstances.

(g) Participating Eligible GUC Offeree Release

See Section VIII of the Plan for important information regarding releases.

6. Settlement of the GUC Equity Rights Offering and Distribution of the GUC Equity Rights Offering Shares

The settlement of the GUC Equity Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtor and the Eligible GUC Offerees with these GUC Equity Rights Offering and Cash Out Election Procedures, and the simultaneous occurrence of the Effective Date. The Debtors intend that the GUC Equity Rights Offering Shares will be issued to Eligible GUC Offerees and/or to any party that an Eligible GUC Offeree so designates in the GUC Equity Rights Offering Exercise Form, in book-entry form, and that DTC, or its nominee, will be the holder of record of such GUC Equity Rights Offering Shares. To the extent DTC is unwilling or unable to make the GUC Equity Rights Offering Shares eligible on the DTC system, the GUC Equity Rights Offering Shares will be issued directly to Holders of the Allowed General Unsecured Claims or its designee. For the avoidance of doubt, any such Eligible GUC Offeree, and not a designee, shall remain responsible for the exercise and payment of its GUC Subscription Rights.

Eligible GUC Offerees that are entitled to receive GUC Equity Rights Offering Shares will receive their GUC Equity Rights Offering Shares by means of book-entry with the Reorganized Debtors' transfer agent.

7. Miscellaneous

(a) Issuance

The GUC Equity Rights Offering Shares to be issued pursuant to the GUC Equity Rights Offering are expected to be delivered to Eligible GUC Offerees that have properly exercised their GUC Subscription Rights on or as soon as practicable following the Effective Date. See Section VIII of the Plan.

(b) Securities Law and Related Matters

The GUC Equity Rights Offering Shares issued to the Eligible GUC Offerees participating in the GUC Equity Rights Offering will be exempt from registration under the Securities Act of 1933, as amended (the "***Securities Act***"), and any other applicable federal and state securities laws pursuant to Section 1145 of the Bankruptcy Code, and may be resold, without registration under the Securities Act or other applicable federal and state securities laws, unless the holder is an "underwriter" with respect to such securities, as that term is defined in Section 1145(b) of the Bankruptcy Code. Resale restrictions are discussed in more detail in Article XI of the Disclosure Statement, entitled "Important Securities Laws Disclosures."

There is not and there may not be a public market for the GUC Equity Rights Offering Shares. Accordingly, there can be no assurance that an active trading market for the GUC Equity Rights Offering Shares will ever develop or, if such a market does develop, that it will be maintained.

On the Effective Date, the Reorganized Debtors, each Consenting Senior Noteholder and any other holder of 10% or more of the New Common Shares (calculated on an affiliated basis) will be party to the Registration Rights Agreement (as defined in the Plan). Except as provided in the Registration Rights Agreement, no registration statement will be filed under the Securities Act or any similar federal, state, or local law in connection with the issuance of securities under the Plan.

8. GUC Equity Rights Offering Conditioned Upon Effectiveness of the Plan; Reservation GUC Subscription Rights; Return of GUC Equity Rights Offering Funds

All exercises of GUC Subscription Rights and makings of the GUC Cash Out Election are subject to and conditioned upon the effectiveness of the Plan. Notwithstanding anything contained herein, in the Disclosure Statement or in the Plan to the contrary, the Debtors reserve the right to modify these GUC Equity Rights Offering and Cash Out Election Procedures or adopt additional detailed procedures if necessary in the Debtor's business judgment to more efficiently administer the distribution and exercise of the GUC Subscription Rights and/or the making of GUC Cash Out Election or comply with applicable law; provided that such modified GUC Equity Rights Offering and Cash Out Election Procedures or additional procedures shall be in form and substance reasonably acceptable to the Required Backstop Parties, the Required Consenting Senior Noteholders and the Creditors' Committee.

In the event that (i) the GUC Equity Rights Offering is terminated, (ii) the Debtor revokes or withdraws the Plan, or (iii) the Effective Date of the Plan does not occur on or before the "***Outside Date***" (as defined in the Restructuring Support Agreement, and may be extended in accordance with the terms thereof), the Subscription Agent shall, within five (5) Business Days of such event, return all GUC Equity Rights Offering Funds received from Eligible GUC Offerees, without any interest, and, in the case of clauses (ii) and (iii) above, the GUC Equity Rights Offering shall automatically be terminated. In the event that the GUC Equity Rights Offering is terminated for any reason, any Plan release provided by the Eligible GUC Offerees that have participated in the GUC Equity Rights Offering or have made the GUC Cash Out Election shall be null and void in all respects.