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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
: :  
ELETSON HOLDINGS INC., et al., : Case No. 23-10322 (JPM)  
: :  
: (Jointly Administered)  
Debtors.<sup>1</sup> :  
: :  
-----X

**NOTICE OF FILING OF SOLICITATION VERSION OF PROPOSED ORDER (I) APPROVING (A) THE RIGHTS OFFERING AND RELATED PROCEDURES AND MATERIALS AND (B) THE BACKSTOP AGREEMENT, AND (II) GRANTING RELATED RELIEF**

**PLEASE TAKE NOTICE THAT** on March 26, 2024, certain of the Petitioning Creditors, as the "Plan Proponents," filed the (a) *Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. 531] (the "Initial Plan") and (b) the related disclosure statement [Docket No. 532] (the "Initial Disclosure Statement").<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE THAT**, on April 17, 2024, the Plan Proponents filed the *Motion for Entry of an Order (I) Approving (A) The Rights Offering and Related Procedures and Materials and (B) The Backstop Agreement, and (II) Granting Related*

<sup>1</sup> The Debtors in these cases are: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. The address of the Debtors' corporate headquarters is 118 Kolokotroni Street, GR 185 35 Piraeus, Greece. The Debtors' mailing address is c/o Eletson Maritime, Inc., 1 Landmark Square, Suite 424, Stamford, Connecticut 06901.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Solicitation Plan and the Solicitation Disclosure Statement (as defined below).



*Relief* [Docket No. 592] (the “Initial Rights Offering Motion”). Attached to the Initial Rights Offering Motion as Exhibit A was a proposed form of order approving the Rights Offering Motion (the “Original Proposed Order”).

**PLEASE TAKE FURTHER NOTICE THAT** the Plan Proponents filed amended versions of the Initial Plan on May 13 and May 14, 2024 [Docket Nos. 663 and 695], and again on June 6, 2024 [Docket No. 740].

**PLEASE TAKE FURTHER NOTICE THAT** on July 8, 2024, the Plan Proponents filed (a) a solicitation version of the Initial Plan [Docket No. 846] (the “Solicitation Plan”) and (b) a solicitation version of the Initial Disclosure Statement [Docket No. 847] (the “Solicitation Disclosure Statement”).

**PLEASE TAKE FURTHER NOTICE THAT**, on May 13, 2024 and May 14, 2024 the Plan Proponents filed amended versions of the proposed form of order approving the Rights Offering Motion [Docket No. 665 and 697, Ex. 1]. Subsequently, on June 6, 2024, the Plan Proponents filed an amended version of the Original Proposed Order [Docket No. 742] (the “Revised Proposed Order”).

**PLEASE TAKE FURTHER NOTICE** that the Plan Proponents hereby file:

- a solicitation version of the Revised Proposed Order, attached hereto as Exhibit 1, (the “Solicitation Proposed Order”);
- a redline of the Solicitation Proposed Order showing the changes to the Revised Proposed Order, attached hereto as Exhibit 2, (the “Redline”).

*[Concluded on Following Page]*

**PLEASE TAKE FURTHER NOTICE** that copies of the Solicitation Plan, Solicitation Disclosure Statement, the Rights Offering Motion and other related pleadings filed in the Chapter 11 Cases can be viewed or obtained by: (i) accessing the Court's website for a fee; or (ii) contacting the Office of the Clerk of the Court. Please note that a PACER password is required to access documents on the Court's website. **PLEASE NOTE: Neither the staff of the Clerk's office nor the Petitioning Creditors' counsel can give you legal advice.**

DATED: July 9, 2024  
New York, New York

TOGUT, SEGAL & SEGAL LLP  
By:

/s/ Bryan M. Kotliar

KYLE J. ORTIZ

BRYAN M. KOTLIAR

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*Counsel for the Petitioning Creditors*

**Exhibit 1**

**Solicitation Proposed Order (Clean)**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re:	:	Chapter 11
	:	
ELETSON HOLDINGS INC., et al.,	:	Case No. 23-10322 (JPM)
	:	
	:	(Jointly Administered)
Debtors. <sup>1</sup>	:	
	:	
-----X		

**ORDER (I) APPROVING (A) THE RIGHTS OFFERING  
AND RELATED PROCEDURES AND MATERIALS AND  
(B) THE BACKSTOP AGREEMENT, AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion [Docket No. 592] (the “Motion”)<sup>2</sup> by the Petitioning Creditors (the “Petitioning Creditors”) for entry of an order (this “Order”) (i) approving (a) the rights offering (the “Rights Offering”) contemplated by the *Petitioning Creditors’ Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. 846] (such document for purposes of this Order, and as may be further amended, supplemented, or otherwise modified from time to time, the “Plan”), the rights offering procedures, substantially in the form attached hereto as **Exhibit 1** (the “Rights Offering Procedures”), including the Subscription Form, substantially in the form attached hereto as **Exhibit 2** (the “Subscription Form” and together with the Rights Offering Procedures, the “Rights Offering Materials”), and (b) the Backstop Agreement for the Rights Offering, substantially in the form attached hereto as **Exhibit 3** (the “Backstop Agreement”), and

<sup>1</sup> The Debtors in these chapter 11 cases are: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. The address of the Debtors’ corporate headquarters is 118 Kolokotroni Street, GR 185 35 Piraeus, Greece. The Debtors’ mailing address is c/o Eletson Maritime, Inc., 1 Landmark Square, Suite 424, Stamford, Connecticut 06901.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan or the Backstop Agreement, as applicable.

(ii) granting related relief; and the Court having jurisdiction to consider the Motion and relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and the Court having determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and the Court having reviewed the Motion, and having heard the statements in support of the relief requested therein at a hearing before the Court, if any (the "Hearing"); and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and the Court having determined that the legal and factual basis set forth in the Motion and on the record of the Hearing established just cause for the relief granted herein; and all objections to the Motion, if any, having been withdrawn or overruled, including the *Debtors' Objection to the Petitioning Creditors' Motion for Entry of an Order (I) Approving (A) Rights Offering and Related Procedures and Materials and (B) the Backstop Agreement, and (II) Granting Related Relief* [Docket No. 652] (the "Debtors' Objection"); and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing:

**IT IS HEREBY FOUND AND DETERMINED THAT:<sup>3</sup>**

A. The Rights Offering Procedures, substantially in the form attached hereto as Exhibit 1, and the Subscription Form, substantially in the form attached hereto as

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<sup>3</sup> The findings and conclusions set forth herein and in the record of the Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014, and are incorporated by reference as

**Exhibit 2**, provide sufficient notice and information to allow each Holder of an Allowed General Unsecured Claim (a “General Unsecured Claimholder”) to duly participate in the Rights Offering and to exercise its subscription rights (the “Subscription Rights”) to purchase up to 75% of the Reorganized Equity (subject to dilution on account of the Backstop Premium (as defined herein) and the EIP), at a price that represents an implied 10.8% discount to the mid-point of the plan equity value of up to US\$62,058,088.00 in connection with the Rights Offering pursuant to, and in connection with, the Plan.

B. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

C. The Backstop Agreement, substantially in the form attached hereto as **Exhibit 3**, and the terms and conditions therein are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

D. Each of the fees, premiums, and expenses provided for or permitted by the Backstop Agreement, including (a) a premium payable in New Shares in an aggregate amount equal to 8.0% of the New Shares of Reorganized Holdings issued and outstanding on the Effective Date of the Plan (the “Backstop Premium”) and

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though fully set forth herein. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

(b) payment of the Backstop Parties' (as defined below) reasonable and documented fees, expenses, disbursements, and charges (including the reasonable and documented fees and expenses of counsel) incurred in connection with the Backstop Agreement (the "Expense Reimbursement" and, together with the Backstop Premium, the "Backstop Fees"), is reasonable and warranted on the terms set forth in the Backstop Agreement in light of, among other things (i) the significant benefit to the Debtors' estates of having definitive and binding equity commitments to help fund the Debtors' obligations under the Plan, (ii) the substantial time, effort, and costs incurred by the Pach Shemen LLC or such affiliate or designee identified by Pach Shemen LLC (the "Initial Backstop Party") in negotiating and documenting, among other things, the Backstop Agreement, and the Plan, and (iii) the benefits provided by the Initial Backstop Party and such other General Unsecured Claimholders that become party to the Backstop Agreement as set forth in Paragraph 12 of this Order (each a "Subsequent Backstop Party" and, together with the Initial Backstop Party, the "Backstop Parties") in reserving the funds to make the corresponding investment and other commitments pending confirmation and effectiveness of the Plan and satisfaction of the other conditions precedent in the Backstop Agreement.

E. The Backstop Fees are (i) bargained-for and integral parts of the consideration exchanged under the Backstop Agreement, (ii) reasonable, and enhance the value of the Debtors' estates. Without such inducements, the Backstop Parties would not have agreed to the terms and conditions of the Backstop Agreement.

F. The entry into the Backstop Agreement by the parties thereto, and the performance and fulfillment of their respective obligations thereunder, do not constitute the solicitation of any votes on a chapter 11 plan, and comply with the Bankruptcy Code and any and all other applicable statutes, laws, regulations, or orders.



G. The Rights Offering, the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement serve to maximize the value of the Debtors' estates and are in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted as set forth herein. All objections, including the Debtors' Objection, responses, statements or comments, if any, in opposition to approval of the relief requested in this Motion that have not otherwise been resolved or withdrawn prior to, or on the record of the Hearing, are overruled in their entirety.

**I. Rights Offering**

2. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are hereby approved in their entirety.

3. The Plan Proponents are authorized to commence and conduct the Rights Offering in accordance with the terms and conditions of the Rights Offering Procedures, the Rights Offering Materials, the Plan, and this Order, and may take such actions, as necessary or appropriate, to effectuate the foregoing.

4. The Plan Proponents are authorized to distribute the Rights Offering Procedures and the Rights Offering Materials to each General Unsecured Claimholder.

5. Each General Unsecured Claimholder intending to participate in the Rights Offering must affirmatively make a binding election to exercise its Subscription Rights on or prior to the Subscription Expiration Deadline (as defined in the Rights Offering Procedures) and must otherwise timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials, and shall be deemed to have relinquished and waived all rights to participate in the

Rights Offering to the extent such Eligible Holder fails to timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials.

6. Consistent with, and in each case subject to, the terms of the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement, the Plan Proponents are hereby authorized to modify, supplement, or waive the terms of the Rights Offering Materials or the Rights Offering Procedures, and adopt additional detailed procedures as may be necessary or appropriate to effectuate the Rights Offering.

7. The Plan Proponents' designation of Kurtzman Carson Consultants, LLC dba Verita Global as the subscription agent (the "Subscription Agent") for the Rights Offering is hereby approved.

## **II. Backstop Agreement**

8. Subject to the terms of this Order, the Backstop Agreement and the terms and conditions included therein are approved in their entirety.

9. The Plan Proponents are authorized to execute, deliver, and implement the Backstop Agreement and all exhibits and attachments thereto, and to take any and all actions necessary and proper to implement the terms of the Backstop Agreement and to perform all obligations thereunder on the terms and conditions set forth therein.

10. The consideration, fees, premiums, and expenses provided for or permitted by the Backstop Agreement (including the Backstop Fees) are hereby approved.

11. The Backstop Premium and Expense Reimbursement payable under the Backstop Agreement are actual and necessary costs of preserving the Debtors' estates and as such shall be treated as allowed administrative expenses of the Debtors pursuant

to sections 503(b) and 507(a) of the Bankruptcy Code solely upon the occurrence of the Effective Date (as defined in the Plan) under the Plan. For the avoidance of doubt, the Backstop Premium and Expense Reimbursement shall not be allowed or paid as administrative expenses under this Order if the Effective Date under the Plan does not occur; *provided* that the Backstop Parties' rights are reserved to assert administrative expense claims, including, without limitation, pursuant to sections 503(b)(3)(D) and 503(b)(4) (or otherwise), on any other basis in any other circumstances.

12. A General Unsecured Claimholder that is eligible to purchase the Reorganized Equity issued pursuant to Section 5.9(b) of the Plan and desires to participate in the Backstop Agreement as a Subsequent Backstop Party, shall provide (a) an executed copy of the Form of Joinder, attached as Exhibit C to the Backstop Agreement, including certification of eligibility to purchase such Reorganized Equity, (b) proof of eligibility to purchase such Reorganized Equity, and (b) proof of funds or other financial wherewithal to counsel for the Petitioning Creditors at Togut, Segal & Segal LLP (Kyle J. Ortiz (kortiz@teamtogut.com) and Bryan M. Kotliar (bkotliar@teamtogut.com)) by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the order approving the Disclosure Statement) (i.e., July 26, 2024). Upon execution of the Backstop Agreement, the Initial Backstop Party's Backstop Commitment percentage shall be 100% of the Rights Offering Amount. As of the Election Deadline, to the extent that any Subsequent Backstop Party joins this Agreement, each Backstop Party's Backstop Commitment percentage shall be calculated based on its percentage, as of the Election Deadline, of the aggregate amount of General Unsecured Claims held by all Backstop Parties and the Initial Backstop Party's Backstop Commitment shall be proportionately reduced by any such commitments; *provided* that the Backstop Parties shall, severally and not jointly, backstop the Rights Offering on a

fully committed basis by purchasing from the Issuer, at the price provided in the Rights Offering Procedures, the New Shares that are not purchased by General Unsecured Claimholders in the Rights Offering; *provided further* that to the extent there are any Subsequent Backstop Parties, by no later than three (3) business days following the Election Deadline, Petitioning Creditors' Counsel shall file a notice on the docket of the Chapter 11 Cases identifying the Backstop Parties and each Backstop Party's Backstop Commitment.

**III. Miscellaneous Relief**

13. The Plan Proponents and the Debtors (as directed by the Plan Proponents) are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2024

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HONORABLE JOHN P. MASTANDO III  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Rights Offering Procedures**

ELETSON HOLDINGS INC.

RIGHTS OFFERING PROCEDURES

Each Rights Offering Share (as defined below)<sup>1</sup> is being offered and will be sold (the "Rights Offering") without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance generally upon the exemptions from registration provided by section 1145 of the Bankruptcy Code or Section 4(a)(2) of the Securities Act.

None of the Subscription Rights (as defined below) or Rights Offering Shares issuable upon exercise of such rights or New Shares (as defined below) offered or issued pursuant to these procedures (the "Rights Offering Procedures") have been or, at the time of original issuance, will be registered under the Securities Act, or the securities laws of any state.

An Applicable Claim (as defined below) and related Subscription Rights will only be transferable as a unit, subject to such limitations, if any, that would be applicable to the transferability of the Applicable Claims. The Subscription Rights will not be detachable from the underlying Applicable Claims and no Subscription Rights may be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the Subscription Rights, the Rights Offering Shares, the Applicable Claims, and any related claims) (each of the above, a "Transfer") separately from the General Unsecured Claimholders' (as defined below) Applicable Claims.

Participation in the Rights Offering is limited to those Holders of Applicable Claims who are General Unsecured Claimholders. The Rights Offering Shares will be sold only to General Unsecured Claimholders, and any invitation, offer or agreement to subscribe or purchase such Rights Offering Shares will be made or entered into only with General Unsecured Claimholders. No offer or invitation to subscribe or purchase is being made to any person who is not a General Unsecured Claimholder and no such person should act or rely on any offer or invitation to subscribe or purchase Rights Offering Shares contained in this document.

To exercise the Subscription Rights, a General Unsecured Claimholder must complete and return to Kurtzman Carson Consultants, LLC dba Verita Global (the "Subscription Agent") a Subscription Form (as defined below) (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and together with a cash payment in the applicable Purchase Payment Amount (as defined below) (i) in the case of a General Unsecured Claimholder that is not a Backstop Party, by the Subscription Expiration Deadline, and (ii) in the case of a

<sup>1</sup> Capitalized terms that are used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan or the Backstop Agreement (each, as hereinafter defined), as applicable.

Backstop Party, no later than the Funding Date specified in the Funding Notice (each as defined below).

Any General Unsecured Claimholder that subscribes for the Rights Offering Shares and is an “underwriter” under section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities and the Rights Offering Shares that it receives will be “restricted securities” (as defined under Rule 144 promulgated under the Securities Act). Resale restrictions are discussed in more detail in Article IX of the Disclosure Statement (as defined below), entitled “Certain Securities Law Matters.”

The distribution or communication of these Rights Offering Procedures and the issuance of the Rights Offering Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the distribution or communication of these Rights Offering Procedures in any jurisdiction where any action for that purpose may be required. Accordingly, these Rights Offering Procedures may not be distributed or communicated, and the Rights Offering Shares may not be subscribed, purchased or issued, in any jurisdiction, except in circumstances where such distribution, communication, subscription, purchase or issuance would comply with all applicable laws and regulations without the need for the issuer to take any action or obtain any consent, approval or authorization therefor, except for any notice filings required under U.S. federal and applicable state securities laws. Further, the Subscription Rights and the Rights Offering Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other state securities commission or any other regulatory or governmental authority, nor have any of the foregoing passed upon the accuracy or adequacy of the information presented, and any representation to the contrary is a criminal offense.

Each Rights Offering Share issued upon exercise of a Subscription Right to a General Unsecured Claimholder located outside the United States, or in exchange for or upon the transfer, sale or assignment of any such Rights Offering Share, shall be imprinted, stamped or otherwise associated with legends to facilitate compliance with applicable securities and business entity laws, procedures of depository institutions and organizational documents (e.g., legends with respect to global notes and local law, etc.).

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

General Unsecured Claimholders should note the following times relating to the Rights Offering:

<b>Date</b>	<b>Calendar Date</b>	<b>Event</b>
Record Date.....	July [ ], 2024	The date to determine the General Unsecured Claimholders eligible to participate in the Rights Offering.
Subscription Commencement Date .....	Five Business Days from the entry of the Backstop Approval Order	Commencement of the Rights Offering.
Subscription Expiration Deadline.....	4:00 p.m. prevailing Eastern Time on [ ] [ ], 2024	<p>The deadline for General Unsecured Claimholders of Applicable Claims to subscribe for Rights Offering Shares.</p> <p>A General Unsecured Claimholder's Subscription Form (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Subscription Agent by the Subscription Expiration Deadline.</p> <p>General Unsecured Claimholders of Applicable Claims who are not Backstop Parties (as defined in the <i>Backstop Agreement for the Rights Offering</i>, dated [●], 2024 (as may be amended and supplemented from time to time, the "<u>Backstop Agreement</u>")) must deliver the applicable Purchase Payment Amount by the Subscription Expiration Deadline.</p> <p>Backstop Parties must deliver the applicable Purchase Payment Amount no later than the Funding Date.</p>

Terms used and not defined herein shall have the meaning ascribed to them in the Plan (as defined below) or the Backstop Agreement, as applicable.



[●], 2024

To General Unsecured Claimholders:

On July 8, 2024, certain of the Petitioning Creditors as Plan Proponents filed the *Petitioning Creditors' Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. 846], with the United States Bankruptcy Court for the Southern District of New York (as such plan may be further amended, modified, or supplemented from time to time in accordance with its terms, the "Plan"), and the disclosure statement with respect to the Plan [Docket No. 847] (as such disclosure statement may be further amended from time to time in accordance with its terms, the "Disclosure Statement").

Pursuant to the Plan, General Unsecured Claims (including, but not limited to, 2022 Notes Claims and Old Notes Claims, but excluding Convenience Claims) (collectively, the "Applicable Claims", and individually, an "Applicable Claim") will have the opportunity to participate in an up to US\$43.5 million Rights Offering for New Shares on the terms set forth in these Rights Offering Procedures, the Plan, the Disclosure Statement, and the Subscription Form.

In addition, one of the Petitioning Creditors (the "Initial Backstop Party") has agreed to purchase, on the Effective Date, all of the New Shares offered and not duly subscribed for and / or purchased in the Rights Offering in accordance with these Rights Offering Procedures, and the Backstop Agreement. Additionally, any General Unsecured Claimholder that is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Plan that desires to join the Backstop Agreement can do so by delivering a joinder to the Backstop Agreement and certain other information to counsel for the Plan Proponents by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the Backstop Approval Order (*i.e.*, [\_\_\_\_]), 2024).

A "General Unsecured Claimholder" means a Holder of an Allowed General Unsecured Claim on the Record Date that is eligible to hold the Rights Offering Shares under any applicable non-bankruptcy law that is not exempted by section 1145 of the Bankruptcy Code.

Pursuant to the Plan, each General Unsecured Claimholder will have the right, but not the obligation, to subscribe for its Pro Rata Share of the New Shares offered in the Rights Offering (the "Rights Offering Shares"), which Rights Offering Shares will reflect an aggregate purchase price of up to \$43.5 million. "New Shares" refers to the shares of Reorganized Holdings. General Unsecured Claimholders will have Subscription Rights to purchase up to 75% of the equity in Reorganized Holdings at a price that represents an implied 10.8% discount to the mid-point of the plan equity value of up to US\$62,058,088.00.

Regardless of whether or not any Subscription Rights are exercised, General Unsecured Claimholders of Applicable Claims that make a written election on a timely and properly delivered and completed Ballot or other writing acceptable to the Plan

Proponents, at the time of Plan distributions, will receive their Pro Rata Share of 25% of the New Shares (the “Plan Distributions”), subject to dilution by New Shares issued pursuant to the EIP. General Unsecured Claimholders who have exercised their Subscription Rights and who make a written election on a timely and properly delivered and completed Ballot or other writing acceptable to the Plan Proponents, will receive both their Pro Rata Share of the Plan Distributions and the Rights Offering Shares that were purchased.

Pursuant to the Plan (and in accordance with and subject to the terms and conditions of these Rights Offering Procedures and the Subscription Form), each General Unsecured Claimholder of an Applicable Claim will receive non-certificated subscription rights to subscribe for its Pro Rata Share of the Rights Offering Shares (the “Subscription Rights”), *provided* that to participate in the Rights Offering, a General Unsecured Claimholder must timely and properly execute and deliver its Subscription Form (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent and pay the aggregate Purchase Price for the Rights Offering Shares for which it subscribes (the “Purchase Payment Amount”) by the Subscription Expiration Deadline.

No General Unsecured Claimholder shall be entitled to participate in the Rights Offering unless the Purchase Payment Amount is (i) in the case of a General Unsecured Claimholder of an Applicable Claim that is not a Backstop Party, received by the Subscription Agent by the Subscription Expiration Deadline, and (ii) in the case of a Backstop Party, delivered into the Escrow Account as provided in the Funding Notice, by the Funding Date. No interest is payable on any advance funding of the Purchase Payment Amount. If the Rights Offering is terminated for any reason, your Purchase Payment Amount will be returned to you promptly. No interest will be paid on any returned Purchase Payment Amount.

**To purchase the Rights Offering Shares through the Rights Offering, you must properly complete all the steps outlined below by the Subscription Expiration Deadline. If you fail to do so, you shall be deemed to have forever and irrevocably relinquished and waived your right to participate in the Rights Offering.**

## **1. Rights Offering**

Each General Unsecured Claimholder of an Applicable Claim has the right, but not the obligation, to participate in the Rights Offering. Only General Unsecured Claimholders of Applicable Claims that validly and timely complete and return the Subscription Form may participate in the Rights Offering.

Subject to the terms and conditions set forth in the Plan, these Rights Offering Procedures, and the Subscription Form, each General Unsecured Claimholder of an Applicable Claim is entitled to subscribe for up to its Pro Rata Share of the Rights Offering Shares issued in the Rights Offering at a purchase price of \$4.85 per share (the “Purchase Price”). “Pro Rata Share” means the proportion that an Allowed Claim in a particular Class or Classes bears to the aggregate amount of Allowed Claims within such Class or Classes.

There will be no over-subscription privilege in the Rights Offering. Any Rights Offering Shares that are unsubscribed by the General Unsecured Claimholders entitled thereto will not be offered to other General Unsecured Claimholders but will be purchased by the Backstop Parties in accordance with the Backstop Agreement.

**SUBJECT TO THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING PROCEDURES, AND THE BACKSTOP AGREEMENT IN THE CASE OF THE BACKSTOP PARTIES, ALL SUBSCRIPTIONS SET FORTH IN THE SUBSCRIPTION FORM ARE REVOCABLE ONLY UPON WRITTEN CONSENT OF THE PLAN PROPONENTS AND THE SUBSCRIPTION AGENT.**

## **2. Subscription Period**

The Subscription Rights will be issued as of the Subscription Commencement Date.

The Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each General Unsecured Claimholder intending to purchase Rights Offering Shares in the Rights Offering must affirmatively elect to exercise its Subscription Rights in the manner set forth in the Subscription Form and must pay for any exercised Subscription Rights by the Subscription Expiration Deadline (except for the Backstop Parties who must deliver the applicable Purchase Payment Amount no later than the Funding Date, in accordance with the terms of the Backstop Agreement and these Rights Offering Procedures).

General Unsecured Claimholders that fail to timely exercise their Subscription Rights shall be deemed to have fully and irrevocably relinquished and waived their Subscription Rights. Any exercise of (including payment with respect to, except for the Backstop Parties) the Subscription Rights after the Subscription Expiration Deadline will not be allowed, and any purported exercise or payment into the Escrow Account, if applicable, or received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored.

The Plan Proponents may extend the Subscription Expiration Deadline with the consent of the Requisite Backstop Parties, such consent not to be unreasonably withheld, or as required by law.

## **3. Delivery of Documentation**

Each General Unsecured Claimholder may exercise all or any portion of such General Unsecured Claimholder's Subscription Rights. In order to facilitate the exercise of the Subscription Rights, beginning on the Subscription Commencement Date, the Subscription Agent will send (or cause to be sent) to each General Unsecured Claimholder these Rights Offering Procedures, and a form to be used for exercising the Subscription Rights (the "Subscription Form"), together with appropriate instructions for the proper completion, due execution, and timely delivery of the applicable executed Subscription Form and the payment of the applicable Purchase Payment Amount for the Rights Offering Shares.

Notwithstanding anything to the contrary in these Rights Offering Procedures, the Backstop Parties will exercise their Subscription Rights pursuant to these Rights Offering Procedures and the Backstop Agreement. Subject to the terms and conditions of the Backstop Agreement, no later than five (5) Business Days following the Subscription Expiration Deadline, the Subscription Agent will deliver to the Backstop Parties a written notice (the "Funding Notice") of (i) the amount of Rights Offering Shares elected to be subscribed for by General Unsecured Claimholders of Applicable Claims and the aggregate Purchase Price therefor; (ii) the aggregate amount of unsubscribed Rights Offering Shares to be subscribed for by the Backstop Parties and the aggregate Purchase Price therefor; and (iii) the escrow account (the "Escrow Account") information to which the Backstop Parties must deliver and pay the aggregate Purchase Price for the Rights Offering Shares. The Subscription Agent will promptly provide such written backup, information, and documentation relating to the information contained in the Funding Notice that the Backstop Parties requests. On such date, which shall not be earlier than four (4) Business Days after the Funding Notice date, or later than five (5) Business Days prior to the Effective Date (the "Funding Date"), the Backstop Parties shall deliver the applicable Purchase Payment Amount for the amount of unsubscribed Rights Offering Shares to the Escrow Account.

#### **4. Exercise of Subscription Rights**

*Before exercising any Subscription Rights, General Unsecured Claimholders should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered in connection with making their investment decision.*

In order to validly exercise its Subscription Rights, each General Unsecured Claimholder must:

- i. return a duly executed Subscription Form (including the Certification, with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline;
- ii. if the General Unsecured Claimholder is not a Backstop Party, at the same time it returns its Subscription Form to the Subscription Agent, but in no event later than the Subscription Expiration Deadline, pay the applicable Purchase Payment Amount to the Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the Subscription Form; and
- iii. if the General Unsecured Claimholder is a Backstop Party, at the same time it returns its Subscription Form to the Subscription Agent, but in no event later than the Funding Date, pay the applicable Purchase Payment Amount to the Escrow Account.

In the event that the funds received by the Subscription Agent, from any General Unsecured Claimholder do not correspond to the Purchase Payment Amount payable for the Rights Offering Shares elected to be purchased by such General Unsecured

Claimholder, the number of the Rights Offering Shares deemed to be purchased by such General Unsecured Claimholder will be the lesser of (i) the number of the Rights Offering Shares elected to be purchased by such General Unsecured Claimholder and (ii) the number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such General Unsecured Claimholder's Pro Rata Share of the Rights Offering Shares.

The cash paid to the Subscription Agent in accordance with these Rights Offering Procedures will be deposited and held by the Subscription Agent in a segregated account, until administered in connection with the settlement of the Rights Offering on the Effective Date. The Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Subscription Agent hereunder will not bear any interest and shall not be deemed part of the Debtors' estates.

**Unexercised Subscription Rights (including Subscription Rights that are not validly and timely exercised for any reason) will be deemed to be fully and irrevocably relinquished and waived immediately following the Subscription Expiration Deadline (or by the Funding Date with respect to the Backstop Parties).**

## **5. Transfer Restrictions**

The Subscription Rights issued to Holders of Applicable Claims may not be detached or transferred separately from the corresponding Applicable Claim. Any attempted detachment of such Subscription Rights from the corresponding Applicable Claim by a General Unsecured Claimholder will be null and void, will have no effect, and will not be recognized for any purpose.

The Applicable Claim and the Subscription Rights will transfer together as a unit together with the underlying Applicable Claims with respect to which such Subscription Rights were issued, subject to such limitations, if any, that would be applicable to the transferability of the Applicable Claims.

Once a General Unsecured Claimholder has properly exercised its Subscription Rights, subject to the terms and conditions contained in these Rights Offering Procedures, such exercise will be revocable only upon written consent of the Plan Proponents and the Subscription Agent. Moreover, following the exercise of any Subscription Rights, the Holder thereof shall be prohibited from transferring or assigning the Applicable Claims, as applicable, corresponding to such Subscription Rights until the earlier of (i) the termination of the Rights Offering and (ii) the revocation of exercise of the Subscription Rights to the extent permitted by these Rights Offering Procedures.

## **6. Rights Exercise is Revocable**

Once a General Unsecured Claimholder has properly exercised its Subscription Rights, such exercise will be revocable only upon written consent of the Plan Proponents and the Subscription Agent.

**7. Return of Payment and Underlying Debt Securities; Termination of Transfer Restrictions**

Unless the Effective Date has occurred, the Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of, (i) the termination of the Backstop Agreement in accordance with its terms, (ii) the Backstop Outside Date (as defined in the Backstop Agreement, and as may be extended pursuant to the terms of the Backstop Agreement), and (iii) revocation or withdrawal of the Plan by the Plan Proponents. Upon such termination, any payments received pursuant to these Rights Offering Procedures will be returned, without interest, to the applicable General Unsecured Claimholder or relevant payee as soon as reasonably practicable.

**8. Settlement of the Rights Offering and Distribution of the Rights Offering Shares**

The settlement of the Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance with these Rights Offering Procedures, and the occurrence of the Effective Date. The Plan Proponents intend that the Rights Offering Shares will be issued to the General Unsecured Claimholders, and/or, subject to compliance with applicable securities laws, to any Affiliates (as defined in the Subscription Form) that the General Unsecured Claimholders so designate in the Subscription Form, in book-entry form by Reorganized Holdings based upon registration information provided by General Unsecured Claimholders in the Subscription Form.

**9. No Fractional Shares**

No fractional Rights Offering Shares will be issued in the Rights Offering. All allocations (including each General Unsecured Claimholder's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

**10. Validity of Exercise of Subscription Rights**

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined in good faith by the Plan Proponents in consultation with the Requisite Backstop Parties. The Plan Proponents, with the consent of the Requisite Backstop Parties, may waive any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, or reject, the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Plan Proponents determine in good faith in consultation with the Requisite Backstop Parties. For the avoidance of doubt and notwithstanding the above (but without affecting the Plan Proponents' obligation to consult with the Requisite Backstop Parties as described in the first sentence of this section), the Plan Proponents or their agents, including the Subscription Agent, are not required to inform parties of any defect or irregularity with their submission of documents or payments and may, with the consent of the Requisite Backstop Parties, reject such submissions without previously notifying the party prior

to such rejection. Additionally, each such irregularity or defect if reviewed, will be done on an individual submission basis.

## **11. Backstop Agreement**

The Rights Offering is fully committed and backstopped by, one of the Petitioning Creditors, Pach Shemen (the “Initial Backstop Party”), pursuant to a backstop commitment agreement (the “Backstop Agreement”). The Backstop Agreement provides for, among other things, (i) additional eligible General Unsecured Claimholders to elect to become a backstop party (a “Subsequent Backstop Party” and, together with the Initial Backstop Party, the “Backstop Parties”) and (ii) the Backstop Parties’ commitment and obligation to purchase any Rights Offering Subscription Rights that are not purchased by General Unsecured Claimholders in connection with the Rights Offering. As consideration for its undertaking in the Backstop Agreement, the Backstop Parties will receive, among other things, a backstop commitment premium in an aggregate amount equal to 8% of the Reorganized Equity issued and outstanding on the Effective Date (the “Backstop Premium”), subject to dilution on account of the EIP (as defined in the Plan). The Backstop Premium shall be divided among the Backstop Parties in accordance with their Backstop Commitment (as defined in the Backstop Agreement).

Any General Unsecured Claimholder that is eligible to purchase the Reorganized Equity issued pursuant to Section 5.9(b) of the Plan that wishes to join the Backstop Agreement can do so by delivering a joinder to the Backstop Agreement and certain other information to counsel for the Plan Proponents by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the Backstop Approval Order (*i.e.*, [\_\_\_\_], 2024)). The Backstop Agreement was attached to the Backstop Approval Order as Exhibit 3.

## **12. Modification of Procedures**

With the prior written consent of the Requisite Backstop Parties, such consent not to be unreasonably withheld, the Plan Proponents reserve the right to modify these Rights Offering Procedures or adopt additional procedures consistent with these Rights Offering Procedures to effectuate the Rights Offering and to issue the Rights Offering Shares. The Plan Proponents shall provide prompt written notice to each General Unsecured Claimholder of any modification to these Rights Offering Procedures made after the Subscription Commencement Date that has a material adverse effect on the Holders of Applicable Claims. In so doing, and subject to the consent of the Requisite Backstop Parties, the Plan Proponents may execute and enter into agreements and take further action that the Plan Proponents determine in good faith are necessary and appropriate to effectuate and implement the Rights Offering and the issuance of the Rights Offering Shares.

The Plan Proponents reserve the right to require such additional certifications or other diligence measures as the Plan Proponents deem reasonably necessary to confirm the certifications of a General Unsecured Claimholder.

**13. Inquiries and Transmittal of Documents; Subscription Agent**

The Rights Offering Instructions for General Unsecured Claimholders of Applicable Claims attached hereto should be carefully read and strictly followed by the General Unsecured Claimholders of Applicable Claims wishing to participate in the Rights Offering.

Questions relating to the Rights Offering should be directed to the Subscription Agent via e-mail to [EletsonInfo@kccllc.com](mailto:EletsonInfo@kccllc.com) (please reference "Eletson Holdings Rights Offering" in the subject line) or at the telephone number shown on the Subscription Form. Please note that the Subscription Agent is only able to respond to procedural questions regarding the Rights Offering, and cannot provide any information beyond that included in these Rights Offering Procedures and the Subscription Form.

**The risk of non-delivery of all documents and payments to the Subscription Agent is on the General Unsecured Claimholder electing to exercise its Subscription Rights and not the Plan Proponents, the Subscription Agent, or the Backstop Parties.**



ELETSON HOLDINGS INC.

RIGHTS OFFERING INSTRUCTIONS FOR GENERAL UNSECURED  
CLAIMHOLDERS

Terms used and not defined herein or in the Rights Offering Procedures shall have the meaning assigned to them in the Plan.

To elect to participate in the Rights Offering, you must follow the instructions set out below:

1. **Insert** the amount of the Applicable Claims that you hold in Item 1 of your Subscription Form (if you do not know such amount, please contact your Nominee) and multiply by the applicable rate to calculate the Allowed General Unsecured Claim held on the Record Date. You may only submit a Subscription Form and participate in the Rights Offering with respect to a Claim following the Subscription Commencement Date up until the Subscription Expiration Deadline.
2. **Complete** the calculation in Item 1 of your Subscription Form, which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.
3. **Complete** the calculation in Item 2a of your Subscription Form to indicate the number of Rights Offering Shares that you elect to purchase and calculate the Purchase Payment Amount for the Rights Offering Shares that you elect to purchase.
4. **Confirm** whether you are a Backstop Party pursuant to the representation in Item 3 of your Subscription Form. *(This Item is only for the Backstop Parties, who are aware of their status as Backstop Parties).*
5. **Complete** the Registration Information in Item 4 of your Subscription Form.
6. **Complete** the Wire Information in Item 6 of your Subscription Form.
7. **Complete** the Designation Information in Item 7 of your Subscription Form, if applicable.
8. **Read, complete and sign** the certification in Item 8 of your Subscription Form, as applicable.
9. **For Holders of the 2022 Notes and the Old Notes only:** Coordinate with your securities nominee to complete the Nominee's Certification of Record Date Holdings if you are a Holder of the 2022 Notes and/or the Old Notes.

10. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: [www.irs.gov](http://www.irs.gov).
11. **Return** your signed Subscription Form(s) (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent prior to the Subscription Expiration Deadline.
12. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2a of your Subscription Form. For General Unsecured Claimholders that hold Applicable Claims via a securities nominee, please instruct your securities nominee to coordinate payment of the Purchase Payment Amount and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. The Backstop Parties should follow the payment instructions in the Funding Notice.

**The Subscription Expiration Deadline is 4:00 p.m. prevailing Eastern Time on [ ] [ ], 2024.**

**Please note that the Subscription Form (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) along with the appropriate funding must be received by the Subscription Agent on or prior to the Subscription Expiration Deadline or the subscription represented by your Subscription Form will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Rights Offering. The Backstop Parties should follow the payment instructions in the Funding Notice.**

**EXHIBIT 2**

**Subscription Form**

**ELETSON HOLDINGS INC.**

**RIGHTS OFFERING  
SUBSCRIPTION FORM**

**FOR USE BY GENERAL UNSECURED CLAIMHOLDERS**

**IN CONNECTION WITH PETITIONING CREDITORS' AMENDED DISCLOSURE  
STATEMENT DATED July 8, 2024**

**SUBSCRIPTION EXPIRATION DEADLINE**

The Subscription Expiration Deadline is 4:00 p.m. prevailing Eastern Time on [ ]  
[ ], 2024.

\*\*\*\*\*

**IMPORTANT**

Please note your Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) along with completing the wire transfer of the applicable Purchase Payment Amount (solely with respect to General Unsecured Claimholders (as defined below)<sup>1</sup> that are not Backstop Parties) must be received by the Subscription Agent on or prior to the Subscription Expiration Deadline or the subscription represented by your Subscription Form will not be counted and will be deemed forever relinquished and waived.

The Backstop Parties must deliver the appropriate funding concurrently with the Backstop Party's obligations under the Backstop Agreement as set forth in the Funding Notice delivered by the Subscription Agent to the Backstop Parties in accordance with the Rights Offering Procedures (the "Funding Date").

Any terms capitalized but not defined herein shall have the meaning ascribed to such terms in the Eletson Holdings Inc. Rights Offering Procedures (the "Rights Offering Procedures") or the *Petitioning Creditors' Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. [ ]], filed with the United States Bankruptcy Court for the Southern District of New York (as such plan of reorganization may be further amended or modified from time to time in accordance with its terms, the "Plan"), as applicable. Please consult the Plan, the Disclosure Statement, and the Rights Offering Procedures for additional information with respect to this Subscription Form.

\*\*\*\*\*

The Rights Offering Shares are being distributed and issued by the Plan Proponents without registration under the Securities Act, in reliance generally

<sup>1</sup> Capitalized terms that are used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan or the Backstop Agreement (each, as hereinafter defined), as applicable.

upon the exemptions from registration provided by section 1145 of the Bankruptcy Code and Section 4(a)(2) of the Securities Act of 1933 (the "Securities Act").

The Subscription Rights are not separately transferable and no Subscription Rights may be transferred separately from the General Unsecured Claimholders' Applicable Claim. The Subscription Rights will transfer together as a unit with the underlying Applicable Claims with respect to which such Subscription Rights were issued, subject to such limitations, if any, that would be applicable to the transferability of the underlying Applicable Claims.

Participation in the Rights Offering is limited to General Unsecured Claimholders (including, but not limited to, 2022 Notes Claims and Old Notes Claims, but excluding Convenience Claims) that are eligible to hold the Rights Offering Shares under any applicable non-bankruptcy law that is not exempted by section 1145 of the Bankruptcy Code (the "General Unsecured Claimholders"). The Rights Offering Shares are available only to General Unsecured Claimholders, and any invitation, offer or agreement to purchase will be entered into only with General Unsecured Claimholders. No offer or invitation to subscribe is being made to any person who is not a General Unsecured Claimholder and no such person should act or rely on any offer or invitation to subscribe or purchase the Rights Offering Shares contained in the Rights Offering Procedures or this Subscription Form.

To exercise the Subscription Rights, a General Unsecured Claimholder must complete and return to the Subscription Agent a Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) and pay the applicable Purchase Payment Amount, prior to the Subscription Expiration Deadline (or in the case of a Backstop Party, prior to the Funding Date). In the case of the 2022 Note Claims and the Old Notes Claims, General Unsecured Claimholders must coordinate with their bank, broker, commercial bank, dealer or other intermediary (each a "Nominee") to complete the Nominee Certification Page.

Any General Unsecured Claimholder that subscribes for Rights Offering Shares and is an "underwriter" under section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities and will receive "restricted securities" (as defined under Rule 144 promulgated under the Securities Act). Resale restrictions are discussed in more detail in Article IX of the Disclosure Statement, entitled "Certain Securities Law Matters."

The distribution or communication of the Rights Offering Procedures and the issuance of the Rights Offering Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the distribution or communication of the Rights Offering Procedures in any jurisdiction where any action for that purpose may be required. Accordingly, the Rights Offering Procedures may not be distributed or communicated, and the Rights Offering Shares may not be subscribed, purchased or issued, in any jurisdiction, except in circumstances where such distribution, communication, subscription, purchase or issuance would comply with all applicable laws and regulations without the need

for the issuer to take any action or obtain any consent, approval or authorization therefor, except for any notice filings required under U.S. federal and applicable state securities laws. Further, the Subscription Rights and the Rights Offering Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other state securities commission or any other regulatory or governmental authority, nor have any of the foregoing passed upon the accuracy or adequacy of the information presented, and any representation to the contrary is a criminal offense.

Questions may also be directed to the Subscription Agent via email to: EletsonInfo@kccllc.com (please reference "Eletson Holdings Rights Offering" in the subject line) or at the following telephone number (888) 647-1737 (Domestic) or (310) 751-2624 (International).

To subscribe, fill out Items 1 through 8 below. **If you hold your 2022 Notes Claims or the Old Notes Claims through multiple Nominees, you MUST complete and submit a separate Subscription Form for the positions held at each Nominee.**

**Item 1. Amount of Claim.** I certify that I am a Holder of an Allowed General Unsecured Claim (Class 3) under the Plan in the following amount (insert amount on the lines in the chart below) or that I am the authorized signatory of such Holder. *In the chart below, insert principal amount(s) and multiply by the applicable rate to calculate the Allowed General Unsecured Claim held on the Record Date.*

<i>Claim Amount Held on the Record Date (insert below, as applicable)</i>		<i>Rate to Convert Claim Amount into number of maximum rights</i>		<i>The maximum rights allowed based on your Claim (the "<u>Maximum Participation Amount</u>") is:</i>
\$ _____	x	0.017728	=	_____ (Maximum number of New Shares) <sup>2</sup> (Round down to nearest whole share) Insert into 2a below

Questions to complete the above chart or otherwise may also be directed to the Subscription Agent via email to:  
EletsonInfo@kccllc.com (please reference "Eletson Holdings Rights Offering" in the subject line)

<sup>2</sup> The Petitioning Creditors estimate that Allowed General Unsecured Claims in these Chapter 11 Cases may range from approximately \$505 million in a low scenario to \$768 million in a high scenario. The maximum number of New Shares is calculated based on the estimated high scenario of \$768 million. If the final Allowed General Unsecured Claims pool is higher than the \$505 million estimate, the maximum number of New Shares will be reduced proportionally to each rights offering participant and the difference in cash will be returned to each rights offering participant.

## Item 2. Rights.

**2a. Purchase Payment Amount.** By filling in the following blanks, you are indicating that the undersigned General Unsecured Claimholder is interested in purchasing the number of Rights Offering Shares specified below (specify number of Rights Offering Shares, which is not greater than the Maximum Participation Amount calculated in Item 1 above), on the terms and subject to the conditions set forth in the Rights Offering Procedures.

2(a)	<div>_____</div> <div>(Insert number of Rights you elect to purchase not exceeding the amount in <u>Item 1</u> above)</div>	X	\$4.85	=	<div>_____</div> <div>2(a) Purchase Payment Amount</div>
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If all or any portion of your Claim is determined not to be an Allowed Claim, your Maximum Participation Amount will be reduced, in accordance with the terms of the Plan and the Rights Offering Procedures, and to the extent the amount of the Rights Offering Shares which you subscribed and paid for exceeds your reduced Maximum Participation Amount, the amount of the Rights Offering Shares which you subscribed and paid for will be reduced to the reduced Maximum Participation Amount.

## Item 3. Backstop Party Representation.

The undersigned represents and warrants that (please check the applicable box):

- a. ☐ It is not a Backstop Party identified in the *Backstop Agreement for the Rights Offering*, dated as of [●], 2024 (as amended or supplemented, the "Backstop Agreement"), or
- b. ☐ It is the Initial Backstop Party identified in the Backstop Agreement.
- c. ☐ It is a Subsequent Backstop Party pursuant to the procedures set forth in the Backstop Agreement.

## Item 4. Rights Offering Shares Registration

It is anticipated that the register of the Rights Offering Shares will be maintained in book entry form by Reorganized Holdings, based on information provided by Holders in this Subscription Form. Accordingly, participants must complete this account registration section:

Name under which to register the Rights Offering Shares: \_\_\_\_\_



Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City : \_\_\_\_\_

State / Province: \_\_\_\_\_

Zip / Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

U.S. Tax Identification Number: \_\_\_\_\_

Check here if non-US (no TIN) ☐

☐ INDIVIDUAL ACCOUNT;

☐ IRA ACCOUNT;

☐ CORPORATIONS (S-CORP): (ASSOCIATED, ASSOCIATES, ASSOCIATION, CO, CO. COMPANY, CORP, CORPORATE/PARTNER, ENTERPRISE(S), FUND, GROUP, INCORPORATED, INC, INTERNATIONAL, INTL, LIMITED, LTD, LIFETIME LIMITED COMPANY, LLC, L.L.C., PARTNER, PARTNERS, PLC, PUBLIC LIMITED COMPANY);

☐ PARTNERSHIP: (LP, L P, L.P., LLP, LIMITED PARTNERSHIP, LIFETIME LIMITED PARTNERSHIP);

☐ BANK;

☐ NOMINEE ACCOUNTS;

☐ THE NEW C-CORP;

☐ NON-PROFIT: (CEMETERY, CHURCH, COLLEGE, COMMISSION FOR CHILDREN WITH, COMMISSION FOR HANDICAPPED, COMMISSION MINISTRIES INC, COMMISSION OF PUBLIC WORKS, COMMISSION OF BANKING & FOUNDATIONS, HOSPITAL, SCHOOL, SYNAGOGUE, UNIVERSITY);

☐ FIDUCIARY ACCOUNT: (CUSTODIAN, CO-TRUSTEE, ESTATE, EXECUTOR, EXECUTRIX FBO, F/B/O, FAO, FIDUCIARY TRUST, ITF, LIFE TEN, PENSION PLAN, INDIVIDUAL NAME PROFIT SHARING PLAN, RETIREMENT PLAN, 401K PLAN, SELL TRANSFER PLEDGE, STATE UNIFORM TRANSFER RO MINOR'S ACT, TTEE, TTEES, UW, UTMA, UGMA, USUFRUCT, UNIFIED, UNIF GIFT MIN ACT, UNIF TRUST MIN ACT, UNIFIED GIFT TO MINORS ACT,

UNIFORM GIFT TO MINORS, UNIFORM TRANSFER TO MINORS, GRAT (GRANTOR ANNUITY TRUST));

- ☐ TENANTS IN COMMON;
- ☐ TENANTS BY ENTIRETY: (TEN ENT, TENANTS ENT, TENANTS ENTIRETY, TENANTS BY ENTIRETY, TENANTS BY ENTIRETIES);
- ☐ JOINT TENANTS: (JT TEN, JT TEN WROS, JT WROS, J/T/W/R/S, JOINT TENANCY, JOINT TENANTS WITH RIGHT OF SURVIVORSHIP, JT OWNERSHIP, IF JT ACCOUNT WITH TOD); or
- ☐ COMMUNITY PROPERTY: (COM PROP, COMM PROP, COM PROPERTY, COMM PROPERTY, MARITAL PROPERTY, HWACP, HUSBAND & WIFE AS COMMUNITY PROPERTY).

#### Item 5. Payment and Delivery Instructions

##### Instructions for General Unsecured Claimholders who are NOT the Initial Backstop Party.

For General Unsecured Claimholders that check Boxes a or c in Item 3, payment of the Purchase Payment Amount calculated pursuant to Item 2a above shall be made by wire transfer ONLY in accordance with the following instructions:

##### **U.S. Wire Instructions:<sup>3</sup>**

Account Name :	
Bank Account No.:	
ABA/Routing No.:	
Bank Name:	
Bank Address:	
Reference:	[Insert claimant name in memo field]

##### **International Wire Instructions:**

Correspondent/Intermediary Bank SWIFT	
Correspondent/Intermediary Bank Name	
Correspondent/Intermediary Bank Address	
Beneficiary Account Number	
Beneficiary Name	

<sup>3</sup> NTD: issuer to provide wire instructions.

Beneficiary Address	
Memo, Special Instructions, Originator to Beneficiary Information, Bank to Bank Information	

**Instructions for the Initial Backstop Party.**

For General Unsecured Claimholders that check Box b in Item 3, payment of the applicable Purchase Payment Amount calculated pursuant to Item 2a above shall be made by wire transfer ONLY of immediately available funds directly to the Escrow Account or the Subscription Agent in accordance with the Funding Notice that will be delivered to you pursuant to the Rights Offering Procedures. The Backstop Parties must deliver the appropriate funding directly to the Escrow Account or the Subscription Agent no later than the Funding Date.

**Item 6. Wire Information**

**PLEASE COMPLETE THE FOLLOWING SECTION IN CASE A REFUND IS REQUIRED.**

**Wire information in the event a refund outside of DTC is needed:**

Account Name: \_\_\_\_\_

Beneficiary Address: \_\_\_\_\_

Bank Account No. (For International this may be IBAN): \_\_\_\_\_

ABA/Routing No.: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

Reference: \_\_\_\_\_

Swift Instructions (if applicable): \_\_\_\_\_

\_\_\_\_\_

## Item 7. Designee Information

Please complete **ONLY** if the Rights Offering Shares are to be issued in the name of a designee or designees. Any such party must also be a General Unsecured Claimholder, and also submit an IRS Form 8 or IRS Form W-9, as applicable.

(a) Amount of Designation.<sup>4</sup>

Number of Rights Offering Shares: \_\_\_\_\_

(b) Designee Registration Information.

Please indicate on the lines provided below the name of the designee in whose name the Rights Offering Shares should be registered, and in whose name the Rights Offering Shares should be issued in the event that such instruments are issued in registered form on the books and records of the relevant transfer agent.

It is strongly recommended that the below information be typed to ensure that it is legible.

Registration Name \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City, State, Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## Item 8. Certification.

The undersigned certifies that (i) it was the Holder of the Claims set forth in Item 1 above as of the date hereof, (ii) it has received a copy of the Plan, the Disclosure Statement, and the Rights Offering Procedures and (iii) it understands that the exercise of its rights under the Rights Offering is subject to all of the terms and conditions set forth in the Plan and the Rights Offering Procedures.

The undersigned acknowledges that, by executing this Subscription Form, it has elected to subscribe for the number of Rights Offering Shares designated under Item 2a above and will be bound to pay for the Rights Offering Shares it has subscribed for and that it may be liable to the Plan Proponents to the extent of any nonpayment.

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<sup>4</sup> To the extent there is more than one designee, please attach a separate sheet with the information required under Item 7.

Date: \_\_\_\_\_

Name of General Unsecured Claimholder: \_\_\_\_\_

U.S. Federal Tax EIN/SSN (optional): \_\_\_\_\_

If Non-U.S. Person, check here and attach appropriate IRS Form W- 8 ☐

If U.S. Person, check here and attach IRS Form W-9 ☐

Signature: \_\_\_\_\_

Name of Signatory: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Please deliver your completed Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) with respect to the General Unsecured Claims to the Subscription Agent so that it is received by the Subscription Expiration Deadline at:

**KCC LLC, dba Verita Global**  
**222 North Pacific Coast Highway, Suite 300**  
**El Segundo, CA 90245-5614**  
**Attention: Eletson Holdings Inc. Rights Offering**  
**Tel#s: (888) 647-1737 (Domestic) or (310) 751-2624 (International)**

If submitting via email: EletsonInfo@kccllc.com

**Originals are not required**

**NOMINEE'S CERTIFICATION OF RECORD DATE HOLDINGS**

Your ownership of the 2022 Notes Claims or the Old Notes Claims must be confirmed to participate in the Rights Offering

**For Use Only by the Nominee**

**DTC Participant Name:** \_\_\_\_\_

**DTC Participant Number:** \_\_\_\_\_

**Name of Beneficial Holder:** \_\_\_\_\_

**Principal Amount of the 2022 Notes Claim or the Old Notes held for this account as of the Expiration Date ([●], 2024):**

Description	CUSIP	Amount Held
9.625% First Preferred Ship Mortgage Notes Due 2022	28620Q AA 1	
9.625% First Preferred Ship Mortgage Notes Due 2022	28620Q AB 9	
9.625% First Preferred Ship Mortgage Notes Due 2022	V32248 AA 0	
First Preferred Ship Mortgage Notes Due 2022	28620E AB 6	
First Preferred Ship Mortgage Notes Due 2022	28620E AA 8	
First Preferred Ship Mortgage Notes Due 2022	V32257A A1 0	

**MEDALLION GUARANTEE:**

**Nominee Contact Information:**

**Contact Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**EXHIBIT 3**

**Backstop Agreement**

THIS BACKSTOP AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE

[ ], 2024

***In re Eletson Holdings Inc., Case No. 23-10322 (JPM) (Bankr. S.D.N.Y.) –  
Backstop Agreement for Rights Offering***

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Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

<b>Overview</b>	<p>On March 26, 2024, the Petitioning Creditors<sup>1</sup> filed that certain (a) <i>Petitioning Creditors' Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors</i> [Docket No. 531] (as the same may be amended, modified, and/or supplemented from time to time, in form and substance satisfactory to the Requisite Backstop Parties (as defined below), the "<u>Approved Plan</u>")<sup>2</sup> and (b) <i>Disclosure Statement in Support of Petitioning Creditors' Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors</i> [Docket No. 532] (as the same may be amended, modified, and/or supplemented from time to time, in form and substance satisfactory to the Requisite Backstop Parties, the "<u>Approved Disclosure Statement</u>") in the above-captioned Chapter 11 cases (the "<u>Chapter 11 Cases</u>").</p> <p>The Approved Plan contemplates an offering of rights (the "<u>Rights Offering Subscription Rights</u>") to purchase up to 75% of the new common stock (the "<u>New Shares</u>") of reorganized Eletson Holdings Inc. ("<u>Reorganized Holdings</u>") (subject to dilution on account of the Backstop Premium and the EIP) in connection with the consummation of the Approved Plan (the "<u>Rights Offering</u>").</p> <p>This term sheet (together with all schedules and exhibits hereto, this "<u>Agreement</u>") sets forth the terms and conditions in which the Backstop Parties (as defined below) provide commitments to</p>
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<sup>1</sup> As used herein, the term "Petitioning Creditors" means, collectively, Pach Shemen LLC, VR Global Partners, L.P., Alpine Partners (BVI), L.P., Mark Millet, In His Capacity as Trustee of the Mark E. Millet Living Trust, Mark Millet, In His Capacity as Trustee of the Millet 2016 Irrevocable Trust, Robert Latter, Tracy Lee Gustafson, Jason Chamness, and Ron Pike.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Approved Plan.



	backstop (the “ <u>Backstop Commitment</u> ”), on a fully committed basis, the Rights Offering of any New Shares that are not purchased by the holders of Rights Offering Subscription Rights in the Rights Offering, up to US\$43,500,000 (the “ <u>Backstop Amount</u> ”), at the price provided in the procedures governing the Rights Offering, in substantially the form attached hereto as <u>Exhibit A</u> (the “ <u>Rights Offering Procedures</u> ”), in support of the Approved Plan.
<b>Issuer</b>	Reorganized Holdings.
<b>Backstop Parties</b>	<p>(a) Pach Shemen LLC or such affiliate or designee identified by Pach Shemen LLC (the “<u>Initial Backstop Party</u>”) and</p> <p>(b) such other General Unsecured Claimholder that is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Approved Plan and desires to participate in the Backstop Agreement, that delivers:</p> <ul style="list-style-type: none"> <li>i. an executed election joinder in the form attached hereto as <u>Exhibit C</u> (the “<u>Form of Joinder</u>”), including certification of eligibility to purchase such New Shares; and</li> <li>ii. proof of funds or other financial wherewithal documentation,</li> </ul> <p>in each case, to counsel to the Petitioning Creditors at Togut, Segal &amp; Segal LLP, Attn: Kyle J. Ortiz, Esq. (kortiz@teamtogut.com) and Bryan M. Kotliar, Esq. (bkotliar@teamtogut.com) (the “<u>Petitioning Creditors’ Counsel</u>”), no later than the ten (10) days following the Solicitation Commencement Deadline (as defined in the Approved Disclosure Statement) (the “<u>Election Deadline</u>” and, such election, a “<u>Backstop Election</u>”).</p> <p>As used herein, any General Unsecured Claimholder that complies with the foregoing clause (b) is referred to as a “<u>Subsequent Backstop Party</u>” (together with the Initial Backstop Party, the “<u>Backstop Parties</u>”).</p>
<b>Approvals</b>	<p>The obligation of the Backstop Parties to fund the Backstop Commitment is conditioned upon satisfaction or waiver of, <i>inter alia</i>, each of the terms conditions set forth herein, in the Approved Plan, in the Rights Offering Procedures, and in the order approving this Agreement and the Rights Offering Procedures, in substantially the form attached hereto as <u>Exhibit B</u> (the “<u>Backstop Approval Order</u>”), in each case, in form and substance acceptable to the Requisite Backstop Parties.</p> <p>As used herein, the term “<u>Requisite Backstop Parties</u>” means,</p>

	collectively, (a) the Initial Backstop Party and (b) as of any date of determination, Backstop Parties holding more than 50% of the aggregate Backstop Commitments to backstop, on a fully committed basis, the Backstop Amount.
<b>Backstop Commitment</b>	<p>Upon execution of this Agreement, the Initial Backstop Party's Backstop Commitment percentage shall be 100% of the Rights Offering Amount. As of the Election Deadline, to the extent that any Subsequent Backstop Party join this Agreement, each Backstop Party's Backstop Commitment percentage shall be calculated based on its percentage, as of the Election Deadline, of the aggregate amount of General Unsecured Claims held by all Backstop Parties and the Initial Backstop Party's Backstop Commitment shall be proportionately reduced by any such commitments.</p> <p>The Backstop Parties shall, severally and not jointly, backstop the Rights Offering on a fully committed basis by purchasing from the Issuer, at the price provided in the Rights Offering Procedures, the New Shares that are not purchased by General Unsecured Claimholders in the Rights Offering.</p> <p>To the extent there are any Subsequent Backstop Parties, by no later than three (3) business days following the Election Deadline, Petitioning Creditors' Counsel shall file a notice on the docket of the Chapter 11 Cases identifying the Backstop Parties and each Backstop Party's Backstop Commitment.</p>
<b>Backstop Premium</b>	<p>The Backstop Parties shall be entitled to receive a premium payable in New Shares in an aggregate amount equal to 8.0% of the New Shares of Reorganized Holdings (subject to dilution on account of the EIP) issued and outstanding on the effective date of the Approved Plan (the "<u>Backstop Premium</u>"). The Backstop Premium shall be divided among the Backstop Parties in accordance with each Backstop Parties' Backstop Commitment percentage, as described above.</p> <p>The Backstop Premium shall be fully earned upon the date hereof and shall, pursuant to entry of the Backstop Approval Order, constitute allowed administrative expenses of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code and be payable upon the date on which the closing of the Backstop Commitments shall occur.</p> <p>For the avoidance of doubt, to the extent payable in accordance with the terms of this Agreement, the Backstop Premium shall be payable regardless of the amount of New Shares that have not been duly purchased by persons or entities exercising their Rights</p>

	Offering Subscription Rights in the Rights Offering.
<b>Expense Reimbursement</b>	<p>Whether or not the transactions contemplated hereby are consummated, but subject to entry of the Backstop Approval Order, the Backstop Parties shall be entitled to receive the reasonable and documented fees, expenses, disbursements and charges of the Backstop Parties (including, for the avoidance of doubt, the reasonable and documented fees and expenses of counsel) incurred in connection with the Backstop Commitment (the “<u>Expense Reimbursement</u>”).</p> <p>The Expense Reimbursement shall, pursuant to the Backstop Approval Order, constitute allowed administrative expenses of the Debtors’ estates under sections 503(b) and 507 of the Bankruptcy Code. The obligations of the Debtors to pay the Expense Reimbursement shall survive the termination of this Agreement.</p> <p>For the avoidance of doubt, to the extent payable in accordance with the terms of this Agreement, the Expense Reimbursement shall be payable regardless of the amount of New Shares that have not been duly purchased by persons or entities exercising their Rights Offering Subscription Rights in the Rights Offering.</p>
<b>Securities Exemption</b>	<p>(a) <u>Rights Offering</u>: The Issuer and Backstop Parties acknowledge and agree that the issuance of the New Shares on account of the Rights Offering pursuant to the Approved Plan and the Rights Offering Procedures shall be conducted in accordance with, and pursuant to, section 1145 of the Bankruptcy Code to the extent permitted or under the of the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended (the “<u>Securities Act</u>”) by virtue of section 4(a)(2) thereof, Regulation D, and/or Regulation S promulgated under the Securities Act, and/or similar registration exemptions applicable outside of the United States.</p> <p>(b) <u>Backstop Premium</u>: The Issuer and Backstop Parties acknowledge and agree that the issuance of the New Shares on account of the Backstop Premium pursuant to the Approved Plan and this Agreement shall be conducted in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D, and/or Regulation S promulgated under the Securities Act, and/or similar registration exemptions applicable outside of the United States.</p>
<b>Termination Events</b>	<p>The Backstop Parties’ commitments and agreements hereunder shall terminate upon the occurrence of the following:</p> <p>a) <u>Automatic Termination</u>: Except as otherwise provided</p>

	<p>herein, this Agreement shall terminate automatically without further action or notice by any Party if any of the Chapter 11 Cases shall have been dismissed or converted to a Chapter 7 case without the consent of the Requisite Backstop Parties.</p> <p>b) <u>By the Backstop Parties</u>: This Agreement may be terminated by the Requisite Backstop Parties upon the giving of written notice concurrently with or at any time following the occurrence of any of the following (it being understood that the list contained herein is in addition to the list in the Rights Offering Procedures and not in lieu of):</p> <ul style="list-style-type: none"> <li>i. the Backstop Approval Order, the order approving the Approved Disclosure Statement (the "<u>Approved DS Order</u>"), or the order confirming the Approved Plan (the "<u>Confirmation Order</u>") is terminated, reversed, stayed, dismissed or vacated or any such other order is modified or amended after entry without the prior written consent of the Requisite Backstop Parties in a manner that prevents or prohibits the consummation of the transactions contemplated by this Agreement in a way that cannot be remedied or that changes the economic terms of this Agreement (subject to the satisfaction of the Requisite Backstop Parties);</li> <li>ii. any law (statutory or common), statute, regulation, rule, code, or ordinance enacted, adopted, issued or promulgated by any Governmental Entity<sup>3</sup> that prohibits implementation of the Approved Plan or the Rights Offering in a way that cannot be remedied (subject to the satisfaction of the Requisite Backstop Parties);</li> <li>iii. a court of competent jurisdiction or other competent governmental or regulatory authority declares this Agreement unenforceable or making illegal or otherwise restricting, preventing or prohibiting the consummation of the Approved Plan or the Rights Offering;</li> <li>iv. the entry of the Backstop Approval Order, Approved DS Order, or Confirmation Order by the Bankruptcy</li> </ul>
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<sup>3</sup> "Governmental Entity" means any U.S. or non-U.S. international, regional, federal, state, municipal or local governmental, judicial, administrative, legislative or regulatory authority, entity, instrumentality, agency, department, commission, court or tribunal of competent jurisdiction (including any branch, department or official thereof).

	<p>Court in form and substance not satisfactory to the Requisite Backstop Parties;</p> <ul style="list-style-type: none"> <li>v. the Petitioning Creditors (A) withdraw the Approved Plan, (B) publicly announces their intention not to pursue the Approved Plan, (C) files a motion with the Bankruptcy Court seeking approval of a chapter 11 plan other than the Approved Plan or (D) agrees to pursue (including, for the avoidance of doubt, as may be evidenced by a term sheet, letter of intent, or similar document executed by the Petitioning Creditors) or publicly announce their intent to pursue a plan other than the Approved Plan;</li> <li>vi. the Bankruptcy Court enters an order authorizing the Debtors to enter into a capital raising or sale transaction for all or substantially all of the Debtors' assets, which does not contemplate or is inconsistent with the Rights Offering described in this Agreement, including, without limitation, the identity of the Backstop Parties;</li> <li>vii. the Bankruptcy Court has not entered the Confirmation Order, in form and substance satisfactory to the Requisite Backstop Parties, confirming the Approved Plan on or prior to September 20, 2024;</li> <li>viii. the Approved Plan has not been consummated or the Rights Offering has not closed by October 31, 2024 (the "<u>Backstop Outside Date</u>"); or</li> <li>ix. if, since September 25, 2023, any material adverse changes in the operations, assets, revenues, financial condition, profits, or prospects of the Debtors or their non-Debtor subsidiaries and /or Affiliates (other than by virtue of the filing of the Chapter 11 Cases) has occurred.</li> </ul>
<b>Automatic Stay</b>	The automatic stay applicable under section 362 of the Bankruptcy Code shall not prohibit a Party from taking any action or delivering any notice necessary to effectuate the termination of this Agreement pursuant to and in accordance with the terms hereof.
<b>Documentation</b>	The Backstop Parties shall use commercially reasonable efforts to prepare, negotiate, and finalize definitive documentation for the Backstop Commitment in good faith, as contemplated by

	the Rights Offering Procedures.
<b>Governing Law</b>	State of New York.

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**Exhibit A**

Form of Rights Offering Procedures

[To be attached separately]

**Exhibit B**

Form of Backstop Approval Order

[To be attached separately]



**Exhibit C**

Form of Joinder

[attached]

### **Joinder Agreement**

The undersigned is executing and delivering this Joinder Agreement pursuant to the Backstop Agreement, dated as of [\_\_\_], 2024 (as amended and/or modified from time to time in accordance with its terms, the "Backstop Agreement") by and among the Petitioning Creditors and the Initial Backstop Party (the "Backstop Party"). Capitalized terms used in this Joinder Agreement and not otherwise defined herein shall have the meanings provided in the Backstop Agreement or the Approved Plan, as applicable.

By executing and delivering this Joinder Agreement to the Petitioning Creditors' Counsel, the undersigned hereby agrees to be bound by the Backstop Agreement for the purpose of being bound by and complying with the Backstop Commitment as if it were a "Subsequent Backstop Party" (as such term is defined in the Backstop Agreement) on the terms and conditions set forth in the Backstop Agreement.

The undersigned represents and warrants to the Petitioning Creditors and Initial Backstop Party that, as of the date hereof, it held the following General Unsecured Claim(s) (as defined in the Approved Plan):

Name of Subsequent Backstop Party:	
Amount of General Unsecured Claim(s):	
Description of General Unsecured Claim(s):	

#### **A. Certification**

- i. **Eligibility.** The undersigned certifies that the Person submitting this form is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Approved Plan.

\_\_\_ YES \_\_\_ NO

- ii. **Financial Wherewithal.** Contemporaneous with the delivery of this Joinder Agreement to the Petitioning Creditors' Counsel, the undersigned certifies that the Person submitting this form has provided true and correct copies of proof of funds or other financial wherewithal documentation to the Petitioning Creditors' Counsel.

\_\_\_ YES \_\_\_ NO

- iii. **IRS Form W-8 or W-9:**

If Non-U.S. Person, check here and attach appropriate IRS Form W- 8 ☐

If U.S. Person, check here and attach IRS Form W-9 ☐

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement  
as of [\_\_\_\_], 2024.

[      ]

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit 2**

**Solicitation Proposed Order (Redline)**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X		
In re:	:	Chapter 11
	:	
ELETSON HOLDINGS INC., et al.,	:	Case No. 23-10322 (JPM)
	:	
	:	(Jointly Administered)
Debtors. <sup>1</sup>	:	
	:	
-----X		

**ORDER (I) APPROVING (A) THE RIGHTS OFFERING  
AND RELATED PROCEDURES AND MATERIALS AND  
(B) THE BACKSTOP AGREEMENT, AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion [Docket No. 592] (the “Motion”)<sup>2</sup> by the Petitioning Creditors (the “Petitioning Creditors”) for entry of an order (this “Order”) (i) approving (a) the rights offering (the “Rights Offering”) contemplated by the *Petitioning Creditors’ Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. [846](#)][  ]] (such document for purposes of this Order, and as may be further amended, supplemented, or otherwise modified from time to time, the “Plan”), the rights offering procedures, substantially in the form attached hereto as **Exhibit 1** (the “Rights Offering Procedures”), including the Subscription Form, substantially in the form attached hereto as **Exhibit 2** (the “Subscription Form” and together with the Rights Offering Procedures, the “Rights Offering Materials”), and (b) the Backstop Agreement for the Rights Offering, substantially in the form attached hereto as **Exhibit 3** (the “Backstop Agreement”), and

<sup>1</sup> The Debtors in these chapter 11 cases are: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. The address of the Debtors’ corporate headquarters is 118 Kolokotroni Street, GR 185 35 Piraeus, Greece. The Debtors’ mailing address is c/o Eletson Maritime, Inc., 1 Landmark Square, Suite 424, Stamford, Connecticut 06901.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan or the Backstop Agreement, as applicable.

(ii) granting related relief; and the Court having jurisdiction to consider the Motion and relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and the Court having determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and the Court having reviewed the Motion, and having heard the statements in support of the relief requested therein at a hearing before the Court, if any (the “Hearing”); and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and the Court having determined that the legal and factual basis set forth in the Motion and on the record of the Hearing established just cause for the relief granted herein; and all objections to the Motion, if any, having been withdrawn or overruled, including the *Debtors’ Objection to the Petitioning Creditors’ Motion for Entry of an Order (I) Approving (A) Rights Offering and Related Procedures and Materials and (B) the Backstop Agreement, and (II) Granting Related Relief* [Docket No. 652] (the “Debtors’ Objection”); and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing:

**IT IS HEREBY FOUND AND DETERMINED THAT:<sup>3</sup>**

A. The Rights Offering Procedures, substantially in the form attached hereto as **Exhibit 1**, and the Subscription Form, substantially in the form attached hereto as

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<sup>3</sup> The findings and conclusions set forth herein and in the record of the Hearing constitute the Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014, and are incorporated by reference as

**Exhibit 2**, provide sufficient notice and information to allow each Holder of an Allowed General Unsecured Claim (a “General Unsecured Claimholder”) to duly participate in the Rights Offering and to exercise its subscription rights (the “Subscription Rights”) to purchase up to 75% of the Reorganized Equity (subject to dilution on account of the Backstop Premium (as defined herein) and the EIP), at a price that represents an implied 10.8% discount to the mid-point of the plan equity value of up to US\$62,058,088.00 in connection with the Rights Offering pursuant to, and in connection with, the Plan.

B. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

C. The Backstop Agreement, substantially in the form attached hereto as **Exhibit 3**, and the terms and conditions therein are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

D. Each of the fees, premiums, and expenses provided for or permitted by the Backstop Agreement, including (a) a premium payable in New Shares in an aggregate amount equal to 8.0% of the New Shares of Reorganized Holdings issued and outstanding on the Effective Date of the Plan (the “Backstop Premium”) and

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though fully set forth herein. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

(b) payment of the Backstop Parties' (as defined below) reasonable and documented fees, expenses, disbursements, and charges (including the reasonable and documented fees and expenses of counsel) incurred in connection with the Backstop Agreement (the "Expense Reimbursement" and, together with the Backstop Premium, the "Backstop Fees"), is reasonable and warranted on the terms set forth in the Backstop Agreement in light of, among other things (i) the significant benefit to the Debtors' estates of having definitive and binding equity commitments to help fund the Debtors' obligations under the Plan, (ii) the substantial time, effort, and costs incurred by the Pach Shemen LLC or such affiliate or designee identified by Pach Shemen LLC (the "Initial Backstop Party") in negotiating and documenting, among other things, the Backstop Agreement, and the Plan, and (iii) the benefits provided by the Initial Backstop Party and such other General Unsecured Claimholders that become party to the Backstop Agreement as set forth in Paragraph 12 of this Order (each a "Subsequent Backstop Party" and, together with the Initial Backstop Party, the "Backstop Parties") in reserving the funds to make the corresponding investment and other commitments pending confirmation and effectiveness of the Plan and satisfaction of the other conditions precedent in the Backstop Agreement.

E. The Backstop Fees are (i) bargained-for and integral parts of the consideration exchanged under the Backstop Agreement, (ii) reasonable, and enhance the value of the Debtors' estates. Without such inducements, the Backstop Parties would not have agreed to the terms and conditions of the Backstop Agreement.

F. The entry into the Backstop Agreement by the parties thereto, and the performance and fulfillment of their respective obligations thereunder, do not constitute the solicitation of any votes on a chapter 11 plan, and comply with the Bankruptcy Code and any and all other applicable statutes, laws, regulations, or orders.



G. The Rights Offering, the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement serve to maximize the value of the Debtors' estates and are in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted as set forth herein. All objections, including the Debtors' Objection, responses, statements or comments, if any, in opposition to approval of the relief requested in this Motion that have not otherwise been resolved or withdrawn prior to, or on the record of the Hearing, are overruled in their entirety.

**I. Rights Offering**

2. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are hereby approved in their entirety.

3. The Plan Proponents are authorized to commence and conduct the Rights Offering in accordance with the terms and conditions of the Rights Offering Procedures, the Rights Offering Materials, the Plan, and this Order, and may take such actions, as necessary or appropriate, to effectuate the foregoing.

4. The Plan Proponents are authorized to distribute the Rights Offering Procedures and the Rights Offering Materials to each General Unsecured Claimholder.

5. Each General Unsecured Claimholder intending to participate in the Rights Offering must affirmatively make a binding election to exercise its Subscription Rights on or prior to the Subscription Expiration Deadline (as defined in the Rights Offering Procedures) and must otherwise timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials, and shall be deemed to have relinquished and waived all rights to participate in the

Rights Offering to the extent such Eligible Holder fails to timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials.

6. Consistent with, and in each case subject to, the terms of the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement, the Plan Proponents are hereby authorized to modify, supplement, or waive the terms of the Rights Offering Materials or the Rights Offering Procedures, and adopt additional detailed procedures as may be necessary or appropriate to effectuate the Rights Offering.

7. The Plan Proponents' designation of [Kurtzman Carson Consultants, LLC dba Verita Global](#)~~KCC~~ as the [subscription agent \(the "Subscription Agent"\)](#) for the Rights Offering is hereby approved.

## **II. Backstop Agreement**

8. Subject to the terms of this Order, the Backstop Agreement and the terms and conditions included therein are approved in their entirety.

9. The Plan Proponents are authorized to execute, deliver, and implement the Backstop Agreement and all exhibits and attachments thereto, and to take any and all actions necessary and proper to implement the terms of the Backstop Agreement and to perform all obligations thereunder on the terms and conditions set forth therein.

10. The consideration, fees, premiums, and expenses provided for or permitted by the Backstop Agreement (including the Backstop Fees) are hereby approved.

11. The Backstop Premium and Expense Reimbursement payable under the Backstop Agreement are actual and necessary costs of preserving the Debtors' estates and as such shall be treated as allowed administrative expenses of the Debtors pursuant

to sections 503(b) and 507(a) of the Bankruptcy Code solely upon the occurrence of the Effective Date (as defined in the Plan) under the Plan. For the avoidance of doubt, the Backstop Premium and Expense Reimbursement shall not be allowed or paid as administrative expenses under this Order if the Effective Date under the Plan does not occur; *provided* that the Backstop Parties' rights are reserved to assert administrative expense claims, including, without limitation, pursuant to sections 503(b)(3)(D) and 503(b)(4) (or otherwise), on any other basis in any other circumstances.

12. A General Unsecured Claimholder that is eligible to purchase the Reorganized Equity issued pursuant to Section 5.9(b) of the Plan and desires to participate in the Backstop Agreement as a Subsequent Backstop Party, shall provide (a) an executed copy of the Form of Joinder, attached as Exhibit C to the Backstop Agreement, including certification of eligibility to purchase such Reorganized Equity, (b) proof of eligibility to purchase such Reorganized Equity, and (b) proof of funds or other financial wherewithal to counsel for the Petitioning Creditors at Togut, Segal & Segal LLP (Kyle J. Ortiz (kortiz@teamtogut.com) and Bryan M. Kotliar (bkotliar@teamtogut.com)) by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the order approving the Disclosure Statement) (i.e., July 26, [ ], 2024). Upon execution of the Backstop Agreement, the Initial Backstop Party's Backstop Commitment percentage shall be 100% of the Rights Offering Amount. As of the Election Deadline, to the extent that any Subsequent Backstop Party joins this Agreement, each Backstop Party's Backstop Commitment percentage shall be calculated based on its percentage, as of the Election Deadline, of the aggregate amount of General Unsecured Claims held by all Backstop Parties and the Initial Backstop Party's Backstop Commitment shall be proportionately reduced by any such commitments; *provided* that the Backstop Parties shall, severally and not jointly,

backstop the Rights Offering on a fully committed basis by purchasing from the Issuer, at the price provided in the Rights Offering Procedures, the New Shares that are not purchased by General Unsecured Claimholders in the Rights Offering; *provided further* that to the extent there are any Subsequent Backstop Parties, by no later than three (3) business days following the Election Deadline, Petitioning Creditors' Counsel shall file a notice on the docket of the Chapter 11 Cases identifying the Backstop Parties and each Backstop Party's Backstop Commitment.

**III. Miscellaneous Relief**

13. The Plan Proponents and the Debtors (as directed by the Plan Proponents) are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2024

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HONORABLE JOHN P. MASTANDO III  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Rights Offering Procedures**

ELETSON HOLDINGS INC.

RIGHTS OFFERING PROCEDURES

Each Rights Offering Share (as defined below)<sup>1</sup> is being offered and will be sold (the "Rights Offering") without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance generally upon the exemptions from registration provided by section 1145 of the Bankruptcy Code or Section 4(a)(2) of the Securities Act.

None of the Subscription Rights (as defined below) or Rights Offering Shares issuable upon exercise of such rights or New Shares (as defined below) offered or issued pursuant to these procedures (the "Rights Offering Procedures") have been or, at the time of original issuance, will be registered under the Securities Act, or the securities laws of any state.

An Applicable Claim (as defined below) and related Subscription Rights will only be transferable as a unit, subject to such limitations, if any, that would be applicable to the transferability of the Applicable Claims. The Subscription Rights will not be detachable from the underlying Applicable Claims and no Subscription Rights may be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the Subscription Rights, the Rights Offering Shares, the Applicable Claims, and any related claims) (each of the above, a "Transfer") separately from the General Unsecured Claimholders' (as defined below) Applicable Claims.

Participation in the Rights Offering is limited to those Holders of Applicable Claims who are General Unsecured Claimholders. The Rights Offering Shares will be sold only to General Unsecured Claimholders, and any invitation, offer or agreement to subscribe or purchase such Rights Offering Shares will be made or entered into only with General Unsecured Claimholders. No offer or invitation to subscribe or purchase is being made to any person who is not a General Unsecured Claimholder and no such person should act or rely on any offer or invitation to subscribe or purchase Rights Offering Shares contained in this document.

To exercise the Subscription Rights, a General Unsecured Claimholder must complete and return to Kurtzman Carson Consultants, LLC [dba Verita Global](#) (the "Subscription Agent") a Subscription Form (as defined below) (with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and together with a cash payment in the applicable Purchase Payment Amount (as defined below) (i) in the case of a General Unsecured Claimholder that is not a Backstop Party, by the Subscription Expiration Deadline, and (ii) in the case of a

<sup>1</sup> Capitalized terms that are used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan or the Backstop Agreement (each, as hereinafter defined), as applicable.

Backstop Party, no later than the Funding Date specified in the Funding Notice (each as defined below).

Any General Unsecured Claimholder that subscribes for the Rights Offering Shares and is an “underwriter” under section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities and the Rights Offering Shares that it receives will be “restricted securities” (as defined under Rule 144 promulgated under the Securities Act). Resale restrictions are discussed in more detail in Article IX of the Disclosure Statement [\(as defined below\)](#), entitled “Certain Securities Law Matters.”

The distribution or communication of these Rights Offering Procedures and the issuance of the Rights Offering Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the distribution or communication of these Rights Offering Procedures in any jurisdiction where any action for that purpose may be required. Accordingly, these Rights Offering Procedures may not be distributed or communicated, and the Rights Offering Shares may not be subscribed, purchased or issued, in any jurisdiction, except in circumstances where such distribution, communication, subscription, purchase or issuance would comply with all applicable laws and regulations without the need for the issuer to take any action or obtain any consent, approval or authorization therefor, except for any notice filings required under U.S. federal and applicable state securities laws. Further, the Subscription Rights and the Rights Offering Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other state securities commission or any other regulatory or governmental authority, nor have any of the foregoing passed upon the accuracy or adequacy of the information presented, and any representation to the contrary is a criminal offense.

Each Rights Offering Share issued upon exercise of a Subscription Right to a General Unsecured Claimholder located outside the United States, or in exchange for or upon the transfer, sale or assignment of any such Rights Offering Share, shall be imprinted, stamped or otherwise associated with legends to facilitate compliance with applicable securities and business entity laws, procedures of depository institutions and organizational documents (e.g., legends with respect to global notes and local law, etc.).

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

General Unsecured Claimholders should note the following times relating to the Rights Offering:

Date	Calendar Date	Event
Record Date.....	<del>July [ ]</del> , <del>May 15</del> , 2024	The date to determine the General Unsecured Claimholders eligible to participate in the Rights Offering.
Subscription Commencement Date .....	<del>Five</del> <del>Three</del> Business Days from the entry of the Backstop Approval Order	Commencement of the Rights Offering.
Subscription Expiration Deadline.....	4:00 p.m. prevailing Eastern Time on <del>[ ]</del> <del>June</del> [ ], 2024	<p>The deadline for General Unsecured Claimholders of Applicable Claims to subscribe for Rights Offering Shares.</p> <p>A General Unsecured Claimholder's Subscription Form (with <u>an</u> accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Subscription Agent by the Subscription Expiration Deadline.</p> <p>General Unsecured Claimholders of Applicable Claims who are not Backstop Parties (as defined in the <i>Backstop Agreement for the Rights Offering</i>, dated [●], 2024 (as may be amended and supplemented from time to time, the "<u>Backstop Agreement</u>") must deliver the applicable Purchase Payment Amount by the Subscription Expiration Deadline.</p> <p>Backstop Parties must deliver the applicable Purchase Payment Amount no later than the Funding Date.</p>

Terms used and not defined herein shall have the meaning ascribed to them in the Plan (as defined below) or the Backstop Agreement, as applicable.



[●], 2024

To General Unsecured Claimholders:

On July 8, [ ], 2024, certain of the Petitioning Creditors as Plan Proponents filed the *Petitioning Creditors' Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. 846, [ ]], with the United States Bankruptcy Court for the Southern District of New York (as such plan may be further amended, modified, or supplemented from time to time in accordance with its terms, the "Plan"), and the disclosure statement with respect to the Plan [Docket No. 847, [ ]] (as such disclosure statement may be further amended from time to time in accordance with its terms, the "Disclosure Statement").

Pursuant to the Plan, General Unsecured Claims (including, but not limited to, 2022 Notes Claims and Old Notes Claims, but excluding Convenience Claims) (collectively, the "Applicable Claims", and individually, an "Applicable Claim") will have the opportunity to participate in an up to US\$43.5 million Rights Offering for New Shares on the terms set forth in these Rights Offering Procedures, the Plan, the Disclosure Statement, and the Subscription Form.

In addition, one of the Petitioning Creditors (the "Initial Backstop Party") has agreed to purchase, on the Effective Date, all of the New Shares offered and not duly subscribed for and / or purchased in the Rights Offering in accordance with these Rights Offering Procedures, and the Backstop Agreement. Additionally, any General Unsecured Claimholder that is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Plan that desires to join the Backstop Agreement can do so by delivering a joinder to the Backstop Agreement and certain other information to counsel for the Plan Proponents by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the Backstop Rights Offering Approval Order (as defined below)) (i.e., [ ]), 2024).

A "General Unsecured Claimholder" means a Holder of an Allowed General Unsecured Claim on the Record Date that is eligible to hold the Rights Offering Shares under any applicable non-bankruptcy law that is not exempted by section 1145 of the Bankruptcy Code.

Pursuant to the Plan, each General Unsecured Claimholder will have the right, but not the obligation, to subscribe for its Pro Rata Share of the New Shares offered in the Rights Offering (the "Rights Offering Shares"), which Rights Offering Shares will reflect an aggregate purchase price of up to \$43.5 million. "New Shares" refers to the shares of Reorganized Holdings. General Unsecured Claimholders will have Subscription Rights to purchase up to 75% of the equity in Reorganized Holdings at a price that represents an implied 10.8% discount to the mid-point of the plan equity value of up to US\$62,058,088.00.

Regardless of whether or not any Subscription Rights are exercised, General Unsecured Claimholders of Applicable Claims that make a written election on a timely and properly delivered and completed Ballot or other writing acceptable to the Plan

Proponents, at the time of Plan distributions, will receive their Pro Rata Share of 25% of the New Shares (the “Plan Distributions”), subject to dilution by New Shares issued pursuant to the EIP. General Unsecured Claimholders who have exercised their Subscription Rights and who make a written election on a timely and properly delivered and completed Ballot or other writing acceptable to the Plan Proponents, will receive both their Pro Rata Share of the Plan Distributions and the Rights Offering Shares that were purchased.

Pursuant to the Plan (and in accordance with and subject to the terms and conditions of these Rights Offering Procedures and the Subscription Form), each General Unsecured Claimholder of an Applicable Claim will receive non-certificated subscription rights to subscribe for its Pro Rata Share of the Rights Offering Shares (the “Subscription Rights”), *provided* that to participate in the Rights Offering, a General Unsecured Claimholder must timely and properly execute and deliver its Subscription Form (with [an](#) accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent and pay the aggregate Purchase Price for the Rights Offering Shares for which it subscribes (the “Purchase Payment Amount”) by the Subscription Expiration Deadline.

No General Unsecured Claimholder shall be entitled to participate in the Rights Offering unless the Purchase Payment Amount is (i) in the case of a General Unsecured Claimholder of an Applicable Claim that is not a Backstop Party, received by the Subscription Agent by the Subscription Expiration Deadline, and (ii) in the case of a Backstop Party, delivered into the Escrow Account as provided in the Funding Notice, by the Funding Date. No interest is payable on any advance funding of the Purchase Payment Amount. If the Rights Offering is terminated for any reason, your Purchase Payment Amount will be returned to you promptly. No interest will be paid on any returned Purchase Payment Amount.

**To purchase the Rights Offering Shares through the Rights Offering, you must properly complete all the steps outlined below by the Subscription Expiration Deadline. If you fail to do so, you shall be deemed to have forever and irrevocably relinquished and waived your right to participate in the Rights Offering.**

## **1. Rights Offering**

Each General Unsecured Claimholder of an Applicable Claim has the right, but not the obligation, to participate in the Rights Offering. Only General Unsecured Claimholders of Applicable Claims that validly and timely complete and return the Subscription Form may participate in the Rights Offering.

Subject to the terms and conditions set forth in the Plan, these Rights Offering Procedures, and the Subscription Form, each General Unsecured Claimholder of an Applicable Claim is entitled to subscribe for up to its Pro Rata Share of the Rights Offering Shares issued in the Rights Offering at a purchase price of ~~\$4.85~~~~[\$●]~~ per share (the “Purchase Price”). “Pro Rata Share” means the proportion that an Allowed Claim in a particular Class or Classes bears to the aggregate amount of Allowed Claims within such Class or Classes.

There will be no over-subscription privilege in the Rights Offering. Any Rights Offering Shares that are unsubscribed by the General Unsecured Claimholders entitled thereto will not be offered to other General Unsecured Claimholders but will be purchased by the Backstop Parties in accordance with the Backstop Agreement.

**SUBJECT TO THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING PROCEDURES, AND THE BACKSTOP AGREEMENT IN THE CASE OF THE BACKSTOP PARTIES, ALL SUBSCRIPTIONS SET FORTH IN THE SUBSCRIPTION FORM ARE REVOCABLE ONLY UPON WRITTEN CONSENT OF THE PLAN PROPONENTS AND THE SUBSCRIPTION AGENT.**

## **2. Subscription Period**

The Subscription Rights will be issued as of the Subscription Commencement Date.

The Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each General Unsecured Claimholder intending to purchase Rights Offering Shares in the Rights Offering must affirmatively elect to exercise its Subscription Rights in the manner set forth in the Subscription Form and must pay for any exercised Subscription Rights by the Subscription Expiration Deadline (except for the Backstop Parties who must deliver the applicable Purchase Payment Amount no later than the Funding Date, in accordance with the terms of the Backstop Agreement and these Rights Offering Procedures).

General Unsecured Claimholders that fail to timely exercise their Subscription Rights shall be deemed to have fully and irrevocably relinquished and waived their Subscription Rights. Any exercise of (including payment with respect to, except for the Backstop Parties) the Subscription Rights after the Subscription Expiration Deadline will not be allowed, and any purported exercise or payment into the Escrow Account, if applicable, or received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored.

The Plan Proponents may extend the Subscription Expiration Deadline with the consent of the Requisite Backstop Parties, such consent not to be unreasonably withheld, or as required by law.

## **3. Delivery of Documentation**

Each General Unsecured Claimholder may exercise all or any portion of such General Unsecured Claimholder's Subscription Rights. In order to facilitate the exercise of the Subscription Rights, beginning on the Subscription Commencement Date, the Subscription Agent will send (or cause to be sent) to each General Unsecured Claimholder these Rights Offering Procedures, and a form to be used for exercising the Subscription Rights (the "Subscription Form"), together with appropriate instructions for the proper completion, due execution, and timely delivery of the applicable executed Subscription Form and the payment of the applicable Purchase Payment Amount for the Rights Offering Shares.

Notwithstanding anything to the contrary in these Rights Offering Procedures, the Backstop Parties will exercise their Subscription Rights pursuant to these Rights Offering Procedures and the Backstop Agreement. Subject to the terms and conditions of the Backstop Agreement, no later than five (5) Business Days following the Subscription Expiration Deadline, the Subscription Agent will deliver to the Backstop Parties a written notice (the "Funding Notice") of (i) the amount of Rights Offering Shares elected to be subscribed for by General Unsecured Claimholders of Applicable Claims and the aggregate Purchase Price therefor; (ii) the aggregate amount of unsubscribed Rights Offering Shares to be subscribed for by the Backstop Parties and the aggregate Purchase Price therefor; and (iii) the escrow account (the "Escrow Account") information to which the Backstop Parties must deliver and pay the aggregate Purchase Price for the Rights Offering Shares. The Subscription Agent will promptly provide such written backup, information, and documentation relating to the information contained in the Funding Notice that the Backstop Parties requests. On such date, which shall not be earlier than four (4) Business Days after the Funding Notice date, or later than five (5) Business Days prior to the Effective Date (the "Funding Date"), the Backstop Parties shall deliver the applicable Purchase Payment Amount for the amount of unsubscribed Rights Offering Shares to the Escrow Account.

#### **4. Exercise of Subscription Rights**

*Before exercising any Subscription Rights, General Unsecured Claimholders should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered in connection with making their investment decision.*

In order to validly exercise its Subscription Rights, each General Unsecured Claimholder must:

- i. return a duly executed Subscription Form (including the Certification, with an accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline;
- ii. if the General Unsecured Claimholder is not a Backstop Party, at the same time it returns its Subscription Form to the Subscription Agent, but in no event later than the Subscription Expiration Deadline, pay the applicable Purchase Payment Amount to the Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the Subscription Form; and
- iii. if the General Unsecured Claimholder is a Backstop Party, at the same time it returns its Subscription Form to the Subscription Agent, but in no event later than the Funding Date, pay the applicable Purchase Payment Amount to the Escrow Account.

In the event that the funds received by the Subscription Agent, from any General Unsecured Claimholder do not correspond to the Purchase Payment Amount payable for the Rights Offering Shares elected to be purchased by such General Unsecured

Claimholder, the number of the Rights Offering Shares deemed to be purchased by such General Unsecured Claimholder will be the lesser of (i) the number of the Rights Offering Shares elected to be purchased by such General Unsecured Claimholder and (ii) the number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such General Unsecured Claimholder's Pro Rata Share of the Rights Offering Shares.

The cash paid to the Subscription Agent in accordance with these Rights Offering Procedures will be deposited and held by the Subscription Agent in a segregated account, until administered in connection with the settlement of the Rights Offering on the Effective Date. The Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Subscription Agent hereunder will not bear any interest and shall not be deemed part of the Debtors' estates.

**Unexercised Subscription Rights (including Subscription Rights that are not validly and timely exercised for any reason) will be deemed to be fully and irrevocably relinquished and waived immediately following the Subscription Expiration Deadline (or by the Funding Date with respect to the Backstop Parties).**

## **5. Transfer Restrictions**

The Subscription Rights issued to Holders of Applicable Claims may not be detached or transferred separately from the corresponding Applicable Claim. Any attempted detachment of such Subscription Rights from the corresponding Applicable Claim by a General Unsecured Claimholder will be null and void, will have no effect, and will not be recognized for any purpose.

The Applicable Claim and the Subscription Rights will transfer together as a unit together with the underlying Applicable Claims with respect to which such Subscription Rights were issued, subject to such limitations, if any, that would be applicable to the transferability of the Applicable Claims.

Once a General Unsecured Claimholder has properly exercised its Subscription Rights, subject to the terms and conditions contained in these Rights Offering Procedures, such exercise will be revocable only upon written consent of the Plan Proponents and the Subscription Agent. Moreover, following the exercise of any Subscription Rights, the Holder thereof shall be prohibited from transferring or assigning the Applicable Claims, as applicable, corresponding to such Subscription Rights until the earlier of (i) the termination of the Rights Offering and (ii) the revocation of exercise of the Subscription Rights to the extent permitted by these Rights Offering Procedures.

## **6. Rights Exercise is Revocable**

Once a General Unsecured Claimholder has properly exercised its Subscription Rights, such exercise will be revocable only upon written consent of the Plan Proponents and the Subscription Agent.

**7. Return of Payment and Underlying Debt Securities; Termination of Transfer Restrictions**

Unless the Effective Date has occurred, the Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of, (i) the termination of the Backstop Agreement in accordance with its terms, (ii) the Backstop Outside Date (as defined in the Backstop Agreement, and as may be extended pursuant to the terms of the Backstop Agreement), and (iii) revocation or withdrawal of the Plan by the Plan Proponents. Upon such termination, any payments received pursuant to these Rights Offering Procedures will be returned, without interest, to the applicable General Unsecured Claimholder or relevant payee as soon as reasonably practicable.

**8. Settlement of the Rights Offering and Distribution of the Rights Offering Shares**

The settlement of the Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance with these Rights Offering Procedures, and the occurrence of the Effective Date. The Plan Proponents intend that the Rights Offering Shares will be issued to the General Unsecured Claimholders, and/or, subject to compliance with applicable securities laws, to any Affiliates (as defined in the Subscription Form) that the General Unsecured Claimholders so designate in the Subscription Form, in book-entry form by Reorganized Holdings based upon registration information provided by General Unsecured Claimholders in the Subscription Form.

**9. No Fractional Shares**

No fractional Rights Offering Shares will be issued in the Rights Offering. All allocations (including each General Unsecured Claimholder's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

**10. Validity of Exercise of Subscription Rights**

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined in good faith by the Plan Proponents in consultation with the Requisite Backstop Parties. The Plan Proponents, with the consent of the Requisite Backstop Parties, may waive any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, or reject, the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Plan Proponents determine in good faith in consultation with the Requisite Backstop Parties. For the avoidance of doubt and notwithstanding the above (but without affecting the Plan Proponents' obligation to consult with the Requisite Backstop Parties as described in the first sentence of this section), the Plan Proponents or their agents, including the Subscription Agent, are not required to inform parties of any defect or irregularity with their submission of documents or payments and may, with the consent of the Requisite Backstop Parties, reject such submissions without previously notifying the party prior

to such rejection. Additionally, each such irregularity or defect if reviewed, will be done on an individual submission basis.

## 11. Backstop Agreement

The Rights Offering is fully committed and backstopped by, one of the Petitioning Creditors, Pach Shemen (the “Initial Backstop Party”), pursuant to a backstop commitment agreement (the “Backstop Agreement”). The Backstop Agreement provides for, among other things, (i) additional eligible General Unsecured Claimholders to elect to become a backstop party (a “Subsequent Backstop Party” and, together with the Initial Backstop Party, the “Backstop Parties”) and (ii) the Backstop Parties’ commitment and obligation to purchase any Rights Offering Subscription Rights that are not purchased by General Unsecured Claimholders in connection with the Rights Offering. As consideration for its undertaking in the Backstop Agreement, the Backstop Parties will receive, among other things, a backstop commitment premium in an aggregate amount equal to 8% of the Reorganized Equity issued and outstanding on the Effective Date (the “Backstop Premium”), subject to dilution on account of the EIP (as defined in the Plan). The Backstop Premium shall be divided among the Backstop Parties in accordance with their Backstop Commitment (as defined in the Backstop Agreement).

Any General Unsecured Claimholder that is eligible to purchase the Reorganized Equity issued pursuant to Section 5.9(b) of the Plan that wishes to join the Backstop Agreement can do so by delivering a joinder to the Backstop Agreement and certain other information to counsel for the Plan Proponents by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the Backstop Rights Offering Approval Order (as defined below) (i.e., [\_\_\_\_], 2024)). The Backstop Agreement was attached to the Backstop Approval Order as Exhibit 3, filed on [\_\_\_\_], 2024 [Docket No. [\_\_\_\_]].

## 12. Modification of Procedures

With the prior written consent of the Requisite Backstop Parties, such consent not to be unreasonably withheld, the Plan Proponents reserve the right to modify these Rights Offering Procedures or adopt additional procedures consistent with these Rights Offering Procedures to effectuate the Rights Offering and to issue the Rights Offering Shares. The Plan Proponents shall provide prompt written notice to each General Unsecured Claimholder of any modification to these Rights Offering Procedures made after the Subscription Commencement Date that has a material adverse effect on the Holders of Applicable Claims. In so doing, and subject to the consent of the Requisite Backstop Parties, the Plan Proponents may execute and enter into agreements and take further action that the Plan Proponents determine in good faith are necessary and appropriate to effectuate and implement the Rights Offering and the issuance of the Rights Offering Shares.

The Plan Proponents reserve the right to require such additional certifications or other diligence measures as the Plan Proponents deem reasonably necessary to confirm the certifications of a General Unsecured Claimholder.

### **13. Inquiries and Transmittal of Documents; Subscription Agent**

The Rights Offering Instructions for General Unsecured Claimholders of Applicable Claims attached hereto should be carefully read and strictly followed by the General Unsecured Claimholders of Applicable Claims wishing to participate in the Rights Offering.

Questions relating to the Rights Offering should be directed to the Subscription Agent via e-mail to [EletsonInfo@kccllc.com](mailto:EletsonInfo@kccllc.com) (please reference "Eletson Holdings Rights Offering" in the subject line) or at the telephone number shown on the Subscription Form. Please note that the Subscription Agent is only able to respond to procedural questions regarding the Rights Offering, and cannot provide any information beyond that included in these Rights Offering Procedures and the Subscription [FormForms](#).

**The risk of non-delivery of all documents and payments to the Subscription Agent is on the General Unsecured Claimholder electing to exercise its Subscription Rights and not the Plan Proponents, the Subscription Agent, or the Backstop Parties.**



ELETSON HOLDINGS INC.

RIGHTS OFFERING INSTRUCTIONS FOR GENERAL UNSECURED  
CLAIMHOLDERS

Terms used and not defined herein or in the Rights Offering Procedures shall have the meaning assigned to them in the Plan.

To elect to participate in the Rights Offering, you must follow the instructions set out below:

1. **Insert** the amount of the Applicable Claims that you hold in Item 1 of your Subscription Form (if you do not know such amount, please contact your Nominee) and multiply by the applicable rate to calculate the Allowed General Unsecured Claim held on the Record Date. You may only submit a Subscription Form and participate in the Rights Offering with respect to a Claim following the Subscription Commencement Date up until the Subscription Expiration Deadline.
2. **Complete** the calculation in Item 1 of your Subscription Form, which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.
3. **Complete** the calculation in Item 2a of your Subscription Form to indicate the number of Rights Offering Shares that you elect to purchase and calculate the Purchase Payment Amount for the Rights Offering Shares that you elect to purchase.
4. **Confirm** whether you are a Backstop Party pursuant to the representation in Item 3 of your Subscription Form. *(This Item is only for the Backstop Parties, who are aware of their status as Backstop Parties).*
5. **Complete** the Registration Information in Item 4 of your Subscription Form.
6. **Complete** the Wire Information in Item 6 of your Subscription Form.
7. **Complete** the Designation Information in Item 7 of your Subscription Form, if applicable.
8. **Read, complete and sign** the certification in Item 8 of your Subscription Form, as applicable.
9. **For Holders of the 2022 Notes and the Old Notes only:** Coordinate with your securities nominee to complete the Nominee's Certification of Record Date Holdings if you are a Holder of the 2022 Notes and/or the Old Notes.

10. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: [www.irs.gov](http://www.irs.gov).
11. **Return** your signed Subscription Form(s) (with [an](#) accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent prior to the Subscription Expiration Deadline.
12. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2a of your Subscription Form. For General Unsecured Claimholders that hold Applicable Claims via a securities nominee, please instruct your securities nominee to coordinate payment of the Purchase Payment Amount and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. The Backstop Parties should follow the payment instructions in the Funding Notice.

**The Subscription Expiration Deadline is 4:00 p.m. prevailing Eastern Time on [\[ \]](#) June [\[ \]](#), 2024.**

**Please note that the Subscription Form (with [an](#) accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) along with the appropriate funding must be received by the Subscription Agent on or prior to the Subscription Expiration Deadline or the subscription represented by your Subscription Form will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Rights Offering. The Backstop Parties should follow the payment instructions in the Funding Notice.**

**EXHIBIT 2**

**Subscription Form**

ELETSON HOLDINGS INC.

RIGHTS OFFERING  
SUBSCRIPTION FORM

FOR USE BY GENERAL UNSECURED CLAIMHOLDERS

IN CONNECTION WITH PETITIONING CREDITORS' AMENDED DISCLOSURE  
STATEMENT DATED July 8, 2024

**SUBSCRIPTION EXPIRATION DEADLINE**

The Subscription Expiration Deadline is 4:00 p.m. prevailing Eastern Time on June 20, 2024.

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**IMPORTANT**

Please note your Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) along with completing the wire transfer of the applicable Purchase Payment Amount (solely with respect to General Unsecured Claimholders (as defined below)<sup>1</sup> that are not Backstop Parties) must be received by the Subscription Agent on or prior to the Subscription Expiration Deadline or the subscription represented by your Subscription Form will not be counted and will be deemed forever relinquished and waived.

The Backstop Parties must deliver the appropriate funding concurrently with the Backstop Party's obligations under the Backstop Agreement as set forth in the Funding Notice delivered by the Subscription Agent to the Backstop Parties Party in accordance with the Rights Offering Procedures (the "Funding Date").

Any terms capitalized but not defined herein shall have the meaning ascribed to such terms in the Eletson Holdings Inc. Rights Offering Procedures (the "Rights Offering Procedures") or the *Petitioning Creditors' Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors* [Docket No. 23-10322] filed with the United States Bankruptcy Court for the Southern District of New York (as such plan of reorganization may be further amended or modified from time to time in accordance with its terms, the "Plan"), as applicable. Please consult the Plan, the Disclosure Statement, and the Rights Offering Procedures for additional information with respect to this Subscription Form.

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The Rights Offering Shares are being distributed and issued by the Plan Proponents without registration under the Securities Act, in reliance generally

<sup>1</sup> Capitalized terms that are used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan or the Backstop Agreement (each, as hereinafter defined), as applicable.

upon the exemptions from registration provided by section 1145 of the Bankruptcy Code and Section 4(a)(2) of the Securities Act of 1933 (the "Securities Act").

The Subscription Rights are not separately transferable and no Subscription Rights may be ~~transferred~~**Transferred** separately from the General Unsecured Claimholders' Applicable Claim. The Subscription Rights will transfer together as a unit with the underlying Applicable Claims with respect to which such Subscription Rights were issued, subject to such limitations, if any, that would be applicable to the transferability of the underlying Applicable Claims.

Participation in the Rights Offering is limited to General Unsecured Claimholders (including, but not limited to, 2022 Notes Claims and Old Notes Claims, but excluding Convenience Claims) that are eligible to hold the Rights Offering Shares under any applicable non-bankruptcy law that is not exempted by section 1145 of the Bankruptcy Code (the "General Unsecured Claimholders"). The Rights Offering Shares are available only to General Unsecured Claimholders, and any invitation, offer or agreement to purchase will be entered into only with General Unsecured Claimholders. No offer or invitation to subscribe is being made to any person who is not a General Unsecured Claimholder and no such person should act or rely on any offer or invitation to subscribe or purchase the Rights Offering Shares contained in the Rights Offering Procedures or this Subscription Form.

To exercise the Subscription Rights, a General Unsecured Claimholder must complete and return to the Subscription Agent a Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) and pay the applicable Purchase Payment Amount, prior to the Subscription Expiration Deadline (or in the case of a Backstop Party, prior to the Funding Date). In the case of the 2022 Note Claims and the Old Notes Claims, General Unsecured Claimholders must coordinate with their bank, broker, commercial bank, dealer or other intermediary (each a "Nominee") to complete the Nominee Certification Page.

Any General Unsecured Claimholder that subscribes for Rights Offering Shares and is an "underwriter" under section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities and will receive "restricted securities" (as defined under Rule 144 promulgated under the Securities Act). Resale restrictions are discussed in more detail in Article IX of the Disclosure Statement, entitled "Certain Securities Law Matters."

The distribution or communication of the Rights Offering Procedures and the issuance of the Rights Offering Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the distribution or communication of the Rights Offering Procedures in any jurisdiction where any action for that purpose may be required. Accordingly, the Rights Offering Procedures may not be distributed or communicated, and the Rights Offering Shares may not be subscribed, purchased or issued, in any jurisdiction, except in circumstances where such distribution, communication, subscription, purchase or issuance would comply with all applicable laws and regulations without the need

for the issuer to take any action or obtain any consent, approval or authorization therefor, except for any notice filings required under U.S. federal and applicable state securities laws. Further, the Subscription Rights and the Rights Offering Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other state securities commission or any other regulatory or governmental authority, nor have any of the foregoing passed upon the accuracy or adequacy of the information presented, and any representation to the contrary is a criminal offense.

Questions may also be directed to the Subscription Agent via email to: EletsonInfo@kccllc.com (please reference "Eletson Holdings Rights Offering" in the subject line) or at the following telephone number (888) 647-1737 (Domestic) or (310) 751-2624 (International).

To subscribe, fill out Items 1 through 8 below. **If you hold your 2022 Notes Claims or the Old Notes Claims through multiple Nominees, you MUST complete and submit a separate Subscription Form for the positions held at each Nominee.**

**Item 1. Amount of Claim.** I certify that I am a Holder of an Allowed General Unsecured Claim (Class 3) under the Plan in the following amount (insert amount on the lines in the chart below) or that I am the authorized signatory of such Holder. *In the chart below, insert principal amount(s) and multiply by the applicable rate to calculate the Allowed General Unsecured Claim held on the Record Date.*

<i>Claim Amount Held on the Record Date (insert below, as applicable)</i>		<i>Rate to Convert Claim Amount into number of maximum rights</i>		<i>The maximum rights allowed based on your Claim (the "<u>Maximum Participation Amount</u>") is:</i>
\$ _____	x	<u>0.017728</u> [ ]	=	_____ (Maximum number of New Shares) <sup>2</sup> (Round down to nearest whole share) Insert into 2a below

Questions to complete the above chart or otherwise may also be directed to the Subscription Agent via email to: [EletsonInfo@kccllc.com](mailto:EletsonInfo@kccllc.com) (please reference "Eletson Holdings Rights Offering" in the subject line)

<sup>2</sup> The Petitioning Creditors estimate that Allowed General Unsecured Claims in these Chapter 11 Cases may range from approximately \$505 million in a low scenario to \$768 million in a high scenario. The maximum number of New Shares is calculated based on the estimated high scenario of \$768 million. If the final Allowed General Unsecured Claims pool is higher than the \$505 million estimate, the maximum number of New Shares will be reduced proportionally to each rights offering participant and the difference in cash will be returned to each rights offering participant.

## Item 2. Rights.

**2a. Purchase Payment Amount.** By filling in the following blanks, you are indicating that the undersigned General Unsecured Claimholder is interested in purchasing the number of Rights Offering Shares specified below (specify number of Rights Offering Shares, which is not greater than the Maximum Participation Amount calculated in Item 1 above), on the terms and subject to the conditions set forth in the Rights Offering Procedures.

<p>2(a)</p> <p>_____</p> <p>(Insert number of Rights you elect to purchase not exceeding the amount in <u>Item 1</u> above)</p>	X	<p><del>\$4.85</del></p> <p><u>1</u></p>	=	<p>_____</p> <p>2(a) Purchase Payment Amount</p>
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If all or any portion of your Claim is determined not to be an Allowed Claim, your Maximum Participation Amount will be reduced, in accordance with the terms of the Plan and the Rights Offering Procedures, and to the extent the amount of the Rights Offering Shares which you subscribed and paid for exceeds your reduced Maximum Participation Amount, the amount of the Rights Offering Shares which you subscribed and paid for will be reduced to the reduced Maximum Participation Amount.

## Item 3. Backstop Party Representation.

The undersigned represents and warrants that (please check the applicable box):

- a. ☐ It is not a Backstop Party identified in the *Backstop Agreement for the Rights Offering*, dated as of [●], 2024 (as amended or supplemented, the "Backstop Agreement"), or
- b. ☐ It is the Initial Backstop Party identified in the Backstop Agreement.
- c. ☐ It is a Subsequent Backstop Party pursuant to the procedures set forth in the Backstop Agreement.

## Item 4. Rights Offering Shares Registration

It is anticipated that the register of the Rights Offering Shares will be maintained in book entry form by Reorganized Holdings, based on information provided by Holders in this Subscription Form. Accordingly, participants must complete this account registration section:

Name under which to register the Rights Offering Shares: \_\_\_\_\_



Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City : \_\_\_\_\_

State / Province: \_\_\_\_\_

Zip / Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

U.S. Tax Identification Number: \_\_\_\_\_

Check here if non-US (no TIN) ☐

☐ INDIVIDUAL ACCOUNT;

☐ IRA ACCOUNT;

☐ CORPORATIONS (S-CORP): (ASSOCIATED, ASSOCIATES, ASSOCIATION, CO, CO. COMPANY, CORP, CORPORATE/PARTNER, ENTERPRISE(S), FUND, GROUP, INCORPORATED, INC, INTERNATIONAL, INTL, LIMITED, LTD, LIFETIME LIMITED COMPANY, LLC, L.L.C., PARTNER, PARTNERS, PLC, PUBLIC LIMITED COMPANY);

☐ PARTNERSHIP: (LP, L P, L.P., LLP, LIMITED PARTNERSHIP, LIFETIME LIMITED PARTNERSHIP);

☐ BANK;

☐ NOMINEE ACCOUNTS;

☐ THE NEW C-CORP;

☐ NON-PROFIT: (CEMETERY, CHURCH, COLLEGE, COMMISSION FOR CHILDREN WITH, COMMISSION FOR HANDICAPPED, COMMISSION MINISTRIES INC, COMMISSION OF PUBLIC WORKS, COMMISSION OF BANKING & FOUNDATIONS, HOSPITAL, SCHOOL, SYNAGOGUE, UNIVERSITY);

☐ FIDUCIARY ACCOUNT: (CUSTODIAN, CO-TRUSTEE, ESTATE, EXECUTOR, EXECUTRIX FBO, F/B/O, FAO, FIDUCIARY TRUST, ITF, LIFE TEN, PENSION PLAN, INDIVIDUAL NAME PROFIT SHARING PLAN, RETIREMENT PLAN, 401K PLAN, SELL TRANSFER PLEDGE, STATE UNIFORM TRANSFER RO MINOR'S ACT, TTEE, TTEES, UW, UTMA, UGMA, USUFRUCT, UNIFIED, UNIF GIFT MIN ACT, UNIF TRUST MIN ACT, UNIFIED GIFT TO MINORS ACT,

UNIFORM GIFT TO MINORS, UNIFORM TRANSFER TO MINORS, GRAT (GRANTOR ANNUITY TRUST));

- ☐ TENANTS IN COMMON;
- ☐ TENANTS BY ENTIRETY: (TEN ENT, TENANTS ENT, TENANTS ENTIRETY, TENANTS BY ENTIRETY, TENANTS BY ENTIRETIES);
- ☐ JOINT TENANTS: (JT TEN, JT TEN WROS, JT WROS, J/T/W/R/S, JOINT TENANCY, JOINT TENANTS WITH RIGHT OF SURVIVORSHIP, JT OWNERSHIP, IF JT ACCOUNT WITH TOD); or
- ☐ COMMUNITY PROPERTY: (COM PROP, COMM PROP, COM PROPERTY, COMM PROPERTY, MARITAL PROPERTY, HWACP, HUSBAND & WIFE AS COMMUNITY PROPERTY).

#### Item 5. Payment and Delivery Instructions

##### **Instructions for General Unsecured Claimholders who are NOT the Initial Backstop Party.**

For General Unsecured Claimholders that check Boxes a or c in Item 3, payment of the Purchase Payment Amount calculated pursuant to Item 2a above shall be made by wire transfer ONLY in accordance with the following instructions:

##### **U.S. Wire Instructions:<sup>3</sup>**

Account Name :	
Bank Account No.:	
ABA/Routing No.:	
Bank Name:	
Bank Address:	
Reference:	[Insert claimant name in memo field]

##### **International Wire Instructions:**

Correspondent/Intermediary Bank SWIFT	
Correspondent/Intermediary Bank Name	
Correspondent/Intermediary Bank Address	
Beneficiary Account Number	
Beneficiary Name	

<sup>3</sup> NTD: issuer to provide wire instructions.

Beneficiary Address	
Memo, Special Instructions, Originator to Beneficiary Information, Bank to Bank Information	

**Instructions for the Initial Backstop Party.**

For General Unsecured Claimholders that check Box b in Item 3, payment of the applicable Purchase Payment Amount calculated pursuant to Item 2a above shall be made by wire transfer ONLY of immediately available funds directly to the Escrow Account or the Subscription Agent in accordance with the Funding Notice that will be delivered to you pursuant to the Rights Offering Procedures. The Backstop Parties must deliver the appropriate funding directly to the Escrow Account or the Subscription Agent no later than the Funding Date.

**Item 6. Wire Information**

**PLEASE COMPLETE THE FOLLOWING SECTION IN CASE A REFUND IS REQUIRED.**

**Wire information in the event a refund outside of DTC is needed:**

Account Name: \_\_\_\_\_

Beneficiary Address: \_\_\_\_\_

Bank Account No. (For International this may be IBAN): \_\_\_\_\_

ABA/Routing No.: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

Reference: \_\_\_\_\_

Swift Instructions (if applicable): \_\_\_\_\_

\_\_\_\_\_

## Item 7. Designee Information

Please complete **ONLY** if the Rights Offering Shares are to be issued in the name of a designee or designees. Any such party must also be a General Unsecured Claimholder, and also submit [an](#) IRS Form 8 or IRS Form W-9, as applicable.

(a) Amount of Designation.<sup>4</sup>

Number of Rights Offering Shares: \_\_\_\_\_

(b) Designee Registration Information.

Please indicate on the lines provided below the name of the designee in whose name the Rights Offering Shares should be registered, and in whose name the Rights Offering Shares should be issued in the event that such instruments are issued in registered form on the books and records of the relevant transfer agent.

It is strongly recommended that the below information be typed to ensure that it is legible.

Registration Name \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City, State, Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## Item 8. Certification.

The undersigned certifies that (i) it was the Holder of the Claims set forth in Item 1 above as of the date hereof, (ii) it has received a copy of the Plan, the Disclosure Statement, and the Rights Offering Procedures and (iii) it understands that the exercise of its rights under the Rights Offering is subject to all of the terms and conditions set forth in the Plan and the Rights Offering Procedures.

The undersigned acknowledges that, by executing this Subscription Form, it has elected to subscribe for the number of Rights Offering Shares designated under Item 2a above and will be bound to pay for the Rights Offering Shares it has subscribed for and that it may be liable to the Plan Proponents to the extent of any nonpayment.

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<sup>4</sup> To the extent there is more than one designee, please attach a separate sheet with the information required under Item 7.

Date: \_\_\_\_\_

Name of General Unsecured Claimholder: \_\_\_\_\_

U.S. Federal Tax EIN/SSN (optional): \_\_\_\_\_

If Non-U.S. Person, check here and attach appropriate IRS Form W- 8 ☐

If U.S. Person, check here and attach IRS Form W-9 ☐

Signature: \_\_\_\_\_

Name of Signatory: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Please deliver your completed Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) with respect to the General Unsecured Claims to the Subscription Agent so that it is received by the Subscription Expiration Deadline at:

**KCC LLC, [dba Verita Global](#)**  
**222 North Pacific Coast Highway, Suite 300**  
**El Segundo, CA 90245-5614**  
**Attention: Eletson Holdings Inc. Rights Offering**  
**Tel#s: (888) 647-1737 (Domestic) or (310) 751-2624 (International)**

If submitting via email: [EletsonInfo@kccllc.com](mailto:EletsonInfo@kccllc.com)

**Originals are not required**

**NOMINEE'S CERTIFICATION OF RECORD DATE HOLDINGS**

Your ownership of the 2022 ~~Notes~~<sup>Note</sup> Claims or the Old Notes Claims must be confirmed to participate in the Rights Offering

**For Use Only by the Nominee**

**DTC Participant Name:** \_\_\_\_\_

**DTC Participant Number:** \_\_\_\_\_

**Name of Beneficial Holder:** \_\_\_\_\_

**Principal Amount of the 2022 Notes Claim or the Old Notes held for this account as of the Expiration Date ([●], 2024):**

Description	CUSIP	Amount Held
9.625% First Preferred Ship Mortgage Notes Due 2022	28620Q AA 1	
9.625% First Preferred Ship Mortgage Notes Due 2022	28620Q AB 9	
9.625% First Preferred Ship Mortgage Notes Due 2022	V32248 AA 0	
First Preferred Ship Mortgage Notes Due 2022	28620E AB 6	
First Preferred Ship Mortgage Notes Due 2022	28620E AA 8	
First Preferred Ship Mortgage Notes Due 2022	V32257A A1 0	

**MEDALLION GUARANTEE:**

**Nominee Contact Information:**

**Contact Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**EXHIBIT 3**

**Backstop Agreement**

THIS BACKSTOP AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE

[ ], 2024

***In re Eletson Holdings Inc., Case No. 23-10322 (JPM) (Bankr. S.D.N.Y.) –  
Backstop Agreement for Rights Offering***

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Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

<b>Overview</b>	<p>On March 26, 2024, the Petitioning Creditors<sup>1</sup> filed that certain (a) <i>Petitioning Creditors' Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors</i> [Docket No. 531] (as the same may be amended, modified, and/or supplemented from time to time, in form and substance satisfactory to the Requisite Backstop Parties (as defined below), the "<u>Approved Plan</u>")<sup>2</sup> and (b) <i>Disclosure Statement in Support of Petitioning Creditors' Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliated Debtors</i> [Docket No. 532] (as the same may be amended, modified, and/or supplemented from time to time, in form and substance satisfactory to the Requisite Backstop Parties, the "<u>Approved Disclosure Statement</u>") in the above-captioned Chapter 11 cases (the "<u>Chapter 11 Cases</u>").</p> <p>The Approved Plan contemplates an offering of rights (the "<u>Rights Offering Subscription Rights</u>") to purchase up to 75% of the new common stock (the "<u>New Shares</u>") of reorganized Eletson Holdings Inc. ("<u>Reorganized Holdings</u>") (subject to dilution on account of the Backstop Premium and the EIP) in connection with the consummation of the Approved Plan (the "<u>Rights Offering</u>").</p> <p>This term sheet (together with all schedules and exhibits hereto, this "<u>Agreement</u>") sets forth the terms and conditions in which the Backstop Parties (as defined below) provide commitments to</p>
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<sup>1</sup> As used herein, the term "Petitioning Creditors" means, collectively, Pach Shemen LLC, VR Global Partners, L.P., Alpine Partners (BVI), L.P., Mark Millet, In His Capacity as Trustee of the Mark E. Millet Living Trust, Mark Millet, In His Capacity as Trustee of the Millet 2016 Irrevocable Trust, Robert Latter, Tracy Lee Gustafson, Jason Chamness, and Ron Pike.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Approved Plan.



	backstop (the “ <u>Backstop Commitment</u> ”), on a fully committed basis, the Rights Offering of any New Shares that are not purchased by the holders of Rights Offering Subscription Rights in the Rights Offering, up to US\$43,500,000 (the “ <u>Backstop Amount</u> ”), at the price provided in the procedures governing the Rights Offering, in substantially the form attached hereto as <u>Exhibit A</u> (the “ <u>Rights Offering Procedures</u> ”), in support of the Approved Plan.
<b>Issuer</b>	Reorganized Holdings.
<b>Backstop Parties</b>	<p>(a) Pach Shemen LLC or such affiliate or designee identified by Pach Shemen LLC (the “<u>Initial Backstop Party</u>”) and</p> <p>(b) such other General Unsecured Claimholder that is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Approved Plan and desires to participate in the Backstop Agreement, that delivers:</p> <ul style="list-style-type: none"> <li>i. an executed election joinder in the form attached hereto as <u>Exhibit C</u> (the “<u>Form of Joinder</u>”), including certification of eligibility to purchase such New Shares; and</li> <li>ii. proof of funds or other financial wherewithal documentation,</li> </ul> <p>in each case, to counsel to the Petitioning Creditors at Togut, Segal &amp; Segal LLP, Attn: Kyle J. Ortiz, Esq. (kortiz@teamtogut.com) and Bryan M. Kotliar, Esq. (bkotliar@teamtogut.com) (the “<u>Petitioning Creditors’ Counsel</u>”), no later than the ten (10) days following the Solicitation Commencement Deadline (as defined in the Approved Disclosure Statement) (the “<u>Election Deadline</u>” and, such election, a “<u>Backstop Election</u>”).</p> <p>As used herein, any General Unsecured Claimholder that complies with the foregoing clause (b) is referred to as a “<u>Subsequent Backstop Party</u>” (together with the Initial Backstop Party, the “<u>Backstop Parties</u>”).</p>
<b>Approvals</b>	<p>The obligation of the Backstop Parties to fund the Backstop Commitment is conditioned upon satisfaction or waiver of, <i>inter alia</i>, each of the terms conditions set forth herein, in the Approved Plan, in the Rights Offering Procedures, and in the order approving this Agreement and the Rights Offering Procedures, in substantially the form attached hereto as <u>Exhibit B</u> (the “<u>Backstop Approval Order</u>”), in each case, in form and substance acceptable to the Requisite Backstop Parties.</p> <p>As used herein, the term “<u>Requisite Backstop Parties</u>” means,</p>

	collectively, (a) the Initial Backstop Party and (b) as of any date of determination, Backstop Parties holding more than 50% of the aggregate Backstop Commitments to backstop, on a fully committed basis, the Backstop Amount.
<b>Backstop Commitment</b>	<p>Upon execution of this Agreement, the Initial Backstop Party's Backstop Commitment percentage shall be 100% of the Rights Offering Amount. As of the Election Deadline, to the extent that any Subsequent Backstop Party join this Agreement, each Backstop Party's Backstop Commitment percentage shall be calculated based on its percentage, as of the Election Deadline, of the aggregate amount of General Unsecured Claims held by all Backstop Parties and the Initial Backstop Party's Backstop Commitment shall be proportionately reduced by any such commitments.</p> <p>The Backstop Parties shall, severally and not jointly, backstop the Rights Offering on a fully committed basis by purchasing from the Issuer, at the price provided in the Rights Offering Procedures, the New Shares that are not purchased by General Unsecured Claimholders in the Rights Offering.</p> <p>To the extent there are any Subsequent Backstop Parties, by no later than three (3) business days following the Election Deadline, Petitioning Creditors' Counsel shall file a notice on the docket of the Chapter 11 Cases identifying the Backstop Parties and each Backstop Party's Backstop Commitment.</p>
<b>Backstop Premium</b>	<p>The Backstop Parties shall be entitled to receive a premium payable in New Shares in an aggregate amount equal to 8.0% of the New Shares of Reorganized Holdings (subject to dilution on account of the EIP) issued and outstanding on the effective date of the Approved Plan (the "<u>Backstop Premium</u>"). The Backstop Premium shall be divided among the Backstop Parties in accordance with each Backstop Parties' Backstop Commitment percentage, as described above.</p> <p>The Backstop Premium shall be fully earned upon the date hereof and shall, pursuant to entry of the Backstop Approval Order, constitute allowed administrative expenses of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code and be payable upon the date on which the closing of the Backstop Commitments shall occur.</p> <p>For the avoidance of doubt, to the extent payable in accordance with the terms of this Agreement, the Backstop Premium shall be payable regardless of the amount of New Shares that have not been duly purchased by persons or entities exercising their Rights</p>

	Offering Subscription Rights in the Rights Offering.
<b>Expense Reimbursement</b>	<p>Whether or not the transactions contemplated hereby are consummated, but subject to entry of the Backstop Approval Order, the Backstop Parties shall be entitled to receive the reasonable and documented fees, expenses, disbursements and charges of the Backstop Parties (including, for the avoidance of doubt, the reasonable and documented fees and expenses of counsel) incurred in connection with the Backstop Commitment (the “<u>Expense Reimbursement</u>”).</p> <p>The Expense Reimbursement shall, pursuant to the Backstop Approval Order, constitute allowed administrative expenses of the Debtors’ estates under sections 503(b) and 507 of the Bankruptcy Code. The obligations of the Debtors to pay the Expense Reimbursement shall survive the termination of this Agreement.</p> <p>For the avoidance of doubt, to the extent payable in accordance with the terms of this Agreement, the Expense Reimbursement shall be payable regardless of the amount of New Shares that have not been duly purchased by persons or entities exercising their Rights Offering Subscription Rights in the Rights Offering.</p>
<b>Securities Exemption</b>	<p>(a) <u>Rights Offering</u>: The Issuer and Backstop Parties acknowledge and agree that the issuance of the New Shares on account of the Rights Offering pursuant to the Approved Plan and the Rights Offering Procedures shall be conducted in accordance with, and pursuant to, section 1145 of the Bankruptcy Code to the extent permitted or under the of the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended (the “<u>Securities Act</u>”) by virtue of section 4(a)(2) thereof, Regulation D, and/or Regulation S promulgated under the Securities Act, and/or similar registration exemptions applicable outside of the United States.</p> <p>(b) <u>Backstop Premium</u>: The Issuer and Backstop Parties acknowledge and agree that the issuance of the New Shares on account of the Backstop Premium pursuant to the Approved Plan and this Agreement shall be conducted in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act, Regulation D, and/or Regulation S promulgated under the Securities Act, and/or similar registration exemptions applicable outside of the United States.</p>
<b>Termination Events</b>	<p>The Backstop Parties’ commitments and agreements hereunder shall terminate upon the occurrence of the following:</p> <p>a) <u>Automatic Termination</u>: Except as otherwise provided</p>

	<p>herein, this Agreement shall terminate automatically without further action or notice by any Party if any of the Chapter 11 Cases shall have been dismissed or converted to a Chapter 7 case without the consent of the Requisite Backstop Parties.</p> <p>b) <u>By the Backstop Parties</u>: This Agreement may be terminated by the Requisite Backstop Parties upon the giving of written notice concurrently with or at any time following the occurrence of any of the following (it being understood that the list contained herein is in addition to the list in the Rights Offering Procedures and not in lieu of):</p> <ul style="list-style-type: none"> <li>i. the Backstop Approval Order, the order approving the Approved Disclosure Statement (the "<u>Approved DS Order</u>"), or the order confirming the Approved Plan (the "<u>Confirmation Order</u>") is terminated, reversed, stayed, dismissed or vacated or any such other order is modified or amended after entry without the prior written consent of the Requisite Backstop Parties in a manner that prevents or prohibits the consummation of the transactions contemplated by this Agreement in a way that cannot be remedied or that changes the economic terms of this Agreement (subject to the satisfaction of the Requisite Backstop Parties);</li> <li>ii. any law (statutory or common), statute, regulation, rule, code, or ordinance enacted, adopted, issued or promulgated by any Governmental Entity<sup>3</sup> that prohibits implementation of the Approved Plan or the Rights Offering in a way that cannot be remedied (subject to the satisfaction of the Requisite Backstop Parties);</li> <li>iii. a court of competent jurisdiction or other competent governmental or regulatory authority declares this Agreement unenforceable or making illegal or otherwise restricting, preventing or prohibiting the consummation of the Approved Plan or the Rights Offering;</li> <li>iv. the entry of the Backstop Approval Order, Approved DS Order, or Confirmation Order by the Bankruptcy</li> </ul>
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<sup>3</sup> "Governmental Entity" means any U.S. or non-U.S. international, regional, federal, state, municipal or local governmental, judicial, administrative, legislative or regulatory authority, entity, instrumentality, agency, department, commission, court or tribunal of competent jurisdiction (including any branch, department or official thereof).

	<p>Court in form and substance not satisfactory to the Requisite Backstop Parties;</p> <p>v. the Petitioning Creditors (A) withdraw the Approved Plan, (B) publicly announces their intention not to pursue the Approved Plan, (C) files a motion with the Bankruptcy Court seeking approval of a chapter 11 plan other than the Approved Plan or (D) agrees to pursue (including, for the avoidance of doubt, as may be evidenced by a term sheet, letter of intent, or similar document executed by the Petitioning Creditors) or publicly announce their intent to pursue a plan other than the Approved Plan;</p> <p>vi. the Bankruptcy Court enters an order authorizing the Debtors to enter into a capital raising or sale transaction for all or substantially all of the Debtors' assets, which does not contemplate or is inconsistent with the Rights Offering described in this Agreement, including, without limitation, the identity of the Backstop Parties;</p> <p>vii. the Bankruptcy Court has not entered the Confirmation Order, in form and substance satisfactory to the Requisite Backstop Parties, confirming the Approved Plan on or prior to <u>September 20</u><del>August 15</del>, 2024;</p> <p>viii. the Approved Plan has not been consummated or the Rights Offering has not closed by <u>October 31</u><del>September 30</del>, 2024 (the "<u>Backstop Outside Date</u>");</p> <p>or</p> <p>ix. if, since September 25, 2023, any material adverse changes in the operations, assets, revenues, financial condition, profits, or prospects of the Debtors or their non-Debtor subsidiaries and /or Affiliates (other than by virtue of the filing of the Chapter 11 Cases) has occurred.</p>
<b>Automatic Stay</b>	The automatic stay applicable under section 362 of the Bankruptcy Code shall not prohibit a Party from taking any action or delivering any notice necessary to effectuate the termination of this Agreement pursuant to and in accordance with the terms hereof.
<b>Documentation</b>	The Backstop Parties shall use commercially reasonable efforts to prepare, negotiate, and finalize definitive documentation for the Backstop Commitment in good faith, as contemplated by

	the Rights Offering Procedures.
<b>Governing Law</b>	State of New York.

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**Exhibit A**

Form of Rights Offering Procedures

[To be attached separately]

**Exhibit B**

Form of Backstop Approval Order

[To be attached separately]



**Exhibit C**

Form of Joinder

[attached]

### **Joinder Agreement**

The undersigned is executing and delivering this Joinder Agreement pursuant to the Backstop Agreement, dated as of [\_\_\_], 2024 (as amended and/or modified from time to time in accordance with its terms, the "Backstop Agreement") by and among the Petitioning Creditors and the Initial Backstop Party (the "Backstop Party"). Capitalized terms used in this Joinder Agreement and not otherwise defined herein shall have the meanings provided in the Backstop Agreement or the Approved Plan, as applicable.

By executing and delivering this Joinder Agreement to the Petitioning Creditors' Counsel, the undersigned hereby agrees to be bound by the Backstop Agreement for the purpose of being bound by and complying with the Backstop Commitment as if it were a "Subsequent Backstop Party" (as such term is defined in the Backstop Agreement) on the terms and conditions set forth in the Backstop Agreement.

The undersigned represents and warrants to the Petitioning Creditors and Initial Backstop Party that, as of the date hereof, it held the following General Unsecured Claim(s) (as defined in the Approved Plan):

Name of Subsequent Backstop Party:	
Amount of General Unsecured Claim(s):	
Description of General Unsecured Claim(s):	

#### **A. Certification**

- i. **Eligibility.** The undersigned certifies that the Person submitting this form is eligible to purchase the New Shares issued pursuant to Section 5.9(b) of the Approved Plan.

\_\_\_ YES \_\_\_ NO

- ii. **Financial Wherewithal.** Contemporaneous with the delivery of this Joinder Agreement to the Petitioning Creditors' Counsel, the undersigned certifies that the Person submitting this form has provided true and correct copies of proof of funds or other financial wherewithal documentation to the Petitioning Creditors' Counsel.

\_\_\_ YES \_\_\_ NO

- iii. **IRS Form W-8 or W-9:**

If Non-U.S. Person, check here and attach appropriate IRS Form W- 8 ☐

If U.S. Person, check here and attach IRS Form W-9 ☐

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement  
as of [\_\_\_\_], 2024.

[      ]

By: \_\_\_\_\_  
Name:  
Title: