

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

Zosano Pharma Corporation,¹

Debtor.

Chapter 11

Case No. 22-10506 (JKS)

Ref. Docket Nos. 7 & 30

**FINAL ORDER (I) AUTHORIZING THE DEBTOR TO PAY
(A) ALL PREPETITION EMPLOYEE OBLIGATIONS AND
(B) PREPETITION WITHHOLDING OBLIGATIONS, AND
(II) DIRECTING BANKS TO HONOR RELATED TRANSFERS**

Upon consideration of the *Motion of the Debtor for Entry of Interim and Final Orders, (I) Authorizing the Debtor to Pay (A) All Prepetition Employee Obligations and (B) Prepetition Withholding Obligations and (II) Directing Banks to Honor Related Transfers* (the “**Motion**”)² filed by the above-captioned debtor and debtor-in-possession (the “**Debtor**”) pursuant to sections 105, 363, 503, 507(a)(4), 507(a)(5), 541, 1107 and 1108 of title 11 of the Bankruptcy Code, for the entry of an interim and final orders (a) authorizing the Debtors to continue to honor and pay (i) all prepetition employee obligations as described more fully in the Motion, and (ii) all prepetition federal and state withholding obligations and (b) authorizing all banks to honor the Debtors’ prepetition transfers for payment of any of the foregoing and prohibiting banks from placing holds on, or attempting to reverse, any automatic transfers on account of the foregoing; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having jurisdiction to enter a final order consistent with Article

¹ The business address and the last four (4) digits of the Debtor’s federal tax identification number is Zosano Pharma Corporation, 34790 Ardentech Court, Fremont, CA 94555 (8360).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.



III of the United States Constitution; and venue of the chapter 11 case and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and this Court having held a hearing (the “**Hearing**”) to consider the relief requested in the Motion; and upon the First Day Declaration and the record of the Hearing, this Court having determined that there is good and sufficient cause for the relief set forth in this Order; and after due deliberation thereon,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent provided herein.
2. The Debtor is authorized, but not directed, to continue to honor and pay all prepetition Employee Obligations in accordance with the Debtor’s stated policies as fully set forth in the Motion and in the ordinary course of the Debtor’s businesses; *provided, however*, that without prejudice to the Debtor’s right to seek additional payments at any other time subsequent hereto, (a) payments to or on behalf of any Employee on account of any prepetition Employee Obligation, including PTO, shall not exceed the amounts afforded priority status by any applicable provisions of section 507 of the Bankruptcy Code, including sections 507(a)(4) and 507(a)(5), and (b) the aggregate amount of such payments shall not exceed \$200,000 unless further ordered by the Court.
3. The Debtor is authorized, but not directed, to pay all prepetition amounts owing to the Independent Service Providers for their services and to continue to pay such amounts in the ordinary course of business and consistent with the Debtor’s business practices; *provided, however*, that without prejudice to the Debtor’s right to seek additional payments at any other time subsequent hereto, (a) payments to or on behalf of any Independent Service Providers on account of any prepetition amounts owing shall not exceed the amounts afforded priority status by any

applicable provisions of section 507 of the Bankruptcy Code, including sections 507(a)(4) and 507(a)(5), and (b) the aggregate amount of such payments shall not exceed \$5,000.

4. The Debtor is authorized, but not directed, to continue to honor and pay its Reimbursable Expenses, including any such prepetition obligations, in accordance with the Debtor's stated policies and prepetition practices, and are authorized to satisfy such prepetition Reimbursable Expenses in an amount not to exceed \$5,000.

5. The Debtor is authorized, but not directed, to make postpetition payments with respect to the foregoing in the ordinary course of business.

6. All of the Debtor's banks are authorized and directed to receive, process, honor, and pay any and all checks or electronic transfers drawn on the Debtor's payroll and disbursement accounts related to Employee Obligations and the Independent Service Providers, including, but not limited to, Wages, PTO, Employee Benefit Plans, Reimbursable Expenses and Withholding Obligations authorized by this Final Order, whether presented before or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

7. The Debtor is authorized to continue the Non-Insider Severance Program and pay all prepetition amounts relating thereto in the ordinary course.

8. The Debtor is authorized to continue the Workers' Compensation Programs and pay all prepetition amounts relating thereto in the ordinary course.

9. To the extent that any employment or related agreements may be deemed executory contracts within the meaning of section 365 of the Bankruptcy Code, the Debtor has not sought authority to assume such contracts, and no relief is granted in respect thereof.

10. Nothing in the Motion, the Interim Order, or this Final Order, nor as a result of any payment made pursuant to this Final Order, shall be deemed or construed as an admission as to the

validity or priority of any claim against the Debtor, an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, or a waiver of the rights of the Debtor, or shall impair the ability of the Debtor, or any other party in interest, to the extent applicable, to contest the validity and amount of any payment made pursuant to this Final Order.

11. Nothing herein shall be deemed to authorize (i) the payment of any amounts in satisfaction of bonus or severance obligations, which are subject to section 503(c) of the Bankruptcy Code; or (ii) the payment of any amounts owing to any retired or former employees under any supplemental executive retirement plan or otherwise.

12. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order.

13. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

14. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: June 30th, 2022
Wilmington, Delaware


J. KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE