

value of Kodak's Tax Attributes (as defined below). In support of this motion, the Debtors respectfully represent as follows:

Background

1. On the date hereof (the "**Petition Date**"), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "**Bankruptcy Code**"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. No committees have been appointed or designated.

2. Founded in 1880 and long one of the world's leading material science companies, the Debtors and their non-Debtor affiliates operate an integrated global business involving a diverse collection of mature and growth businesses and an array of valuable intellectual property. In order to address a shortfall in liquidity in the United States, monetize non-strategic assets, fairly resolve legacy liabilities and focus on their most valuable business lines, the Debtors commenced these chapter 11 cases.

3. Additional factual background relating to the Debtors' businesses and the commencement of these chapter 11 cases is set forth in detail in the Declaration of Antoinette P. McCorvey Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of First Day pleadings dated January 18, 2012 (the "**First Day Declaration**"), filed contemporaneously with this Motion and incorporated herein by reference.

Facts Specific to the Relief Requested

A. The Tax Attributes

4. The Debtors have recently incurred, and are currently incurring, significant net operating losses (“**NOLs**”) for U.S. federal income tax purposes. For tax periods through the 2010 tax year, the Debtors have reported on their federal income tax returns, as adjusted to account for certain settlements, (i) approximately \$1.1 billion of consolidated NOLs, and the Debtors estimate that as of December 31, 2011, they have incurred additional NOLs of approximately \$800 million; (ii) approximately \$592 million of foreign tax credits (“**FTCs**”), and the Debtors estimate that as of December 31, 2011, they have incurred additional FTCs of approximately \$64 million; and (iii) approximately \$17 million of Federal Research and Development Credits (“**R&D Credits**”), and the Debtors estimate that as of December 31, 2011, they have incurred additional R&D Credits of approximately \$1.5 million. The Debtors also have additional state, local and foreign tax attributes, and may have net unrealized built-in tax losses (collectively, the “**Tax Attributes**”).

B. Use of the Tax Attributes during the Pendency of these Cases

5. Kodak expects to sell significant assets during the pendency of these chapter 11 cases. Kodak may recognize substantial gain or other income in connection with certain of these transactions and may, depending on market conditions, recognize significant additional income or gain in connection with certain other events. As explained below, the Tax Attributes would contribute substantial value to the estate by offsetting such gains.

6. The Tax Attributes may be valuable assets of the estates because title 26 of the United States Code (the “**Tax Code**”) generally permits corporations to carry forward their losses and tax credits to offset future income. *See, e.g.*, I.R.C. § 172 (NOLs), § 904(c) (FTCs),

§ 39(a) (business credits), and § 59(e) (research and development expenditures). As discussed above, the Debtors expect that significant amounts of gain and other income may be recognized during the pendency of these chapter 11 cases. Absent any intervening limitations, the Tax Attributes could substantially reduce the Debtors' future U.S. federal income tax liability in respect of such amounts. Any reduction in the Debtors' tax liability would enhance the Debtors' cash position for the benefit of all parties in interest.

7. The ability of the Debtors to use the Tax Attributes to offset future income is subject to certain statutory limitations. Sections 382 and 383 of the Tax Code limit a corporation's use of its NOLs, tax credits and other tax attributes to offset future income or tax liabilities after that corporation has undergone an "ownership change." For purposes of section 382 of the Tax Code, an ownership change generally occurs when the percentage of a company's equity held by one or more persons or entities holding 5% or more of that company's stock (and certain groups of less-than-5% shareholders) increases by more than 50 percentage points above the lowest percentage of ownership owned by such shareholder(s) at any time during the relevant testing period (generally three years).

8. A section 382 ownership change of Kodak could significantly reduce or eliminate the Debtors' ability to use the Tax Attributes, thereby resulting in a potential loss of value to the Debtors' estates. To the best of the Debtors' knowledge, and subject to certain interpretational issues, the Debtors do not believe that a section 382 ownership change has occurred with respect to Kodak. As of November 30, 2011, the amount of Kodak equity securities held by one or more 5% shareholders has increased by approximately 36 percentage points of the permitted 50 percentage points and thus an ownership change could likely be triggered by a relatively modest amount of further trading.

9. Kodak has already taken steps to protect its Tax Attributes in the ordinary course of its business. On August 1, 2011, Kodak entered into a Rights Agreement with Computershare Trust Company, N.A., as Rights Agent, dated as of August 1, 2011 (the “**NOL Rights Agreement**”) in an effort to deter (but not prevent) acquisitions of Kodak’s common stock to protect its Tax Attributes. Under the NOL Rights Agreement, each share of Kodak common stock currently carries with it one purchase right (a “**Right**”). In general terms, and subject to certain exceptions, if Kodak publicly announces that a person or group became an “Acquiring Person” by obtaining beneficial ownership of 4.9% or more of Kodak’s outstanding common stock (or if already the beneficial owner of at least 4.9%, by acquiring additional shares), all holders of Rights, except such Acquiring Person, will have a right to purchase Kodak’s common stock at 50% of its market value, thus diluting such person’s holdings. Alternatively, in such a case and subject to certain restrictions, Kodak may exchange each Right for one share of common stock. The Rights expire on August 1, 2014.

10. By its terms, the NOL Rights Agreement only deters but does not prevent a person from acquiring additional common stock. Additionally, the NOL Rights Agreement does not in all circumstances prevent an existing 5% shareholder from selling its common stock, which also may contribute to the 50% ownership change threshold under section 382. Last, the issuance of additional common shares by Kodak itself may contribute to a section 382 ownership change. The Proposed Order would better protect the Tax Attributes by voiding *ab initio* any unauthorized transaction preventing such transaction from contributing to the section 382 ownership change, while, at the same time, protecting the rights of the equityholders and securityholders by permitting them to engage in transactions that do not jeopardize the Tax Attributes.

C. Use of the Tax Attributes As Part of a Chapter 11 Plan

11. As part of the resolution of these cases, the Debtors' chapter 11 plan may involve the issuance of new common stock in one or more of the Debtors (or their successors), and the distribution of such stock to certain of the Debtors' creditors in satisfaction, in whole or in part, of their claims in respect of certain Debt Securities (as defined below). This issuance and distribution likely would result in an "ownership change" under section 382.

12. In such event, the Debtors may be entitled to the special relief afforded by section 382(l)(5) of the Tax Code for ownership changes pursuant to a confirmed chapter 11 plan or applicable court order. Under that section, a debtor corporation (or group) is not subject to the annual limitation ordinarily imposed by section 382 of the Tax Code if the debtor's pre-change shareholders (*i.e.*, persons or entities who owned the debtor's stock immediately before the ownership change) and/or "qualified creditors" emerge from the reorganization owning at least 50% of the total value and voting power of the reorganized debtor's stock immediately after the ownership change. *See* I.R.C. § 382(l)(5)(A).

13. Under section 382(1)(5)(E) of the Tax Code and the Treasury Regulations (as defined below) promulgated thereunder, a creditor whose claim is exchanged for stock under a chapter 11 plan or pursuant to an applicable bankruptcy court order is a "qualified creditor" if such claim either (i) has been owned by such creditor for 18 or more months prior to the date of filing of the bankruptcy petition or (ii) arose in the ordinary course of the debtor's business and was at all times beneficially owned by such creditor. In addition, even creditors that do not satisfy the necessary holding periods can be "qualified creditors" if their receipt of stock in the reorganized company pursuant to the chapter 11 plan does not exceed the threshold level set forth below.

14. Under Treasury Regulation section 1.382-9(d)(3), a debtor generally may, for purposes of the section 382(1)(5), “treat indebtedness as always having been owned by the beneficial owner of the indebtedness immediately before the ownership change if the beneficial owner is not, immediately after the ownership change, directly or indirectly either a 5% shareholder or an entity through which a 5% shareholder owns an indirect ownership interest” in the debtor.

15. Although there can be no assurance that section 382(1)(5) will ultimately be available to the Debtors, the proposed procedures and restrictions seek to preserve the Debtors’ ability to propose a chapter 11 plan and related transactions that maximize the value of the Tax Attributes following a chapter 11 plan in a manner that does not unduly impact the trading of Debt Securities. Because the determination of whether a creditor is a “qualified creditor” is generally made as of the effective date of the chapter 11 plan, transfers of Debt Securities by holders before such date may affect the Debtors’ ability to satisfy the requirements of section 382(1)(5).

16. The requested relief allows the free trading of Debt Securities before a plan is proposed and mandates sell-downs as needed after a plan is proposed, to avoid breaching the section 382(1)(5) limits upon consummation of a plan. It is intended both to preserve the value and liquidity of Debt Securities in the hands of their holders and to allow the Debtors the flexibility to structure a chapter 11 plan that preserves the maximum potential value of the Tax Attributes.

17. This relief also avoids prejudicing existing large holders of Debt Securities by making only those Debt Securities which were accumulated after the date of the filing of this Motion (the “**Motion Date**”) the subject of potential sell-down orders. However, because of this

protection mechanism, it is of critical importance that the scope of the relief requested by this Motion reach back as early as possible—to the Motion Date—to avoid the potential accumulation of large protected concentrations of Debt Securities outside the reach of this relief, which could limit or even foreclose Debtors' ability to maximize the value of the Tax Attributes while structuring a plan of reorganization.

D. Summary of Facts

18. In furtherance of the automatic stay provisions of section 362 of the Bankruptcy Code and pursuant to section 105 of the Bankruptcy Code, the Debtors seek authority to monitor and object to certain changes in the ownership of Kodak Stock (as defined below) to protect against the occurrence of an ownership change during the pendency of these chapter 11 cases. Similarly, the Debtors seek limited authority to monitor, limit and potentially require the sale of Debt Securities to protect against a loss of ability to take advantage of the special relief provisions of section 382(l)(5). All of this is to preserve the potential value of the Tax Attributes during the pendency of the bankruptcy cases.

Jurisdiction

19. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are sections 105(a) and 362 of the Bankruptcy Code.

Relief Requested

A. Equity Trading Restrictions and Notification Requirements

20. By this Motion, the Debtors request entry of the Proposed Order authorizing the Debtors to establish procedures to protect the potential value of the Tax

Attributes. The procedures would apply in respect of the Kodak Stock (as defined below) and any options or similar interests to acquire such stock. The procedures would impose restrictions and notification requirements, to be effective immediately. Parties would be notified of the procedures through (a) the Motion, which shall describe the trading restrictions and notification requirements described herein and (b) a form of notice of the procedures actually approved by the Court substantially in the form attached hereto as Exhibit B (the “**Procedures Notice**”).

21. To preserve the potential value of the Tax Attributes, the Debtors propose the following trading restrictions and notification requirements applicable to an acquisition or disposition of Kodak Stock, effective immediately:

- (1) Acquisition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options, as defined below, to acquire such securities) that would result in an increase in the amount of Kodak Stock beneficially owned by any person or Entity (as defined below) who currently is or becomes a Substantial Equityholder (as defined below) or that would result in a person or Entity becoming a Substantial Equityholder (a “**Proposed Equity Acquisition Transaction**”), such person, Entity or Substantial Equityholder (a “**Proposed Equity Transferee**”) shall file with the Court, and serve upon the Debtors and Debtors’ counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Intent to Purchase, Acquire or Otherwise Accumulate Kodak Stock (an “**Equity Acquisition Notice**”), in the form attached hereto as Exhibit C, specifically and in detail describing the proposed transaction in which Kodak Stock would be acquired. At the holder’s election, the Equity Acquisition Notice to be filed with the Court may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
- (2) Disposition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Kodak Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “**Proposed Equity Disposition Transaction**” and together with a Proposed Equity Acquisition Transaction, a “**Proposed Equity Transaction**”), such person, Entity or Substantial Equityholder (a “**Proposed Equity Transferor**”) shall file with the Court, and serve upon the Debtors and Debtors’ counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition

secured debtor-in-possession financing, a Notice of Intent to Sell, Trade or Otherwise Transfer Kodak Stock (an “**Equity Disposition Notice**”, and together with an Equity Acquisition Notice, an “**Equity Trading Notice**”), in the form attached hereto as Exhibit D, specifically and in detail describing the proposed transaction in which Kodak Stock would be transferred. At the holder’s election, the Equity Disposition Notice to be filed with the Court may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- (3) Objection Procedures. The Debtors shall have 15 calendar days after the filing of an Equity Trading Notice (the “**Equity Objection Deadline**”) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, an objection to any proposed transfer of Kodak Stock described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an “**Equity Objection**”) as a result of an ownership change under section 382 or section 383 of the Tax Code.
 - a) If the Debtors file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
 - b) If the Debtors do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors provide written authorization to the Proposed Equity Transferor approving the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, prior to the Equity Objection Deadline, then such Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein, with an additional 20 calendar day waiting period.
- (4) Unauthorized Transactions in Kodak Stock or Options. Effective as of the date of the filing of this Motion and until further order of the Court to the contrary, any acquisition, disposition or other transfer of Kodak Stock, including Options to acquire Kodak Stock, in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.
- (5) Definitions. For purposes of the Proposed Order:

- a) Substantial Equityholder. Means any person or Entity that beneficially owns at least:
 - (i) 4.50% of all outstanding shares of Kodak common stock, as defined for federal income tax purposes;
 - (ii) 4.50% of the outstanding shares of any class of Kodak securities convertible into Kodak common stock, as defined for federal income tax purposes.
 - b) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
 - c) Beneficial Ownership. Beneficial ownership (or any variation thereof of Kodak Stock and Options to acquire Kodak Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, the U.S. Department of Treasury regulations (“**Treasury Regulations**”) promulgated thereunder and rulings issued by the Internal Revenue Service (the “**IRS**”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (ii) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock and (iii) in certain cases, the ownership of an Option to acquire Kodak Stock;
 - d) Option. An Option to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable; and
 - e) Kodak Stock. Means Kodak common stock and any Kodak security convertible into Kodak common stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Kodak Stock may be treated as the owner of such Kodak Stock.
- (6) The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in the Proposed Order.

22. Furthermore, to preserve the potential value of the Debtors’ Tax Attributes

in connection with a chapter 11 plan, the Debtors propose the following trading restrictions and procedures applicable to acquisitions of Debt Securities, effective immediately:

- (1) Notice of 382(l)(5) Plan; Amended Notice of 382(l)(5) Plan.²
- a) Notice of 382(l)(5) Plan. Upon filing a chapter 11 plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (a “**382(l)(5) Plan**”), the Debtors may, if, after consultation with their counsel and advisors and counsel and advisors for the Creditors’ Committee and the agent for the Debtors’ postpetition secured debtor-in-possession financing, they determine that the application of section 382(l)(5) of the Tax Code is reasonably likely to be beneficial to the reorganized Debtors (or any successors thereto), (i) publish (or arrange for publication of) a notice and provide a written notice to the Debt Notice Parties, disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as defined in Paragraph 3(a) below) in connection therewith on the website established by the Debtors’ claims agent: www.kccllc.com/kodak and in the national editions of *The Wall Street Journal* and *The New York Times* (a “**Notice of 382(l)(5) Plan**”), (ii) identify the classes of Debt Securities that are potentially subject to a Sell-Down Notice and (iii) identify the applicable Threshold Amounts (by class or other applicable breakdown) for status as a Substantial Securityholder.
- b) Amended Notice of 382(l)(5) Plan. The Debtors may determine subsequent to the date of the Notice of 382(l)(5) Plan or an Amended Notice of 382(l)(5) Plan (as defined below), to (i) adjust the Threshold Amount or (ii) identify additional classes of Debt Securities that are potentially subject to a Sell-Down Notice. In that case, the Debtors shall publish and provide notice of such additional amount and/or such additional class of Debt Securities in the same manner as the Notice of 382(l)(5) Plan and such notice shall be an “**Amended Notice of 382(l)(5) Plan.**” The Amended Notice of 382(l)(5) Plan shall require (x) any person or Entity that previously served a Notice of Substantial Securityholder Status to update information regarding such Substantial Securityholder’s Beneficial Ownership of Debt Securities and (y) any person or Entity that is a Substantial Securityholder as of the date of the most recent Amended Notice of 382(l)(5) Plan, but that was not previously required to serve a Notice of Substantial Securityholder Status (an “**Additional Substantial Securityholder**”), to serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status in the manner prescribed in Paragraph 2 below within 15 calendar days of the date of the Amended Notice of 382(l)(5) Plan.

² Capitalized terms used in Paragraphs 1-7 have the meaning ascribed in Paragraph 7, if not otherwise defined herein.

- c) Early Notice. The Debtors reserve the right, in order to assist in determining their eligibility for section 382(l)(5) of the Tax Code, to request in a manner consistent with the publication of the Notice of 382(l)(5) Plan described above, information regarding the Beneficial Ownership of Debt Securities prior to the filing of the Notice of 382(l)(5) Plan.
- (2) Notice of Substantial Securityholder Status. Following a request for Beneficial Ownership information pursuant to (i) a Notice of 382(l)(5) Plan, (ii) an Amended Notice of 382(l)(5) Plan or (iii) Paragraph 1(c) above, any person or Entity that as of the date such request is made (the “**Request Date**”) is or becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status (a “**Notice of Substantial Securityholder Status**”), in the form attached hereto as Exhibit E, within 15 calendar days of the later of (i) the Request Date and (ii) the date such person becomes a Substantial Securityholder.
- (3) Sell-Down Notices.
- a) Sell-Down Notices. Following the issuance of a Notice of 382(l)(5) Plan, but no earlier than 60 days prior to the then-scheduled hearing with respect to the 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the Beneficial Ownership of Debt Securities held by a Substantial Securityholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, and either the Creditors’ Committee or the Court similarly so determines, the Debtors may file a motion (the “**Sell-Down Motion**”) requesting that the Court enter an order (the “**Sell-Down Order**”) approving the issuance of a notice (the “**Sell-Down Notice**”) that such Substantial Securityholder must sell, cause to sell or otherwise transfer all or a portion of its Beneficial Ownership of Debt Securities (by class or other applicable breakdown) in excess of the Maximum Amount for such Substantial Securityholder (such excess amount, an “**Excess Amount**”) to Permitted Transferees. The Debtors shall provide a copy of the Sell-Down Motion to each person described in clause (h) of the definition of “Debt Notice Parties.” If the Court enters a Sell- Down Order approving the Debtors’ issuance of a Sell-Down Notice, the Debtors shall provide a copy of such Sell-Down Order to each person described in clause (h) of the definition of “Debt Notice Parties.”
- b) Requirement to Sell Down. Prior to (i) the effective date of the 382(l)(5) Plan or (ii) such earlier date set forth in the Sell-Down Order, which shall not be earlier than the day after the entry of the order confirming the 382(l)(5) Plan as may be specified by the Debtors (the “**Sell-Down**

Date”), each Substantial Securityholder shall sell, cause to sell or otherwise transfer an amount of the Beneficial Ownership of Debt Securities (if any) necessary to comply with the Sell-Down Notice (the “**Sell-Down**”); *provided, however*, that notwithstanding anything to the contrary in the Proposed Order (as entered) and for the avoidance of doubt, no Substantial Securityholder shall be required to sell, cause to sell or otherwise transfer any Beneficial Ownership of Debt Securities if such sale would result in such holder having Beneficial Ownership of an aggregate amount of Debt Securities (by class or other applicable breakdown) that is less than such holder’s Protected Amount (as hereinafter defined). Each Substantial Securityholder shall sell, cause to sell or otherwise transfer its Beneficial Ownership of Debt Securities subject to the Sell-Down to Permitted Transferees; *provided, however*, that such Substantial Securityholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Debt Securities.

- c) Notice of Compliance. A Substantial Securityholder subject to the Sell-Down shall, within seven calendar days after the later of (i) entry of an order approving the 382(1)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but in all events before the effective date of the 382(1)(5) Plan, and as a condition to receiving Affected Equity, serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice substantially in the form attached hereto as Exhibit F that such Substantial Securityholder has complied with the terms and conditions set forth in this Paragraph 3 and that such Substantial Securityholder does not and will not hold an Excess Amount of Debt Securities as of the Sell-Down Date and at all times through the effective date of the 382(1)(5) Plan (the “**Notice of Compliance**”); *provided, however*, that if the Substantial Securityholder has complied but for the fact that the Substantial Securityholder still holds an Excess Amount of Debt Securities as of the Sell-Down Date, the Notice of Compliance shall disclose such Excess Amount. Any Substantial Securityholder who fails to comply with this provision shall not receive Affected Equity with respect to the entirety of its Excess Amount of Debt Securities as determined under Paragraph 3(a), regardless of any sales made in accordance with this Paragraph 3.

- (4) Advance Approval of Acquisitions. Any proposed transfer or acquisition of Debt Securities from and after the date of the Sell-Down Order shall be subject to the following advance approval procedures:

- a) Acquisition of Securities. At least 20 calendar days prior to the proposed date of any transfer of Debt Securities that would result in (i) an increase

in the dollar amount of Debt Securities Beneficially Owned by a Substantial Securityholder or (ii) any person or Entity becoming a Substantial Securityholder (a “**Proposed Securities Acquisition Transaction**”), such person, Entity, or Substantial Securityholder (each a “**Proposed Securities Transferee**”) must serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Security (a “**Securities Acquisition Request**”), in the form attached hereto as Exhibit G, which describes specifically and in detail the intended acquisition of Debt Securities, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001.

- b) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and after consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Securities Acquisition Request. A Securities Acquisition Request that is not approved in writing by the Debtors within 15 calendar days after the filing of a Securities Acquisition Request shall be deemed rejected.

(5) Equity Forfeiture Provision.

- a) Equity Forfeiture Provision. Any Substantial Securityholder that violates its obligations under the Sell-Down Notice shall, pursuant to the Proposed Order (as entered), be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (as determined in accordance with the applicable rules of section 382 of the Tax Code, including Options, whether or not treated as exercised under Treasury Regulation section 1.382-4) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Debt Securities for such Substantial Securityholder as of the Sell-Down Date, including any consideration in lieu thereof, *provided, however*, that the forfeiture shall only apply to any Excess Amount of Debt Securities still owned as of the Sell-Down Date if the holder has complied with Paragraph 3(c); *provided further* that such Substantial Securityholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Debt Securities (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the Beneficial Ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “Forfeited Equity.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity

shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (i) any Forfeited Equity still held by such acquirer and (ii) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors' sole discretion, in furtherance of the 382(l)(5) Plan.

- b) Notification Requirement. In effecting any sale or other transfer of Debt Securities pursuant to a Sell-Down Notice, a Substantial Securityholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Debt Securities of the existence of the Proposed Order (as entered) and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Proposed Order (as entered) and the Equity Forfeiture Provision shall be included in such salesperson's summary of the transaction).

(6) Miscellaneous.

- a) No Disclosure of Participation. To permit reliance by the Debtors on Treasury Regulation section 1.382-9(d)(3), any person or Entity that participates in formulating any chapter 11 plan of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Debt Securities in which such person or Entity has a Beneficial Ownership are Newly Traded Securities. For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a chapter 11 plan if, in pursuing such activities, the relevant person or Entity does not disclose (or otherwise make evident) to the Debtors that such person or Entity has Beneficial Ownership of Newly Traded Securities: filing an objection to a proposed disclosure statement or to confirmation of a proposed chapter 11 plan; voting to accept or reject a proposed chapter 11 plan; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors or attorneys for the Creditors' Committee unconnected with the formulation of the chapter 11 plan; general

membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- b) Confidentiality. Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Notice of Substantial Securityholder Status that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors and the Creditors' Committee shall keep such notices and any additional information provided by a Substantial Securityholder pursuant to the Proposed Order (as entered) strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity; *provided, however*, that the Debtors and the Creditors' Committee may disclose the identity of the Substantial Securityholder to their respective counsel and professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors or the Creditors' Committee (as applicable), each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, the Debtors shall seek to file such confidential information (determined by, among other things, whether such information was redacted in any public filing) under seal.
- c) Exception. No person or Entity shall be subject to the aforementioned provisions with respect to any transfer described in Treasury Regulation section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulation section 1.382-9(d)(5)(iii) (a "**Qualified Transfer**"); *provided, further*, that any such transferee who becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors' Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors' proposed postpetition secured debtor-in-possession financing, a statement that the transfer is a Qualified Transfer and a notice of such Substantial Securityholder status in the manner prescribed in Paragraph 2 above within 20 calendar days of the later of (i) the day of the entry of the Proposed Order (as entered) by the Court and (ii) the date on which such person or Entity becomes a Substantial Securityholder.
- (7) Definitions. For purposes of the Proposed Order (as entered), the following terms have the following meanings:

- a) Affected Equity. Means the stock or other equity of the reorganized Debtors (or their successors), including Options, to be issued and distributed pursuant to the 382(l)(5) Plan but shall not include stock described in section 1504(a)(4) of the Tax Code.
- b) Applicable Percentage. Means, if only one class of Affected Equity is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Debt Securities will receive a pro-rata distribution of the Affected Equity, 4.5% of the number of such shares or equity interests that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of Affected Equity is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders with a class of Debt Securities may receive a disproportionate distribution of such Affected Equity relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other equity interests in each class of Affected Equity that would constitute the Applicable Percentage.
- c) Beneficial Ownership of a Security. Means:
- (x) the beneficial ownership of a Debt Security as determined in accordance with applicable rules under section 382 of the Tax Code (for such purpose, treating a Debt Security as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (determined without regard to the rule that treats stock of an Entity to which the constructive ownership rules apply as no longer owned by that Entity); and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Debt Securities and/or stock; and
- (y) the beneficial ownership of an Option (irrespective of the purpose for which such option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Debt Security also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order. Variations of the term "Beneficial Ownership" shall have correlative meanings.

- d) Creditors' Committee. Means any official committee of holders of unsecured Debt Securities appointed pursuant to section 1102 of the Bankruptcy Code in the Debtors' chapter 11 cases.
- e) Debt Notice Parties. Means (a) the United States Trustee for the Southern District of New York; (b) the indenture trustee for the prepetition 9.2% Senior Notes due June 1, 2021; (c) the indenture trustee for the prepetition 10.625% Senior Secured Notes due March 15, 2019; (d) the indenture trustee for the prepetition 9.95% Senior Notes due July 1, 2018; (e) the indenture trustee for the prepetition 9.75% Senior Secured Notes due March 1, 2018; (f) the indenture trustee for the prepetition 7.00% Convertible Senior Notes due April 1, 2017; (g) any Substantial Securityholder or Additional Substantial Securityholder who has properly given notice of such status; and (h) the agent for the Debtors' proposed postpetition secured debtor-in-possession financing.
- f) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
- g) Maximum Amount. Means for each person or Entity and by class or other applicable breakdown of Securities, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Substantial Securityholder.
- h) Newly Traded Securities. Means Debt Securities (i) with respect to which an Entity acquired Beneficial Ownership after the date that was 18 months before the Commencement Date; and (ii) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same Entity has always had Beneficial Ownership.
- i) Option. Has the meaning given to such term under Treasury Regulation section 1.382-4(d)(9)(i), with respect to the acquisition of a Debt Security or any consideration (including equity) distributed in respect of any Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order.
- j) Permitted Transferee. Means, with respect to a Substantial Securityholder is a person that is not a Related Person and whose holding of a Security would not result in such Substantial Securityholder having Beneficial Ownership of such Security.
- k) Protected Amount. Means the amount of Debt Securities (by class or other applicable breakdown) of which a holder had Beneficial Ownership

on the Motion Date, increased by the amount of Debt Securities of which such holder acquires, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date minus the amount of Debt Securities of which such holder sells, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date.

- l) Related Person. Persons (including Entities) are “Related Persons” if: (A) the person bears a relationship to the other person described in section 267(b) or 707(b) of the Tax Code, or (B) the persons are members of a group acting in concert with respect to the acquisition of Debt Securities or equity in the reorganized Debtors.
- m) Security or Debt Security. Means any claim against any of the Debtors, including, without limitation any claim against any of the Debtors as a guarantor.
- n) Substantial Securityholder. Means any person or Entity that Beneficially Owns an aggregate dollar amount of Securities, or any Entity controlled by such person or Entity through which such person or Entity Beneficially Owns Securities, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Debt Securities of several persons and/or Entities must be aggregated when testing for Substantial Securityholder status, treating Debt Securities as if they were stock.

- o) Threshold Amount. Means the amount of Securities, as set forth in the Notice of 382(l)(5) Plan (as revised by any Amended Notice of 382(l)(5) Plan, as applicable) sufficient, in the determination of the Debtors, to entitle the Beneficial Owner thereof to the Applicable Percentage of the Affected Equity. The amount determined in the preceding sentence shall be disclosed in the Notice of 382(l)(5) Plan and may be adjusted thereafter as contemplated by the Proposed Order (as entered) or any future order of the Court.
 - p) Treasury Regulations. Means the U.S. Department of Treasury regulations promulgated under the Tax Code, as amended from time to time.
- (8) Noncompliance with the Trading Procedures. Any purchase, sale, or other transfer of Debt Securities in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee.

- (9) Debtors' Right to Waive. The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Motion.

Basis For Relief

A. Protecting NOLs

23. Section 362(a) of the Bankruptcy Code operates as a stay of, among other things, “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. § 362(a)(3). Accordingly, “where a non-debtor’s action with respect to an interest that is intertwined with that of a bankrupt debtor would have the legal effect of diminishing or eliminating property of the bankrupt estate, such action is barred by the automatic stay.” *Official Comm. of Unsecured Creditors v. PSS Steamship Co. (In re Prudential Lines Inc.)*, 928 F.2d 565, 574 (2d Cir. 1991), *cert. denied*, 502 U.S. 821 (1991).

24. NOLs are property of a debtor’s estate protected by section 362 of the Bankruptcy Code. *See Nisselson v. Drew Indus., Inc. (In re White Metal Rolling & Stamping Corp.)*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) (“It is beyond peradventure that NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them.”). The United States Court of Appeals for the Second Circuit, in its seminal *Prudential Lines* decision, affirmed the application of the automatic stay and upheld a permanent injunction prohibiting a parent corporation from taking a worthless stock deduction for the stock of its debtor subsidiary because doing so would have adversely affected the subsidiary’s ability to use its NOLs under the special relief provisions of section 382 of the Tax Code. 928 F.2d 565. The Second Circuit stated:

Including NOL carryforwards as property of a corporate debtor’s estate is consistent with Congress’ intention to “bring anything of value that the debtors have into the estate.” Moreover, “[a] paramount and important

goal of Chapter 11 is the rehabilitation of the debtor by offering breathing space and an opportunity to rehabilitate its business and eventually generate revenue.” Including the right to a NOL carryforward as property of [the debtor’s] bankruptcy estate furthers the purpose of facilitating the reorganization of [the debtor].

Id. at 573 (internal citations omitted); *see also In re Fruehauf Trailer Corp.*, 444 F.3d 203, 211 (3d Cir. 2006) (“Property of the estate ‘includes all interests, such as . . . contingent interests and future interests, whether or not transferable by the debtor.’”) (quoting *Prudential Lines*, 928 F.2d at 572); *In re Enron Corp.*, Case No. 01-16034 (Bankr. S.D.N.Y. Apr. 25, 2003) (finding that the debtors’ NOL carryforwards “are property of the Debtors’ estates and are protected by the automatic stay prescribed in section 362 of the Bankruptcy Code”); *Gibson v. United States (In re Russell)*, 927 F.2d 413, 417 (8th Cir. 1991) (concluding the “right to carry forward the [debtor’s] NOLs” was a “property interest” of the estate); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (Bankr. S.D.N.Y. Dec. 20, 2005) (finding that tax credit carryforwards were property of the debtors’ estates and approving notification procedures and restrictions on certain transfers of claims against and interests in the debtors to protect various tax attributes). In *Prudential Lines*, the Second Circuit further held that the parent corporation’s attempt to claim a worthless stock deduction in stock of its debtor subsidiary effectively would eliminate the value of the debtor’s NOLs, and thus, would be an act to exercise control over estate property in violation of the automatic stay extant under section 362 of the Bankruptcy Code. *Prudential Lines*, 928 F.2d at 573-74.

25. In *Prudential Lines*, the parent corporation’s interest in its worthless stock deduction was intertwined with the debtor’s NOLs. The Second Circuit determined that if the parent was permitted to take a worthless stock deduction, it would have an adverse impact on the debtor subsidiary’s ability to carry forward its NOLs. Therefore, the Second Circuit noted that,

“despite the fact that the [parent corporation’s] action is not directed specifically at [the debtor subsidiary], it is barred by the automatic stay as an attempt to exercise control over property of the estate.” *Id.*

26. The Second Circuit also held that the permanent injunction was supported by the court’s equitable powers pursuant to section 105(a) of the Bankruptcy Code, which authorizes the court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [title 11].” *Id.*; *see also* 11 U.S.C. § 105(a). Because the NOLs were valuable assets of the debtor, the Second Circuit refused to disturb the bankruptcy court’s determination that elimination of the right to apply its NOLs to offset income on future tax returns would impede the debtor’s reorganization. *Prudential Lines*, 928 F.2d at 574.

B. Equity Trading Limitations

27. In *In re Phar-Mor, Inc.*, 152 B.R. 924 (Bankr. N.D. Ohio 1993), chapter 11 debtors moved to prohibit the transfer of their stock that could have had an adverse effect on their ability to use NOLs. The court held that the NOLs qualified as property of the estate and issued an injunctive order and enforced the automatic stay, thereby protecting the assets of the debtors’ estates. Significantly, the court granted the relief requested even though the stockholders did not state any intent to sell their stock and even though the debtors did not show that a sale was pending that would trigger the prescribed ownership change under section 382 of the Tax Code. *See id.* at 927. Despite the “ethereal” nature of the situation, the court observed that “[w]hat is certain is that the *NOL has a potential value, as yet undetermined*, which will be of benefit to creditors and will assist debtors in their reorganization process. This asset is entitled to protection while debtors move forward toward reorganization.” *Id.* (emphasis added).

The court also concluded that, because the debtors were seeking to enforce the stay, they did not have to meet the more stringent requirements for preliminary injunctive relief:

The requirements for enforcing an automatic stay under 11 U.S.C. § 362(a)(3) do not involve such factors as lack of an adequate remedy at law, or irreparable injury, or loss and a likelihood of success on the merits. The key elements for a stay . . . are the existence of property of the estate and the enjoining of all efforts by others to obtain possession or control of property of the estate.

Id. at 926 (quoting *In re Golden Distribs., Inc.*, 122 B.R. 15, 19 (Bankr. S.D.N.Y. 1990)).

28. Restrictions on equity trading to protect a debtor against the possible loss of its NOLs are regularly applied by courts and interim relief is regularly granted on first day motions. *See, e.g., In re Hostess Brands, Inc.*, Case No. 12-22052 (Bankr. S.D.N.Y. Jan. 11, 2012) (approving notification procedures and restrictions on certain transfers of equity interests in the debtors, granting interim relief on the first day); *In re AMR Corp*, Case No. 11-15463 (Bankr. S.D.N.Y. Nov. 29, 2011) (approving notification procedures and restrictions on certain transfers of claims against and equity interests in the debtors, granting interim relief on the first day); *In re Borders Group, Inc.*, Case No. 11-10614 (Bankr. S.D.N.Y. Feb. 17, 2011) (approving notification procedures and restrictions on certain transfers of claims against and equity interests in the debtors, granting interim relief on the second day *nunc pro tunc* to the first day); *In re Great Atlantic & Pacific Tea Co., Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. Jan. 12, 2011) (approving notification procedures and restrictions on certain transfers of equity interests in the debtors, granting interim relief on the first day); *In re Lehman Brothers Holdings Inc.*, Case No. 08-13555 (Bankr. S.D.N.Y. Nov. 5, 2008); *In re Northwest Airlines Corp.*, No. 05-17930 (Bankr. S.D.N.Y. Oct. 28, 2005). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

29. These cases establish that it is well settled that the automatic stay under section 362(a)(3) of the Bankruptcy Code stays actions that would adversely affect a debtor's Tax Attributes. These actions, including the trading of stock in a debtor, may be determined to be null and void *ab initio*.

C. Debt Securities Sell-Down Procedures

30. The sell-down procedures contemplated herein are narrowly tailored to provide relief should the Debtors seek to confirm a 382(l)(5) plan, while otherwise leaving holders of claims in respect of Debt Securities free to trade them as they see fit. They also protect holders from being forced to sell down Debt Securities accumulated before the Motion Date. Courts have consistently limited trading in claims through a sell-down remedy. *See In re AMR Corp.*, No. 11-15463 (Bankr. S.D.N.Y. Nov. 29, 2011) (approving notification procedures and restrictions on certain transfers of claims against and equity interests in the debtors, granting interim relief on the first day); *In re Lehman Brothers Holdings Inc.*, Case No. 08-13555 (Bankr. S.D.N.Y. Mar. 25, 2010) (approving notification procedures and restrictions on certain transfers of equity interests in the debtors); *In re Bearingpoint, Inc., et al.*, Case No. 09-10691 (Bankr. S.D.N.Y. May 12, 2009); *In re Northwest Airlines Corp., et al.*, Case No. 05-17930 (Bankr. S.D.N.Y. Oct. 28, 2005), *In re Delta Air Lines, Inc., et al.*, Case No. 05-17923 (Bankr. S.D.N.Y. Dec. 20, 2005). A sell-down remedy allows holders of claims to continue purchasing and selling claims throughout the bankruptcy case without jeopardizing the Debtors' ability to avail themselves of the relief afforded by section 382(l)(5) of the Tax Code. Trading in claims only will be subject to the advance approval of the Debtors when there is a viable chapter 11 plan that contemplates the use of section 382(l)(5).

31. In short, it is well-established in this Circuit, as well as other Circuits, that the automatic stay under section 362(a)(3) of the Bankruptcy Code stays actions that would adversely affect a debtor's Tax Attributes. These actions, including the trading of claims against a debtor, may be determined to be null and void *ab initio*.

D. The Proposed Restrictions and Notice Procedures are Necessary and in the Best Interests of the Debtors, Their Estates, and Creditors

32. The proposed restrictions and notice procedures are necessary to preserve the Debtors' ability to use the Tax Attributes, which may be valuable assets of the Debtors' estates. The Debtors' ability to meet the requirements of the tax laws to preserve the Tax Attributes may be seriously jeopardized unless procedures and restrictions are established immediately to ensure that trading in Kodak Stock is either curtailed or closely monitored. The Debtors recognize that some trading in Kodak Stock may not pose a serious risk to the Tax Attributes, and thus it generally seeks to impose only an advance notice and objection procedure and limits the relief sought to transactions implicating a holder of Kodak Stock that is or seeks to become, or cease to be, a Substantial Equity Holder.

33. Furthermore, the Debtors may not be able to satisfy the requirements of section 382(l)(5) of the Tax Code unless certain restrictions and procedures are established to allow the Debtors to require certain holders to sell down Debt Securities acquired after the Motion Date. The Debtors believe the proposed procedures and the sell-down obligation strike an appropriate balance between Debt Security holders' reasonable desire for current liquidity and the Debtors' efforts to maximize the value of their estates for the benefit of all Debt Security holders and any other parties in interest by preserving, to the greatest extent possible, the availability of the maximum amount of Tax Attributes following a reorganization. Satisfying

section 382(l)(5) of the Tax Code and preserving the value of the Tax Attributes is critical to maximizing the Debtors' ability to effect a successful reorganization.

34. Depending on the circumstances (including asset sales and potential changes in the value of any retained assets), the Tax Attributes may be valuable assets of the Debtors' estates and are entitled to the protection of the automatic stay. The exercise of this Court's equitable powers under section 105(a) of the Bankruptcy Code is appropriate.

35. The relief requested is narrowly tailored to permit certain stock trading to continue, subject to applicable securities, corporate, and other laws. The Debtors are seeking only to enforce the provisions of the automatic stay in connection with certain types of stock trading that pose a serious risk under the ownership change tests and to monitor other types of trading that potentially pose a serious risk. The proposed restrictions on trading are crucial because once an interest is acquired, the acquisition might not be reversible for tax purposes absent such restrictions. Once a transfer acts to limit the Debtors' ability to use the Tax Attributes under section 382 or section 383 of the Tax Code, such ability may be permanently lost. The relief requested is, therefore, necessary to prevent an irrevocable loss of the Debtors' use of the Tax Attributes.

36. Furthermore, the relief requested has been narrowly tailored to permit the unrestricted trading of Debt Securities—subject to Bankruptcy Rule 3001(e) and applicable securities, corporate and other legal restrictions—until the Debtors determine to pursue a chapter 11 plan or other court-approved transfer of assets contemplating the potential utilization of section 382(l)(5), at which point, if necessary to satisfy section 382(l)(5), a purchaser of Debt Securities may be required to resell some or all of any Debt Securities acquired from and after the Motion Date.

37. It is in the best interests of the Debtors and their stakeholders to restrict stock trading that could result in an ownership change under section 382 of the Tax Code during the pendency of the bankruptcy case. This permits the use of the Tax Attributes, if needed, to offset gain or other income recognized in connection with asset sales or other recognition events. If an ownership change were to occur prior to the recognition of any such gain or income, the Tax Attributes may be unavailable due to the annual limitation imposed by sections 382 and 383 of the Tax Code.

38. Furthermore, the preservation of the Debtors' Tax Attributes may enhance the Debtors' prospects for a successful emergence from chapter 11. Thus, the Tax Attributes are valuable assets of the Debtors' estates and are entitled to the protection of the automatic stay, and the exercise of this Court's equitable powers under section 105(a) is appropriate.

E. Relief Should Be Granted

39. Debtors propose that the requested relief be granted immediately on an interim basis, and, as more fully set forth below, that a 21-day period for making objections be provided and, in the event any objection is made, a hearing be set for a date not earlier than 30 days after the filing of this Motion. This will benefit the Debtors in these chapter 11 cases by preventing the loss of the Tax Attributes while allowing holders of Kodak Stock and Debt Securities, and other parties in interest, ample time to consider the proposed procedures.

40. Absent granting the interim relief requested herein, the Debtors may be irreparably harmed by the mere filing of this Motion. If the Debtors filed this Motion in accordance with the usual notice procedures set forth in the applicable Bankruptcy Rules and Local Rules for the United States Bankruptcy Court for the Southern District of New York, it is possible that a flurry of equity trading would immediately follow. Parties holding Kodak Stock

may rush to transfer their interests in the Debtors before any prohibition on trading is approved by this Court. Such trading would put the Debtors' Tax Attributes in jeopardy and would thereby be counterproductive to the Debtors' objectives in seeking the relief requested herein. Similarly, only Debt Securities accumulated before the Motion Date should be protected from the sell-down remedy; otherwise, the mere filing of the motion might prompt holders to accumulate more Debt Securities in an effort to protect larger amounts, which could imperil a section 382(l)(5) plan. Accordingly, it is requested that the procedures described herein be approved immediately on an interim basis, subject to the notice and objection procedures set forth below.

41. Within three (3) business days of the entry of the Proposed Order, the Debtors propose (i) to send the Procedures Notice, as adopted by the Court, to those parties named in the first paragraph of the section captioned "Notice," below; (ii) to have Procedures Notice, as adopted by the Court, be subject to the forwarding requirements set forth in the second paragraph of the section captioned "Notice," below; and (iii) to post the Procedures Notice, as adopted by the Court, on the Bloomberg newswire service, in the national editions of *The Wall Street Journal* and *The New York Times*, and on the website established by the Debtors' claims agent: www.kccllc.com/kodak.

42. The Procedures Notice will provide that the deadline to file an objection ("**Objection**") to the Motion shall be 21 days after the Petition Date (the "**Objection Deadline**"). An Objection shall be considered timely if it is (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn:

Michael H. Torkin, Esq. and Noam B. Katz, Esq.), attorneys for the Debtors; and (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 before the Objection Deadline. If an Objection is timely filed and served, a hearing will be held no earlier than 30 days after the Petition Date. The filing of any objection shall not negate the effectiveness of the Proposed Order (as entered). If no Objection is timely filed and served, the relief set forth in the Proposed Order shall be deemed final upon the expiration of the Objection Deadline.

43. Any acquisition or disposition of Kodak Stock as of the date of the Motion in violation of the procedures set forth above shall be null and void *ab initio* as an act in violation of the automatic stay prescribed by section 362 of the Bankruptcy Code and pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code.

44. The foregoing notice procedures satisfy due process and the strictures of Bankruptcy Rule 9014 by providing the counterparties with notice and an opportunity to object and be heard at a hearing. *See, e.g., Harada v. DBL Liquidating Trust (In re Drexel Burnham Lambert Group, Inc.)*, 160 B.R. 729, 733 (S.D.N.Y. 1993) (indicating that an opportunity to present objections satisfies due process); *Flynn v. Eley (In re Colo. Mountain Cellars, Inc.)*, 226 B.R. 244, 246 (D. Colo. 1998) (noting that a hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses. Similar notice and objection procedures were approved in the cases discussed above.

Notice

45. Notice of this Motion has been provided to: (a) the United States Trustee for the Southern District of New York; (b) any transfer agent(s) for Kodak Stock; (c) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims; (d) the agent under the prepetition revolving credit facility; (e) the indenture trustee for the prepetition 9.2% Senior Notes due June 1, 2021; (f) the indenture trustee for the prepetition 10.625% Senior Secured Notes due March 15, 2019; (g) the indenture trustee for the prepetition 9.95% Senior Notes due July 1, 2018; (h) the indenture trustee for the prepetition 9.75% Senior Secured Notes due March 1, 2018; (i) the indenture trustee for the prepetition 7.00% Convertible Senior Notes due April 1, 2017; (j) the Securities and Exchange Commission; (k) the United States Attorney for the Southern District of New York; (l) the Internal Revenue Service; (m) the Environmental Protection Agency; (n) the Pension Benefit Guaranty Corporation; (o) counsel to KPP Trustees Limited, the trustee of the Kodak Pension Plan; (p) counsel to the Ad Hoc Committee of Holders of Senior Secured Notes; (q) any holders of 5% or more of the outstanding shares of Kodak common stock; and (r) counsel to the agent under the proposed Debtor-in-Possession Credit Agreement. Due to the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that further notice of this Motion is neither required nor necessary.

46. The Debtors are requesting that upon receipt of the Motion and upon receipt of the Procedures Notice, any transfer agents shall send the Motion or Procedures Notice, as the case may be, to all holders of Kodak Stock registered with the transfer agent. The Debtors are requesting that upon receipt of the Motion and upon receipt of the Procedures Notice, any indenture trustees shall send the Motion or Procedures Notice, as the case may be, to all holders

of Kodak Debt Securities registered with the indenture trustee. Any registered holder shall, in turn, provide the Motion or the Procedures Notice, as the case may be, to any holder for whose account the registered holder holds Kodak Stock or Kodak Debt Securities. Any holder shall, in turn, provide the Motion, or the Procedures Notice, to any person or entity for whom the holder holds Kodak Stock or Debt Securities. Upon receipt of a proper invoice, the Debtors shall reimburse the nominee holder or its designated mailing agent the cost of sending the Motion or the Procedures Notice, as the case may be.

47. The above measures constitute a sufficient and cost-effective way of providing notice of the procedures described above.

No Previous Request

48. The Debtors have not previously sought the relief requested herein from this or any other court.

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Proposed Order granting the relief requested in the Motion, (b) to the extent that there is an objection to the relief requested in the Motion on a final basis, schedule a final hearing on the Motion within 30 days of the Petition Date or as soon as is otherwise practicable and (c) grant such other and further relief as may be just and proper.

Dated: January 19, 2012
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Proposed Counsel to the Debtors and Debtors in
Possession

EXHIBIT A

PROPOSED ORDER

appearing that proper and adequate notice of the Motion has been given and that, except as otherwise ordered herein, no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS FOUND THAT:

1. Kodak's consolidated net operating loss tax carryforwards ("**NOLs**") and certain other tax attributes described in the Motion (together with NOLs, the "**Tax Attributes**") are property of the Debtors' estates and are protected by the automatic stay prescribed in section 362 of the Bankruptcy Code;

2. Unrestricted trading of certain equity interests in Kodak during the pendency of the bankruptcy could severely limit the Debtors' ability to utilize the Tax Attributes for purposes of title 26 of the United States Code (the "**Tax Code**");

3. Under certain circumstances, the accumulation of Debt Securities prior to the Debtors' (or their successors') potential emergence of the Debtors from chapter 11 could, following any such emergence, severely limit the Debtors' (or successors') ability to use the Tax Attributes;

4. The notification procedures and restrictions on transfers of Kodak common stock and options to acquire such stock (including securities convertible into such stock) are necessary and proper to preserve the Tax Attributes and therefore are in the best interests of the Debtors, their estates, and their creditors;

5. The restrictions and procedures applicable to the accumulation of Debt Securities are necessary and proper to preserve the availability of the Tax Attributes following the Debtor's (or their successors') emergence, and are therefore in the best interests of the Debtors, their estates, and their creditors; and

6. The relief requested in the Motion is authorized under sections 105(a) and 362 of the Bankruptcy Code.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The provisions of this Order shall be effective, *nunc pro tunc*, to the date of the Motion.
3. Any acquisition, disposition or other transfer in violation of the restrictions set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay prescribed in section 362 of the Bankruptcy Code and pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code. For purposes of this Order, any trades made before the filing of the Motion shall not be subject to this Order.

4. The following procedures and restrictions shall apply to trading in Kodak Stock and are approved:

- (1) Acquisition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options, as defined below, to acquire such securities) that would result in an increase in the amount of Kodak Stock beneficially owned by any person or Entity (as defined below) who currently is or becomes a Substantial Equityholder (as defined below) or that would result in a person or Entity becoming a Substantial Equityholder (a "**Proposed Equity Acquisition Transaction**"), such person, Entity or Substantial Equityholder (a "**Proposed Equity Transferee**") shall file with the Court, and serve upon the Debtors and Debtors' counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors' proposed postpetition secured debtor-in-possession financing, a Notice of Intent to Purchase, Acquire or Otherwise Accumulate Kodak Stock (an "**Equity Acquisition Notice**"), in the form attached to the Motion as Exhibit C, specifically and in detail describing the proposed transaction in which Kodak Stock would be acquired. At the holder's election, the Equity Acquisition Notice to be filed with the Court may be redacted to exclude such holder's taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.

- (2) Disposition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Kodak Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “**Proposed Equity Disposition Transaction**” and, together with a Proposed Equity Acquisition Transaction, a “**Proposed Equity Transaction**”), such person, Entity or Substantial Equityholder (a “**Proposed Equity Transferor**”) shall file with the Court, and serve upon the Debtors and Debtors’ counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Intent to Sell, Trade or Otherwise Transfer Kodak Stock (an “**Equity Disposition Notice**”, and together with an Equity Acquisition Notice, an “**Equity Trading Notice**”), in the form attached to the Motion as Exhibit D, specifically and in detail describing the proposed transaction in which Kodak Stock would be transferred. At the holder’s election, the Equity Disposition Notice to be filed with the Court may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to sell or otherwise transfer.
- (3) Objection Procedures. The Debtors shall have 15 calendar days after the filing of an Equity Trading Notice (the “**Equity Objection Deadline**”) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, an objection to any proposed transfer of Kodak Stock described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an “**Equity Objection**”) as a result of an ownership change under section 382 or section 383 of the Tax Code.
- a) If the Debtors file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
- b) If the Debtors do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors provide written authorization to the Proposed Equity Transferor approving the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, prior to the Equity Objection Deadline, then such Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein, with an additional 20 calendar day waiting period.

- (4) Unauthorized Transactions in Kodak Stock or Options. Effective as of the filing of the Motion and until further order of the Court to the contrary, any acquisition, disposition or other transfer of Kodak Stock, including Options to acquire Kodak Stock, in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.
- (5) Definitions. For purposes of the Order:
- a) Substantial Equityholder. Means any person or entity that beneficially owns at least:
- (i) 4.50% of all outstanding shares of Kodak common stock, as defined for federal income tax purposes;
 - (ii) 4.50% of the outstanding shares of any class of Kodak securities convertible into Kodak common stock, as defined for federal income tax purposes.
- b) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
- c) Beneficial Ownership. Beneficial ownership (or any variation thereof of Kodak Stock and Options to acquire Kodak Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, the U.S. Department of Treasury regulations (“**Treasury Regulations**”) promulgated thereunder and rulings issued by the Internal Revenue Service (the “**IRS**”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (ii) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock and (iii) in certain cases, the ownership of an Option to acquire Kodak Stock.
- d) Option. An Option to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- e) Kodak Stock. Means Kodak common stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an

Option to acquire Kodak Stock may be treated as the owner of such Kodak Stock.

(6) The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in the Order.

7. The following restrictions and procedures applicable to certain transfers of

Debt Securities are approved:

(1) Notice of 382(l)(5) Plan; Amended Notice of 382(l)(5) Plan.³

a) Notice of 382(l)(5) Plan. Upon filing a chapter 11 plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (a “**382(l)(5) Plan**”), the Debtors may, if, after consultation with their counsel and advisors and counsel and advisors for the Creditors’ Committee and the agent for the Debtors’ postpetition secured debtor-in-possession financing, they determine that the application of section 382(l)(5) of the Tax Code is reasonably likely to be beneficial to the reorganized Debtors (or any successors thereto), (i) publish (or arrange for publication of) a notice and provide a written notice to the Debt Notice Parties, disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as defined in Paragraph 3(a) below) in connection therewith on the website established by Debtors’ claims agent: <http://www.kccllc.com/kodak> and in the national editions of *The Wall Street Journal* and *The New York Times* (a “**Notice of 382(l)(5) Plan**”), (ii) identify the classes of Debt Securities that are potentially subject to a Sell-Down Notice and (iii) identify the applicable Threshold Amounts (by class or other applicable breakdown) for status as a Substantial Securityholder.

b) Amended Notice of 382(l)(5) Plan. The Debtors may determine subsequent to the date of the Notice of 382(l)(5) Plan or an Amended Notice of 382(l)(5) Plan (as defined below), to (i) adjust the Threshold Amount or (ii) identify additional classes of Debt Securities that are potentially subject to a Sell-Down Notice. In that case, the Debtors shall publish and provide notice of such additional amount and/or such additional class of Debt Securities in the same manner as the Notice of 382(l)(5) Plan and such notice shall be an “**Amended Notice of 382(l)(5) Plan.**” The Amended Notice of 382(l)(5) Plan shall require (x) any person or Entity that previously served a Notice of Substantial Securityholder Status to update information regarding such Substantial Securityholder’s

³ Capitalized terms used in Paragraphs 1-9 have the meaning ascribed in Paragraph 7, if not otherwise defined herein.

Beneficial Ownership of Debt Securities and (y) any person or Entity that is a Substantial Securityholder as of the date of the most recent Amended Notice of 382(l)(5) Plan, but that was not previously required to serve a Notice of Substantial Securityholder Status (an “**Additional Substantial Securityholder**”), to serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status in the manner prescribed in Paragraph 2 below within fifteen calendar days of the date of the Amended Notice of 382(l)(5) Plan.

- c) Early Notice. The Debtors reserve the right, in order to assist in determining their eligibility for section 382(l)(5) of the Tax Code, to request in a manner consistent with the publication of the Notice of 382(l)(5) Plan described above, information regarding the Beneficial Ownership of Debt Securities prior to the filing of the Notice of 382(l)(5) Plan.
- (2) Notice of Substantial Securityholder Status. Following a request for Beneficial Ownership information pursuant to (i) a Notice of 382(l)(5) Plan, (ii) an Amended Notice of 382(l)(5) Plan or (iii) Paragraph 1(c) above, any person or Entity that as of the date such request is made (the “**Request Date**”) is or becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status (a “**Notice of Substantial Securityholder Status**”), in the form attached to the Motion as Exhibit E, within 15 calendar days of the later of (i) the Request Date and (ii) the date such person becomes a Substantial Securityholder.
 - (3) Sell-Down Notices.
 - a) Sell-Down Notices. Following the issuance of a Notice of 382(l)(5) Plan, but no earlier than 60 days prior to the then-scheduled hearing with respect to the 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the Beneficial Ownership of Debt Securities held by a Substantial Securityholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, and either the Creditors’ Committee or the Court similarly so determines, the Debtors may file a motion (the “**Sell-Down Motion**”) requesting that the Court enter an order (the “**Sell-Down Order**”) approving the issuance of a notice (the “**Sell-Down Notice**”) that such Substantial Securityholder must sell, cause to sell or otherwise transfer all or a portion of its Beneficial Ownership of Debt Securities (by class or other applicable breakdown) in

excess of the Maximum Amount for such Substantial Securityholder (such excess amount, an “**Excess Amount**”) to Permitted Transferees. The Debtors shall provide a copy of the Sell-Down Motion to each person described in clause (h) of the definition of “Notice Parties.” If the Court enters a Sell- Down Order approving the Debtors’ issuance of a Sell-Down Notice, the Debtors shall provide a copy of such Sell-Down Order to each person described in clause (h) of the definition of “Notice Parties.”

- b) Requirement to Sell Down. Prior to (i) the effective date of the 382(l)(5) Plan or (ii) such earlier date set forth in the Sell-Down Order, which shall not be earlier than the day after the entry of the order confirming the 382(l)(5) Plan as may be specified by the Debtors (the “**Sell-Down Date**”), each Substantial Securityholder shall sell, cause to sell or otherwise transfer an amount of the Beneficial Ownership of Debt Securities (if any) necessary to comply with the Sell-Down Notice (the “**Sell-Down**”); *provided, however*, that notwithstanding anything to the contrary in the Order and for the avoidance of doubt, no Substantial Securityholder shall be required to sell, cause to sell or otherwise transfer any Beneficial Ownership of Debt Securities if such sale would result in such holder having Beneficial Ownership of an aggregate amount of Debt Securities (by class or other applicable breakdown) that is less than such holder’s Protected Amount (as hereinafter defined). Each Substantial Securityholder shall sell, cause to sell or otherwise transfer its Beneficial Ownership of Debt Securities subject to the Sell-Down to Permitted Transferees; *provided, however*, that such Substantial Securityholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Debt Securities.
- c) Notice of Compliance. A Substantial Securityholder subject to the Sell-Down shall, within seven calendar days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but in all events before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Equity, serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice substantially in the form attached to the Motion as Exhibit F that such Substantial Securityholder has complied with the terms and conditions set forth in this Paragraph 3 and that such Substantial Securityholder does not and will not hold an Excess Amount of Debt Securities as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the “**Notice of Compliance**”); *provided, however*, that if the Substantial Securityholder has complied but for the fact that the Substantial Securityholder still holds

an Excess Amount of Debt Securities as of the Sell-Down Date, the Notice of Compliance shall disclose such Excess Amount. Any Substantial Securityholder who fails to comply with this provision shall not receive Affected Equity with respect to the entirety of its Excess Amount of Debt Securities as determined under Paragraph 3(a), regardless of any sales made in accordance with this Paragraph 3.

- (4) Advance Approval of Acquisitions. Any proposed transfer or acquisition of Debt Securities from and after the date of the Sell-Down Order shall be subject to the following advance approval procedures:
- a) Acquisition of Securities. At least 20 calendar days prior to the proposed date of any transfer of Debt Securities that would result in (i) an increase in the dollar amount of Debt Securities Beneficially Owned by a Substantial Securityholder or (ii) any person or Entity becoming a Substantial Securityholder (a “**Proposed Securities Acquisition Transaction**”), such person, Entity, or Substantial Securityholder (each a “**Proposed Securities Transferee**”) must serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Security (a “**Securities Acquisition Request**”), in the form attached to the Motion as Exhibit G, which describes specifically and in detail the intended acquisition of Debt Securities, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001.
- b) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and after consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Securities Acquisition Request. A Securities Acquisition Request that is not approved in writing by the Debtors within 15 calendar days after the filing of a Securities Acquisition Request shall be deemed rejected.
- (5) Equity Forfeiture Provision.
- a) Equity Forfeiture Provision. Any Substantial Securityholder that violates its obligations under the Sell-Down Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (as determined in accordance with the applicable rules of section 382 of the Tax Code, including Options, whether or not treated as exercised under Treasury Regulation section 1.382-4) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Debt Securities for such

Substantial Securityholder as of the Sell-Down Date, including any consideration in lieu thereof, *provided, however*, that the forfeiture shall only apply to any Excess Amount of Debt Securities still owned as of the Sell-Down Date if the holder has complied with Paragraph 3(c); *provided further* that such Substantial Securityholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Debt Securities (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the Beneficial Ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (i) any Forfeited Equity still held by such acquirer and (ii) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.

b) Notification Requirement. In effecting any sale or other transfer of Debt Securities pursuant to a Sell-Down Notice, a Substantial Securityholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Debt Securities of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson’s summary of the transaction).

(6) Miscellaneous.

a) No Disclosure of Participation. To permit reliance by the Debtors on Treasury Regulation section 1.382-9(d)(3), any person or Entity that participates in formulating any chapter 11 plan of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan),

shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Debt Securities in which such person or Entity has a Beneficial Ownership are Newly Traded Securities. For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a chapter 11 plan if, in pursuing such activities, the relevant person or Entity does not disclose (or otherwise make evident) to the Debtors that such person or Entity has Beneficial Ownership of Newly Traded Securities: filing an objection to a proposed disclosure statement or to confirmation of a proposed chapter 11 plan; voting to accept or reject a proposed chapter 11 plan; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors or attorneys for the Creditors' Committee unconnected with the formulation of the chapter 11 plan; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- b) Confidentiality. Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Notice of Substantial Securityholder Status that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors and the Creditors' Committee shall keep such notices and any additional information provided by a Substantial Securityholder pursuant to the Order strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity; *provided, however*, that the Debtors and the Creditors Committee may disclose the identity of the Substantial Securityholder to their respective counsel and professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors or the Creditors' Committee (as applicable), each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, the Debtors shall seek to file such confidential information (determined by, among other things, whether such information was redacted in any public filing) under seal.
- c) Exception. No person or Entity shall be subject to the aforementioned provisions with respect to any transfer described in Treasury Regulation section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors

within the meaning of Treasury Regulation section 1.382-9(d)(5)(iii) (a “**Qualified Transfer**”); *provided, further*, that any such transferee who becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a statement that the transfer is a Qualified Transfer and a notice of such Substantial Securityholder status in the manner prescribed in Paragraph 2 above within 20 calendar days of the later of (i) the day of the entry of the Order by the Court and (ii) the date on which such person or Entity becomes a Substantial Securityholder.

- (7) Definitions. For purposes of the Order, the following terms have the following meanings:
- a) Affected Equity. Means the stock or other equity of the reorganized Debtors (or their successors), including Options, to be issued and distributed pursuant to the 382(l)(5) Plan but shall not include stock described in section 1504(a)(4) of the Tax Code.
 - b) Applicable Percentage. Means, if only one class of Affected Equity is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Debt Securities will receive a pro-rata distribution of the Affected Equity, 4.5% of the number of such shares or equity interests that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of Affected Equity is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders with a class of Debt Securities may receive a disproportionate distribution of such Affected Equity relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other equity interests in each class of Affected Equity that would constitute the Applicable Percentage.
 - c) Beneficial Ownership of a Security. Means:
 - (x) the beneficial ownership of a Debt Security as determined in accordance with applicable rules under section 382 of the Tax Code (for such purpose, treating a Debt Security as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (determined without regard to the rule that treats stock of an Entity to which the constructive ownership rules apply as no longer

owned by that Entity); and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Debt Securities and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Debt Security also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order. Variations of the term "Beneficial Ownership" shall have correlative meanings.

- d) Creditors' Committee. Means any official committee of holders of unsecured Debt Securities appointed pursuant to section 1102 of the Bankruptcy Code in the Debtors' chapter 11 cases.
- e) Debt Notice Parties. Means (a) the United States Trustee for the Southern District of New York; (b) the indenture trustee for the prepetition 9.2% Senior Notes due June 1, 2021; (c) the indenture trustee for the prepetition 10.625% Senior Secured Notes due March 15, 2019; (d) the indenture trustee for the prepetition 9.95% Senior Notes due July 1, 2018; (e) the indenture trustee for the prepetition 9.75% Senior Secured Notes due March 1, 2018; (f) the indenture trustee for the prepetition 7.00% Convertible Senior Notes due April 1, 2017; (g) any Substantial Securityholder or Additional Substantial Securityholder who has properly given notice of such status; and (h) the agent for the Debtors' proposed postpetition secured debtor-in-possession financing.
- f) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
- g) Maximum Amount. Means for each person or Entity and by class or other applicable breakdown of Securities, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Substantial Securityholder.
- h) Newly Traded Securities. Means Debt Securities (i) with respect to which an Entity acquired Beneficial Ownership after the date that was 18 months before the Commencement Date; and (ii) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same Entity has always had Beneficial Ownership.

- i) Option. Has the meaning given to such term under Treasury Regulation section 1.382-4(d)(9)(i), with respect to the acquisition of a Debt Security or any consideration (including equity) distributed in respect of any Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order.
- j) Permitted Transferee. Means with respect to a Substantial Securityholder is a person that is not a Related Person and whose holding of a Security would not result in such Substantial Securityholder having Beneficial Ownership of such Security.
- k) Protected Amount. Means the amount of Debt Securities (by class or other applicable breakdown) of which a holder had Beneficial Ownership on the Motion Date, increased by the amount of Debt Securities of which such holder acquires, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date minus the amount of Debt Securities of which such holder sells, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date.
- l) Related Person. Persons (including Entities) are “Related Persons” if: (A) the person bears a relationship to the other person described in section 267(b) or 707(b) of the Tax Code, or (B) the persons are members of a group acting in concert with respect to the acquisition of Debt Securities or equity in the reorganized Debtors.
- m) Security or Debt Security. Means any claim against any of the Debtors, including, without limitation any claim against any of the Debtors as a guarantor by any party with respect to Debt Securities of the Debtors.
- n) Substantial Securityholder. Means any person or Entity that Beneficially Owns an aggregate dollar amount of Securities, or any Entity controlled by such person or Entity through which such person or Entity Beneficially Owns Securities, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Debt Securities of several persons and/or Entities must be aggregated when testing for Substantial Securityholder status, treating Debt Securities as if they were stock.

- o) Threshold Amount. Means the amount of Securities, as set forth in the Notice of 382(l)(5) Plan (as revised by any Amended Notice of 382(l)(5) Plan, as applicable) sufficient, in the determination of the Debtors, to entitle the Beneficial Owner thereof to the Applicable Percentage of the

Affected Equity. The amount determined in the preceding sentence shall be disclosed in the Notice of 382(l)(5) Plan and may be adjusted thereafter as contemplated by this Order or any future order of the Court.

p) Treasury Regulations. Means the U.S. Department of Treasury regulations promulgated under the Tax Code, as amended from time to time.

(8) Noncompliance with the Trading Procedures. Any purchase, sale, or other transfer of Debt Securities in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee.

(9) Debtors' Right to Waive. The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Motion.

8. Any person or Entity acquiring, disposing of or transferring Kodak Stock in violation of the restrictions set forth herein, or failing to comply with the "Equity Acquisition Notice" or "Equity Disposition Notice" requirements, as may be the case, shall be subject to such sanctions as the Court may consider appropriate pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code.

9. Any person or Entity acquiring and/or failing to dispose of Debt Securities in violation of the restrictions set forth herein, or failing to comply with the "Notice of Substantial Securityholder Status," "Securities Acquisition Request," and/or "Notice of Compliance" requirements, as may be the case, shall be subject to such sanctions as the Court may consider appropriate pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code.

10. The notices substantially in the form attached to the Motion as Exhibit C, Exhibit D, Exhibit E, Exhibit F and Exhibit G are approved.

11. Any objections to the relief requested in this Motion on a final basis must be filed no later than 21 days after the Petition Date (the "**Objection Deadline**"). An Objection

shall be considered timely if it is (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), attorneys for the Debtors; and (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 before the Objection Deadline. If an Objection is timely filed and served, a hearing will be held no earlier than 30 days after the Petition Date. This Order, and all acts taken in furtherance of or reliance upon this Order, shall be effective notwithstanding the filing of an objection.

12. In the event that no objection to the Motion or this Order is timely filed and served, then this Order shall become a final order upon the expiration of the Objection Deadline, *nunc pro tunc* to the Petition Date, without further hearing or order of this Court.

13. The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Order.

14. The Debtors shall serve notice of the entry of this Order substantially in the form attached to the Motion as Exhibit B (the “**Procedures Notice**”) describing the authorized trading restrictions and notification requirements on the Notice Parties to the extent such parties have not previously been served with the Procedures Notice. Upon receipt of Procedures Notice, any transfer agents or indenture trustees shall send the Procedures Notice to all holders of Kodak Stock or Debt Securities registered with the transfer agent or indenture trustee. Any registered holder shall, in turn, provide the Procedures Notice to any holder for whose account the registered holder holds Kodak Stock or Debt Securities. Any holder shall, in

turn, provide the Procedures Notice to any person or entity for whom the holder holds Kodak Stock or Debt Securities.

15. Any transfer agent or indenture trustee that executes a transfer as instructed, in its capacity as transfer agent or indenture trustee, shall not incur liability to any party in the event such transfer is determined to be in violation of this Order.

16. The Debtors are hereby authorized to pay, within five (5) business days of receipt of a detailed invoice from a transfer agent or indenture trustee, such transfer agent's or indenture trustee's reasonable and documented costs, fees and expenses incurred at the request of the Debtors in furtherance of the Motion or this Order, including, but not limited to, costs, fees and expenses arising from and related to the distribution of the documents specified in this Order.

17. The Debtors shall post the Procedures Notice on the Bloomberg newswire service, in the national editions of The Wall Street Journal and The New York Times, and on the website established by the Debtors' claims agent: www.kccllc.com/kodak.

18. Nothing herein shall preclude any person or entity that desires to purchase or transfer any Kodak Stock or Debt Securities from requesting relief from this Order in this Court subject to the Debtors' rights to oppose such relief.

19. The requirements set forth in this Order are in addition to the requirements of Bankruptcy Rule 3001(e), applicable securities, corporate, and other laws, and do not excuse compliance therewith.

20. The relief granted in this Order is intended solely to permit the Debtors to protect, preserve and maximize the value of the Tax Attributes. Accordingly, except to the extent the Order expressly conditions or restricts trading in Kodak Stock or Debt Securities,

nothing in this Order or in the Motion shall or shall be deemed to prejudice, impair or otherwise alter or affect the rights of any holders of interests in the Debtors, including in connection with the treatment of any such interests during the pendency of the Debtors' bankruptcy cases.

21. The requirements set forth in Local Rule 9013-1(b) are satisfied.

22. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Dated: January [•], 2012
New York, New York

United States Bankruptcy Judge

EXHIBIT B
Procedures Notice

as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates or to exercise control over property of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on January [], 2012, the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), having jurisdiction over this chapter 11 case, upon motion of the Debtors (the "**Motion**"), entered an order (the "**Order**") (i) finding that Kodak's consolidated net operating loss carryforwards ("**NOLs**") and certain other tax attributes (together with the NOLs, the "**Tax Attributes**") are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; (ii) finding that trading in Kodak's common stock, Options (as defined below) to acquire such stock, securities convertible into such stock, or Debt Securities (as defined below) could severely limit the Debtors' ability to use the Tax Attributes for purposes of title 26 of the United States Code (the "**Tax Code**"); and (iii) approving the procedures set forth below to preserve the Tax Attributes pursuant to sections 105(a) and 362(a) of the Bankruptcy Code. **ANY ACQUISITION, DISPOSITION OR OTHER TRANSFER IN VIOLATION OF THE RESTRICTIONS SET FORTH BELOW SHALL BE NULL AND VOID AB INITIO AS AN ACT IN VIOLATION OF THE AUTOMATIC STAY UNDER SECTIONS 105(A) AND 362 OF THE BANKRUPTCY CODE.**

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading in Kodak Stock (as defined below) and Debt Securities:

A. With Respect to Kodak Stock:

- (1) Acquisition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options to acquire such securities) that would result in an increase in the amount of Kodak Stock beneficially owned by any person or Entity who currently is or becomes a Substantial Equityholder (as defined below) or that would result in a person or Entity becoming a Substantial Equityholder (a "**Proposed Equity Acquisition Transaction**"), such person, Entity or Substantial Equityholder (a "**Proposed Equity Transferee**") shall file with the Court, and serve upon the Debtors and Debtors' counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors' proposed postpetition secured debtor-in-possession financing, a Notice of Intent to Purchase, Acquire or Otherwise Accumulate Kodak Stock (an "**Equity Acquisition Notice**"), in the form attached to the Motion as Exhibit C, specifically and in detail describing the proposed transaction in which Kodak Stock would be acquired. At the holder's election, the Equity Acquisition Notice to be filed with the Court may be redacted to exclude such holder's taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
- (2) Disposition of Kodak Stock or Options. At least 20 calendar days prior to the proposed date of any transfer of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Kodak Stock beneficially owned by a Substantial Equityholder or that would result in a person

or Entity ceasing to be a Substantial Equityholder (a “**Proposed Equity Disposition Transaction**” and together with a Proposed Equity Acquisition Transaction, a “**Proposed Equity Transaction**”), such person, Entity or Substantial Equityholder (a “**Proposed Equity Transferor**”) shall file with the Court, and serve upon the Debtors and Debtors’ counsel, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Intent to Sell, Trade or Otherwise Transfer Kodak Stock (an “**Equity Disposition Notice**”, and together with an Equity Acquisition Notice, an “**Equity Trading Notice**”), in the form attached to the Motion as Exhibit D, specifically and in detail describing the proposed transaction in which Kodak Stock would be transferred. At the holder’s election, the Equity Disposition Notice to be filed with the Court may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Kodak Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- (3) Objection Procedures. The Debtors shall have 15 calendar days after the filing of an Equity Trading Notice (the “**Equity Objection Deadline**”) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, and upon Davis Polk & Wardwell LLP, counsel to the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, an objection to any proposed transfer of Kodak Stock described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an “**Equity Objection**”) as a result of an ownership change under section 382 or section 383 of the Tax Code.
 - a) If the Debtors file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
 - b) If the Debtors do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors provide written authorization to the Proposed Equity Transferor approving the Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, prior to the Equity Objection Deadline, then such Proposed Equity Acquisition Transaction or the Proposed Equity Disposition Transaction, as the case may be, may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein, with an additional 20 calendar day waiting period.
- (4) Unauthorized Transactions in Kodak Stock or Options. Effective as of the filing of the Motion and until further order of the Court to the contrary, any acquisition, disposition or other transfer of Kodak Stock, including Options to acquire Kodak Stock, in violation of the procedures set forth herein shall be null and void *ab*

initio as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.

- (5) Definitions. For purposes of the Order:
- a) Substantial Equityholder. Means any person or entity that beneficially owns at least:
 - (i) 4.50% of all outstanding shares of Kodak common stock, as defined for federal income tax purposes;
 - (ii) 4.50% of the outstanding shares of any class of Kodak securities convertible into Kodak common stock, as defined for federal income tax purposes.
 - b) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
 - c) Beneficial Ownership. Beneficial ownership (or any variation thereof of Kodak Stock and Options to acquire Kodak Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, the U.S. Department of Treasury regulations (“**Treasury Regulations**”) promulgated thereunder and rulings issued by the Internal Revenue Service (the “**IRS**”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (ii) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock and (iii) in certain cases, the ownership of an Option to acquire Kodak Stock.
 - d) Option. An Option to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
 - e) Kodak Stock. Means Kodak common stock and any Kodak security convertible into Kodak common stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Kodak Stock may be treated as the owner of such Kodak Stock.
- (6) The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in the Order.

B. With Respect to Kodak Debt Securities:

- (1) Notice of 382(1)(5) Plan; Amended Notice of 382(1)(5) Plan.
- a) Notice of 382(1)(5) Plan. Upon filing a chapter 11 plan and disclosure statement that contemplates the potential utilization of section 382(1)(5) of the Tax Code (a “**382(1)(5) Plan**”), the Debtors may, if, after consultation with their counsel and advisors and the counsel and advisors for the Creditors’ Committee and the agent for the Debtors’ postpetition secured debtor-in-possession financing, they determine that the application of section 382(1)(5) of the Tax Code is reasonably likely to be beneficial to the reorganized Debtors (or any successors thereto), (i) publish (or arrange for publication of) a notice and provide a written notice to the Debt Notice Parties, disclosing the filing of such 382(1)(5) Plan and the potential issuance of a Sell-Down Notice (as defined in Paragraph 3(a) below) in connection therewith on the website established by the Debtors’ claims agent: www.kccllc.com/kodak and in the national editions of *The Wall Street Journal* and *The New York Times* (a “**Notice of 382(1)(5) Plan**”, (ii) identify the classes of Debt Securities that are potentially subject to a Sell-Down Notice and (iii) identify the applicable Threshold Amounts (by class or other applicable breakdown) for status as a Substantial Securityholder.
- a) Amended Notice of 382(1)(5) Plan. The Debtors may determine subsequent to the date of the Notice of 382(1)(5) Plan or an Amended Notice of 382(1)(5) Plan (as defined below), to (i) adjust the Threshold Amount or (ii) identify additional classes of Debt Securities that are potentially subject to a Sell-Down Notice. In that case, the Debtors shall publish and provide notice of such additional amount and/or such additional class of Debt Securities in the same manner as the Notice of 382(1)(5) Plan and such notice shall be an “**Amended Notice of 382(1)(5) Plan**.” The Amended Notice of 382(1)(5) Plan shall require (x) any person or Entity that previously served a Notice of Substantial Securityholder Status to update information regarding such Substantial Securityholder’s Beneficial Ownership of Debt Securities and (y) any person or Entity that is a Substantial Securityholder as of the date of the most recent Amended Notice of 382(1)(5) Plan, but that was not previously required to serve a Notice of Substantial Securityholder Status (an “**Additional Substantial Securityholder**”), to serve upon the Debtors’, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status in the manner prescribed in Paragraph 2 below within 15 calendar days of the date of the Amended Notice of 382(1)(5) Plan.
- b) Early Notice. The Debtors reserve the right, in order to assist in determining their eligibility for section 382(1)(5) of the Tax Code, to

request in a manner consistent with the publication of the Notice of 382(l)(5) Plan described above, information regarding the Beneficial Ownership of Debt Securities prior to the filing of the Notice of 382(l)(5) Plan.

- (2) Notice of Substantial Securityholder Status. Following a request for Beneficial Ownership information pursuant to (i) a Notice of 382(l)(5) Plan, (ii) an Amended Notice of 382(l)(5) Plan or (iii) Paragraph 1(c) above, any person or Entity that as of the date such request is made (the “**Request Date**”) is or becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice of such status (a “**Notice of Substantial Securityholder Status**”), in the form attached to the Motion as Exhibit E, within 15 calendar days of the later of (i) the Request Date and (ii) the date such person becomes a Substantial Securityholder.
- (3) Sell-Down Notices.
 - a) Sell-Down Notices. Following the issuance of a Notice of 382(l)(5) Plan, but no earlier than 60 days prior to the then-scheduled hearing with respect to the 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the Beneficial Ownership of Debt Securities held by a Substantial Securityholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, and either the Creditors’ Committee or the Bankruptcy Court similarly so determines, the Debtors may file a motion (the “**Sell-Down Motion**”) requesting that the Bankruptcy Court enter an order (the “**Sell-Down Order**”) approving the issuance of a notice (the “**Sell-Down Notice**”) that such Substantial Securityholder must sell, cause to sell or otherwise transfer all or a portion of its Beneficial Ownership of Debt Securities (by class or other applicable breakdown) in excess of the Maximum Amount for such Substantial Securityholder (such excess amount, an “**Excess Amount**”) to Permitted Transferees. The Debtors shall provide a copy of the Sell-Down Motion to each person described in clause (h) of the definition of “Debt Notice Parties.” If the Bankruptcy Court enters a Sell-Down Order approving the Debtors’ issuance of a Sell-Down Notice, the Debtors shall provide a copy of such Sell-Down Order to each person described in clause (h) of the definition of “Debt Notice Parties.”
 - b) Requirement to Sell Down. Prior to (i) the effective date of the 382(l)(5) Plan or (ii) such earlier date set forth in the Sell-Down Order, which shall not be earlier than the day after the entry of the order confirming the 382(l)(5) Plan as may be specified by the Debtors (the “**Sell-Down Date**”), each Substantial Securityholder shall sell, cause to sell or otherwise transfer an amount of the Beneficial Ownership of Debt

Securities (if any) necessary to comply with the Sell-Down Notice (the “**Sell-Down**”); *provided, however*, that notwithstanding anything to the contrary in the Order and for the avoidance of doubt, no Substantial Securityholder shall be required to sell, cause to sell or otherwise transfer any Beneficial Ownership of Debt Securities if such sale would result in such holder having Beneficial Ownership of an aggregate amount of Debt Securities (by class or other applicable breakdown) that is less than such holder’s Protected Amount (as hereinafter defined). Each Substantial Securityholder shall sell, cause to sell or otherwise transfer its Beneficial Ownership of Debt Securities subject to the Sell-Down to Permitted Transferees; *provided, however*, that such Substantial Securityholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Debt Securities.

c) Notice of Compliance. A Substantial Securityholder subject to the Sell-Down shall, within seven calendar days after the later of (i) entry of an order approving the 382(1)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but in all events before the effective date of the 382(1)(5) Plan, and as a condition to receiving Affected Equity, serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a notice substantially in the form attached to the Motion as Exhibit F that such Substantial Securityholder has complied with the terms and conditions set forth in this Paragraph 3 and that such Substantial Securityholder does not and will not hold an Excess Amount of Debt Securities as of the Sell-Down Date and at all times through the effective date of the 382(1)(5) Plan (the “**Notice of Compliance**”); *provided, however*, that if the Substantial Securityholder has complied but for the fact that the Substantial Securityholder still holds an Excess Amount of Debt Securities as of the Sell-Down Date, the Notice of Compliance shall disclose such Excess Amount. Any Substantial Securityholder who fails to comply with this provision shall not receive Affected Equity with respect to the entirety of its Excess Amount of Debt Securities as determined under Paragraph 3(a), regardless of any sales made in accordance with this Paragraph 3.

(4) Advance Approval of Acquisitions. Any proposed transfer or acquisition of Debt Securities from and after the date of the Sell-Down Order shall be subject to the following advance approval procedures:

a) Acquisition of Securities. At least 20 calendar days prior to the proposed date of any transfer of Debt Securities that would result in (i) an increase in the dollar amount of Debt Securities Beneficially Owned by a Substantial Securityholder or (ii) any person or Entity becoming a Substantial Securityholder (a “**Proposed Securities Acquisition**”

Transaction”), such person, Entity, or Substantial Securityholder (each, a **“Proposed Securities Transferee”**) must serve upon the Debtors, counsel for the Debtors, counsel for the Creditors’ Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Security (a **“Securities Acquisition Request”**), in the form attached to the Motion as Exhibit G, which describes specifically and in detail the intended acquisition of Debt Securities, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001.

- b) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and after consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Securities Acquisition Request. A Securities Acquisition Request that is not approved in writing by the Debtors within 15 calendar days after the filing of a Securities Acquisition Request shall be deemed rejected.

(5) Equity Forfeiture Provision.

- a) Equity Forfeiture Provision. Any Substantial Securityholder that violates its obligations under the Sell-Down Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (as determined in accordance with the applicable rules of section 382 of the Tax Code, including Options, whether or not treated as exercised under Treasury Regulation section 1.382-4) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Debt Securities for such Substantial Securityholder as of the Sell-Down Date, including any consideration in lieu thereof; *provided, however*, that the forfeiture shall only apply to any Excess Amount of Debt Securities still owned as of the Sell-Down Date if the holder has complied with Paragraph 3(c); *provided further*, that such Substantial Securityholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Debt Securities (the **“Equity Forfeiture Provision”**). Any purported acquisition of, or other increase in the Beneficial Ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of **“Forfeited Equity.”** Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (i) any Forfeited Equity still held by such acquirer and (ii) the proceeds attributable to the sale of Forfeited Equity,

calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Bankruptcy Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors' sole discretion, in furtherance of the 382(l)(5) Plan.

- b) Notification Requirement. In effecting any sale or other transfer of Debt Securities pursuant to a Sell-Down Notice, a Substantial Securityholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Debt Securities of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson's summary of the transaction).

(6) Miscellaneous.

- a) No Disclosure of Participation. To permit reliance by the Debtors on Treasury Regulation section 1.382-9(d)(3), any person or Entity that participates in formulating any chapter 11 plan of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Debt Securities in which such person or Entity has a Beneficial Ownership are Newly Traded Securities. For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a chapter 11 plan if, in pursuing such activities, the relevant person or Entity does not disclose (or otherwise make evident) to the Debtors that such person or Entity has Beneficial Ownership of Newly Traded Securities: filing an objection to a proposed disclosure statement or to confirmation of a proposed chapter 11 plan; voting to accept or reject a proposed chapter 11 plan; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors or attorneys for the Creditors' Committee unconnected with the formulation of the chapter 11 plan; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Bankruptcy Court.
- b) Confidentiality. Except to the extent necessary to demonstrate to the Bankruptcy Court the need for the issuance of a Sell-Down Notice, other

than information contained in the Notice of Substantial Securityholder Status that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors and the Creditors' Committee shall keep such notices and any additional information provided by a Substantial Securityholder pursuant to the Order strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity; *provided, however*, that the Debtors and the Creditors' Committee may disclose the identity of the Substantial Securityholder to their respective counsel and professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors or the Creditors' Committee (as applicable), each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Substantial Securityholder to any other person or Entity subject to further order of the Bankruptcy Court; and *provided further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Bankruptcy Court the need for the issuance of a Sell- Down Notice, the Debtors shall seek to file such confidential information (determined by, among other things, whether such information was redacted in any public filing) under seal.

- c) Exception. No person or Entity shall be subject to the aforementioned provisions with respect to any transfer described in Treasury Regulation section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulation section 1.382-9(d)(5)(iii) (a "**Qualified Transfer**"); *provided further*, that any such transferee who becomes a Substantial Securityholder shall serve upon the Debtors, counsel for the Debtors, counsel for the Creditors' Committee and Davis Polk & Wardwell LLP, counsel for the agent for the Debtors' proposed postpetition secured debtor-in-possession financing, a statement that the transfer is a Qualified Transfer and a notice of such Substantial Securityholder status in the manner prescribed in Paragraph 2 above within 20 calendar days of the later of (i) the day of the entry of the Order by the Bankruptcy Court and (ii) the date on which such person or Entity becomes a Substantial Securityholder.

(7) Definitions. For purposes of the Order, the following terms have the following meanings:

- a) Affected Equity. Means the stock or other equity of the reorganized Debtors (or their successors), including Options, to be issued and distributed pursuant to the 382(l)(5) Plan but shall not include stock described in section 1504(a)(4) of the Tax Code.

- b) Applicable Percentage. Means, if only one class of Affected Equity is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Debt Securities will receive a pro-rata distribution of the Affected Equity, 4.5% of the number of such shares or equity interests that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of Affected Equity is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders with a class of Debt Securities may receive a disproportionate distribution of such Affected Equity relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other equity interests in each class of Affected Equity that would constitute the Applicable Percentage.
- c) Beneficial Ownership of a Security. Means:
- (x) the beneficial ownership of a Debt Security as determined in accordance with applicable rules under section 382 of the Tax Code (for such purpose, treating a Debt Security as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (determined without regard to the rule that treats stock of an Entity to which the constructive ownership rules apply as no longer owned by that Entity); and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Debt Securities and/or stock; and
- (y) the beneficial ownership of an Option (irrespective of the purpose for which such option was issued, created or acquired).
- For the avoidance of doubt, beneficial ownership of a Debt Security also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order. Variations of the term "Beneficial Ownership" shall have correlative meanings.
- d) Creditors' Committee. Means any official committee of holders of unsecured Debt Securities appointed pursuant to section 1102 of the Bankruptcy Code in the Debtors' chapter 11 cases.
- e) Debt Notice Parties. Means (a) the United States Trustee for the Southern District of New York; (b) the indenture trustee for the prepetition 9.2% Senior Notes due June 1, 2021; (c) the indenture trustee for the prepetition 10.625% Senior Secured Notes due March 15, 2019; (d) the indenture

trustee for the prepetition 9.95% Senior Notes due July 1, 2018; (e) the indenture trustee for the prepetition 9.75% Senior Secured Notes due March 1, 2018; (f) the indenture trustee for the prepetition 7.00% Convertible Senior Notes due April 1, 2017; (g) any Substantial Securityholder or Additional Substantial Securityholder who has properly given notice of such status; and (h) the agent for the Debtors' proposed postpetition secured debtor-in-possession financing.

- f) Entity. Has the meaning given to such term under Treasury Regulation section 1.382-3(a), including a group of persons who have a formal or informal understanding among themselves to make a coordinated acquisition.
- g) Maximum Amount. Means for each person or Entity and by class or other applicable breakdown of Securities, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Substantial Securityholder.
- h) Newly Traded Securities. Means Debt Securities (i) with respect to which an Entity acquired Beneficial Ownership after the date that was 18 months before the Commencement Date; and (ii) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same Entity has always had Beneficial Ownership.
- i) Option. Has the meaning given to such term under Treasury Regulation section 1.382-4(d)(9)(i), with respect to the acquisition of a Debt Security or any consideration (including equity) distributed in respect of any Debt Security pursuant to a chapter 11 plan or applicable bankruptcy court order.
- j) Permitted Transferee. Means, with respect to a Substantial Securityholder is a person that is not a Related Person and whose holding of a Security would not result in such Substantial Securityholder having Beneficial Ownership of such Security.
- k) Protected Amount. Means the amount of Debt Securities (by class or other applicable breakdown) of which a holder had Beneficial Ownership on the Motion Date, increased by the amount of Debt Securities of which such holder acquires, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date minus the amount of Debt Securities of which such holder sells, directly or indirectly, Beneficial Ownership pursuant to trades entered into before the Motion Date that had not yet closed as of the Motion Date.

- l) Related Person. Persons (including Entities) are “Related Persons” if: (A) the person bears a relationship to the other person described in section 267(b) or 707(b) of the Tax Code, or (B) the persons are members of a group acting in concert with respect to the acquisition of Debt Securities or equity in the reorganized Debtors.
- m) Security or Debt Security. Means any claim against any of the Debtors, including, without limitation any claim against any of the Debtors as a guarantor.
- n) Substantial Securityholder. Means any person or Entity that Beneficially Owns an aggregate dollar amount of Securities, or any Entity controlled by such person or Entity through which such person or Entity Beneficially Owns Securities, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Debt Securities of several persons and/or Entities must be aggregated when testing for Substantial Securityholder status, treating Debt Securities as if they were stock.

- o) Threshold Amount. Means the amount of Securities, as set forth in the Notice of 382(l)(5) Plan (as revised by any Amended Notice of 382(l)(5) Plan, as applicable) sufficient, in the determination of the Debtors, to entitle the Beneficial Owner thereof to the Applicable Percentage of the Affected Equity. The amount determined in the preceding sentence shall be disclosed in the Notice of 382(l)(5) Plan and may be adjusted thereafter as contemplated by this Order or any future order of the Bankruptcy Court.
- p) Treasury Regulations. Means the U.S. Department of Treasury regulations promulgated under the Tax Code, as amended from time to time.

FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.

ANY PROHIBITED ACQUISITION, DISPOSITION OR OTHER TRANSFER OF KODAK STOCK IN VIOLATION OF THE ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES, OR SANCTIONS BEING IMPOSED BY THE BANKRUPTCY COURT.

ANY PROHIBITED PURCHASE OR OTHER ACQUISITION OF DEBT SECURITIES OF THE DEBTORS IN VIOLATION OF THE ORDER, INCLUDING, WITHOUT LIMITATION, THE FAILURE TO SELL OR OTHERWISE TRANSFER

**SECURITIES PURSUANT TO A SELL-DOWN NOTICE WILL CAUSE SUCH
PURCHASER TO BE SUBJECT TO THE EQUITY FORFEITURE PROVISION.**

**THE DEBTORS MAY WAIVE, IN WRITING, ANY AND ALL
RESTRICTIONS, STAYS, AND NOTIFICATION PROCEDURES CONTAINED IN THE
ORDER.**

PLEASE TAKE FURTHER NOTICE that any person or entity that desires to acquire an interest restricted by the Order may request relief for cause at any time and the Debtors may oppose such relief.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws, and do not excuse compliance therewith.

PLEASE TAKE FURTHER NOTICE that any objections to the implementation of the foregoing requirements on a final basis must be filed no later than 21 days after the Petition Date (the “**Objection Deadline**”). An Objection shall be considered timely if it is (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), attorneys for the Debtors; and (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 before the Objection Deadline. If an Objection is timely filed and served, a hearing will be held no earlier than 30 days after the Petition Date. The filing of any objection shall not negate the effectiveness of the foregoing requirements. If no objection is timely filed and served, then upon the expiration of the Objection Deadline the foregoing requirements shall be deemed final, *nunc pro tunc* to the Petition Date, without further hearing or court order.

Dated: January [•], 2012
New York, New York

BY ORDER OF THE COURT

EXHIBIT C

Equity Acquisition Notice

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹	)	Case No. 12- _____ (_____)
Debtors.	)	(Joint Administration Requested)
)	
)	

**NOTICE OF INTENT TO PURCHASE,
ACQUIRE OR OTHERWISE ACCUMULATE STOCK**

PLEASE TAKE NOTICE THAT [Name of Prospective Acquirer] hereby provides notice of its intention to purchase, acquire or otherwise accumulate one or more shares of Eastman Kodak Company (“**Kodak**”) common stock (the “**Kodak Common Stock**”), Kodak securities that are convertible to Kodak Common Stock (“**Kodak Convertible Securities**” and, together with Kodak Common Stock, “**Kodak Stock**”) or an Option (as defined below) with respect to any of the foregoing (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE THAT [Name of Prospective Acquirer] currently beneficially owns:

- (i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,
- [(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Proposed Transfer, [Name of Prospective Acquirer] proposes to purchase, acquire or otherwise accumulate:

- (i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

[(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

If the Proposed Transfer is permitted to occur, [Name of Prospective Acquirer] will own:

(i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,

[(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

PLEASE TAKE FURTHER NOTICE THAT the taxpayer identification number of [Name of Prospective Acquirer] is _____.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Prospective Acquirer] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain Debtors' Motion For An Order Authorizing Restrictions on Certain Transfers of Interests in the Debtors and Establishing Notification Procedures Relating Thereto Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (the "**Motion**") and the order of the Bankruptcy Court made pursuant to the Motion (the "**Order**"), this Notice is being (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), counsel for the Debtors; and (iii) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Brian M. Resnick, Esq. and Hilary Dengel, Esq.), counsel for the agent for the Debtors' proposed postpetition secured debtor-in-possession financing.

PLEASE TAKE FURTHER NOTICE that the Debtors have 15 calendar days after the filing of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and nonappealable order of the Court. If the Debtors do not object within such 15 calendar day period, or if the Debtors provide written authorization approving the Proposed Transfer prior to the end of such 15 calendar day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by [Name of Prospective Acquirer] that may result in [Name of Prospective Acquirer] purchasing, acquiring or otherwise accumulating shares of Kodak Stock (or Options with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

For purposes of this Notice, (a) “**Ownership**” (or any variation thereof of Kodak Stock and Options to acquire Kodak Stock) shall be determined in accordance with applicable rules under section 382 of title 26 of the United States Code (the “**Tax Code**”), the U.S. Department of Treasury regulations (“**Treasury Regulations**”) promulgated thereunder and rulings issued by the Internal Revenue Service, and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (ii) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock and (iii) in certain cases, the ownership of an Option to acquire Kodak Stock, (b) any variation of the term “**Ownership**” (*e.g.*, Own) shall have the same meaning and (c) an “**Option**” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Respectfully submitted,

(Name of Prospective Acquirer)

By: _____

Name: _____

Title: _____

Address: _____

_____:

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT D

Equity Disposition Notice

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹	)	Case No. 12-_____ (_____)
Debtors.	)	(Joint Administration Requested)

**NOTICE OF INTENT TO SELL, TRADE
OR OTHERWISE TRANSFER KODAK STOCK**

PLEASE TAKE NOTICE THAT [Name of Prospective Seller] hereby provides notice of its intention to sell, trade or otherwise transfer one or more shares of Eastman Kodak Company (“**Kodak**”) common stock (the “**Kodak Common Stock**”), and Kodak securities that are convertible to Kodak Common Stock (“**Kodak Convertible Securities**” and, together with Kodak Common Stock, “**Kodak Stock**”) or an Option (as defined below) with respect to any of the foregoing (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE THAT [Name of Prospective Seller] currently beneficially owns:

- (i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,
- [(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Proposed Transfer, [Name of Prospective Seller] proposes to sell, trade or otherwise transfer:

- (i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

[(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

If the Proposed Transfer is permitted to occur, [Name of Prospective Seller] will own:

(i) _____ shares of Kodak Common Stock and/or Options to acquire _____ shares of Kodak Common Stock,

[(ii) _____ shares of Kodak Convertible Securities and/or Options to acquire _____ shares of Kodak Convertible Securities,]

PLEASE TAKE FURTHER NOTICE THAT the taxpayer identification number of [Name of Prospective Seller] is _____.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Prospective Seller] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain Debtors' Motion For An Order Authorizing Restrictions on Certain Transfers of Interests in the Debtors and Establishing Notification Procedures Relating Thereto Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (the "**Motion**") and the order of the Bankruptcy Court made pursuant to the Motion (the "**Order**"), this Notice is being (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), counsel for the Debtors; and (iii) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Brian M. Resnick, Esq. and Hilary Dengel, Esq.), counsel for the agent for the Debtors' proposed postpetition secured debtor-in-possession financing.

PLEASE TAKE FURTHER NOTICE that the Debtors have 15 calendar days after the filing of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and nonappealable order of the Court. If the Debtors do not object within such 15 calendar day period, or if the Debtors provide written authorization approving the Proposed Transfer prior to the end of such 15 calendar day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by [Name of Prospective Seller] that may result in [Name of Prospective Seller] purchasing, acquiring or otherwise accumulating shares of Kodak Stock (or Options with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

For purposes of this Notice, (a) “**Ownership**” (or any variation thereof of Kodak Stock and Options to acquire Kodak Stock) shall be determined in accordance with applicable rules under section 382 of title 26 of the United States Code (the “**Tax Code**”), the U.S. Department of Treasury regulations (“**Treasury Regulations**”) promulgated thereunder and rulings issued by the Internal Revenue Service, and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (ii) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock and (iii) in certain cases, the ownership of an Option to acquire Kodak Stock, (b) any variation of the term “**Ownership**” (*e.g.*, Own) shall have the same meaning and (c) an “**Option**” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Respectfully submitted,

(Name of Prospective Seller)

By: _____

Name: _____

Title: _____

Address: _____

_____:

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT E

Notice of Substantial Securityholder Status

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹	)	Case No. 12-_____ (_____)
Debtors.	)	(Joint Administration Requested)

NOTICE OF SUBSTANTIAL SECURITYHOLDER STATUS

PLEASE TAKE NOTICE that, pursuant to that certain Debtors’ Motion For An Order Authorizing Restrictions on Certain Transfers of Interests in the Debtors and Establishing Notification Procedures Relating Thereto Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (the “**Motion**”) and the order of the Bankruptcy Court made pursuant to the Motion (the “**Order**”), this Notice is being served upon (a) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (b) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), counsel for the Debtors, (c) counsel for the Creditor’s Committee, and (d) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Brian M. Resnick, Esq. and Hilary Dengel, Esq.), counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing.

PLEASE TAKE FURTHER NOTICE that [Name of Securityholder] (“**Holder**”) is/has become a Substantial Securityholder with respect to Debt Securities of Eastman Kodak Company (“**Kodak**”) and its subsidiaries in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”) in Case No. 12-[], pending in the United States Bankruptcy Court for the Southern District of New York.²

PLEASE TAKE FURTHER NOTICE that, as of [Insert Date], Holder Beneficially Owns Debt Securities in the aggregate amount of \$_____ against the Debtors. As to such Debt Securities, the following table sets forth, by class or other applicable breakdown, the name of the Debtor issuer, a description of the Debt Securities (including the amount of the Debt Securities held of the issuer), and, if Holders’s Beneficial Ownership of such

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

² All terms not expressly defined in this Notice shall be construed to have the same meaning as such terms have in the Order.

Debt Securities is attributable to the record or legal ownership by another person or Entity, the name of such record or legal owner:

Debtor Issuer	Class	Description and Amount of Security	Legal or Record Owner

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the Protected Amount for each class (or other applicable breakdown) of Debt Securities listed above (as defined in the Order), and that Holder will provide any additional information in respect of the Debt Securities that the Debtors reasonably request.

Debtor Issuer	Class	Protected Amount

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of Holder is _____.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, Holder hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[IF APPLICABLE] I am represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

(Name of Securityholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT F

Notice of Compliance

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹	)	Case No. 12-_____ (_____)
Debtors.	)	(Joint Administration Requested)

NOTICE OF COMPLIANCE

PLEASE TAKE NOTICE that, pursuant to that certain Debtors’ Motion For An Order Authorizing Restrictions on Certain Transfers of Interests in the Debtors and Establishing Notification Procedures Relating Thereto Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (the “**Motion**”) and the order of the Bankruptcy Court made pursuant to the Motion (the “**Order**”), this Notice is being (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), counsel for the Debtors, (iii) counsel for the Creditor’s Committee; and (iv) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Brian M. Resnick, Esq. and Hilary Dengel, Esq.), counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing.

PLEASE TAKE FURTHER NOTICE that [Name of Securityholder] (“**Filer**”) hereby provides the following notice regarding compliance with the Sell-Down requirements set forth in the Order and in the Sell-Down Order applicable to it (collectively, its “**Sell-Down Requirements**”):

(Please check one of the following)

_____ The Filer has complied in full with its Sell-Down Requirements and the Filer does not and will not hold an Excess Amount² of Debt Securities as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

_____ The Filer has not complied in full with its Sell-Down Requirements. As of the Sell-Down Date, the Filer Beneficially Owns the following Debt Securities:

Debtor Issuer	Class	Excess Amount of Debt Securities Beneficially Owned as of the Sell-Down Date

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of Filer is _____.

PLEASE TAKE FURTHER NOTICE that this Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[IF APPLICABLE] I am represented by [name of the law firm], [address], [phone], (Attn: [name]).

² All terms not expressly defined in this Notice shall be construed to have the same meanings as such terms have in the Order.

Respectfully submitted,

(Name of Substantial Securityholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT G

Securities Acquisition Request

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹	)	Case No. 12-_____ (_____)
Debtors.	)	(Joint Administration Requested)

**NOTICE OF REQUEST TO PURCHASE,
ACQUIRE, OR OTHERWISE ACCUMULATE A CLAIM**

PLEASE TAKE NOTICE that, pursuant to that certain Debtors’ Motion For An Order Authorizing Restrictions on Certain Transfers of Interests in the Debtors and Establishing Notification Procedures Relating Thereto Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (the “**Motion**”) and the order of the Bankruptcy Court made pursuant to the Motion (the “**Order**”), this Notice is being (a) filed with the United States Bankruptcy Court for the Southern District of New York, and (b) served upon (i) the Debtors, c/o Eastman Kodak Company, 343 State Street, Rochester, New York 14650 (Attn: Patrick M. Sheller, Esq.); (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Michael H. Torkin, Esq. and Noam B. Katz, Esq.), counsel for the Debtors, and (iii) counsel for the Creditor’s Committee; and (iv) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Brian M. Resnick, Esq. and Hilary Dengel, Esq.), counsel for the agent for the Debtors’ proposed postpetition secured debtor-in-possession financing.

PLEASE TAKE FURTHER NOTICE THAT [Name of Prospective Acquirer] (“**Filer**”) hereby provides a notice of request to purchase, acquire or otherwise accumulate a Debt Security² or Debt Securities of Eastman Kodak Company (“**Kodak**”) and its subsidiaries in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”) (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE THAT, if applicable, on [Prior Date(s)], Filer filed a Notice of Substantial Securityholder Status with the Court and served copies thereof on the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

² All terms not expressly defined in this Notice shall be construed to have the same meaning as such terms have in the Order.

PLEASE TAKE FURTHER NOTICE THAT Filer currently Beneficially Owns (as defined in the notice) Debt Securities of the Debtors in the aggregate amount of \$_____. As to such Securities, the following table sets forth, by class or other applicable breakdown, the name of the Debtor issuer, a description of the Debt Securities (including the amount of the Debt Securities held of such issuer), and, if Filer’s Beneficial Ownership of such Debt Securities is attributable to the record or legal ownership by another person or Entity, the name of such record or legal owner.

Debtor Issuer	Class	Description and Amount of Claim	Legal or Record Owner

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Proposed Transfer, Filer requests to purchase, acquire or otherwise accumulate Debt Securities of the Debtors in the aggregate amount of \$_____ after the transfer. As to such Securities, the following table sets forth, by class or other applicable breakdown, the name of the Debtor issuer, a description of the Debt Securities (whether the amount of the Debt Securities held of such issuer), and, if Filer’s Beneficial Ownership of such Debt Securities will be attributable to the record or legal ownership by another person or Entity, the name of such record or legal owner:

Debtor Issuer	Class	Description and Amount of Claim	Legal or Record Owner

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the Protected Amount for each class (or other applicable breakdown) of Debt Securities listed above (as defined in the Order),³ and that Filer will provide any additional information in respect of the Debt Securities that the Debtors reasonably request.

Debtor Issuer	Class	Protected Amount

³ Only needs to be provided if no Notice of Substantial Securityholder Status has been previously filed with respect to such Claims.

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(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE THAT the taxpayer identification number of Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Court and served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee.

PLEASE TAKE FURTHER NOTICE that Filer hereby acknowledges that if the Proposed Transfer is not approved in writing by the Debtors within 15 calendar days after the filing of this Notice, such Proposed Transfer shall be deemed rejected and will not be effective *ab initio*. If the Debtors provide written authorization approving the Proposed Transfer prior to the end of such 15 calendar day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by Filer that may result in Filer purchasing, acquiring or otherwise accumulating additional Debt Securities of the Debtors will each require an additional notice filed with the Court to be served in the same manner as this Notice.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[IF APPLICABLE] I am represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

(Name of Substantial Securityholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____