

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:  CARESTREAM HEALTH, INC., <i>et al.</i> , <sup>1</sup>  Reorganized Debtors.	Chapter 11  Case No. 22-10778 (JKS)  (Jointly Administered) <b>Objection Deadline: November 29, 2022, at 4:00 p.m. (ET)</b> <b>Hearing Date: To Be Scheduled</b>
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**COVER SHEET FOR FIRST AND FINAL FEE APPLICATION OF HOULIHAN LOKEY CAPITAL, INC. AS INVESTMENT BANKER TO THE DEBTORS FOR ALLOWANCE AND FINAL APPROVAL OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES FOR THE PERIOD OF AUGUST 23, 2022 THROUGH SEPTEMBER 28, 2022**

Name of Applicant:	Houlihan Lokey Capital, Inc.
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	Order entered on October 7, 2022 approving the retention of Houlihan Lokey Capital, Inc. effective as of August 23, 2022 [D.I. 212]
Period for Which Compensation and Reimbursement Are Sought:	August 23, 2022 to September 28, 2022
Amount of Compensation Sought on a Final Basis as Actual, Reasonable, and Necessary:	\$6,890,000.00

<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Reorganized Debtors’ service address is: 150 Verona Street, Rochester, New York 14608.

Amount of Compensation for Which Payment is Sought Pursuant to the First and Final Fee Application:	\$6,890,000.00
Amount of Expense Reimbursement Sought on a Final Basis as Actual, Reasonable, and Necessary:	\$435.41
Amount of Expense Reimbursement for Which Payment is Sought Pursuant to the First and Final Fee Application:	\$435.41

This is a(n):  monthly  interim  final application

Prior Application Filed: None

No compensation is requested in respect of the time expended for fee application preparation.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re:

CARESTREAM HEALTH, INC., *et al.*,<sup>1</sup>

Reorganized Debtors.

Chapter 11

Case No. 22-10778 (JKS)

(Jointly Administered)

Objection Deadline: November 29, 2022, at 4:00 p.m. (ET)

Hearing Date: To Be Scheduled

**FIRST AND FINAL FEE APPLICATION OF HOULIHAN LOKEY CAPITAL, INC. AS  
INVESTMENT BANKER TO DEBTORS FOR ALLOWANCE AND FINAL  
APPROVAL OF COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD OF  
AUGUST 23, 2022 THROUGH SEPTEMBER 28, 2022**

1. Pursuant to section 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), Houlihan Lokey Capital, Inc. (“**Houlihan Lokey**”), the retained investment banker and financial advisor to the above captioned reorganized debtors (before the effective date of their chapter 11 plan, collectively, the “**Debtors**”; after the effective date of their chapter 11 plan, the “**Reorganized Debtors**”), hereby submits this first and final application (this “**Application**”) for the allowance of compensation for professional services performed by Houlihan Lokey for the period commencing August 23, 2022 (the “**Petition Date**”) through and including September 28, 2022 (the “**Compensation Period**”), and reimbursement of its actual and necessary expenses incurred during the Compensation Period.

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Reorganized Debtors’ service address is: 150 Verona Street, Rochester, New York 14608.

2. Houlihan Lokey submits this Application requesting, in each case in accordance with the Retention Order and Engagement Letter: (i) the allowance and final approval of Monthly Fees (as defined herein) for professional services rendered to the Debtors during the Compensation Period; (ii) the allowance and final approval of Houlihan Lokey's Transaction Fee (as herein defined); and (iii) the allowance and final approval of Houlihan Lokey's Supplemental Transaction Fee (as herein defined); (iv) allowance and payment of 100% of its actual and necessary expenses in the amount of \$435.41. In further support of this Application, Houlihan Lokey respectfully represents as follows:

### **JURISDICTION AND VENUE**

3. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Pursuant to Local Rule 9013-1(f), Houlihan Lokey hereby confirms its consent to the entry of a final order by this Court in connection with this Application if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection therewith consistent with Article III of the United States Constitution.

4. The statutory and other bases for relief requested herein are sections 328 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-2.

### **I. Background**

5. Houlihan Lokey acted as the investment banker to Carestream Health, Inc. and its debtor affiliates during the Compensation Period. The cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

6. On the Petition Date, each of the Debtors filed a voluntary petition with the Court for reorganization relief under chapter 11 of the United States Code. Subsequent to the Petition

Date and until the Plan (as defined herein) went effective, the Debtors continued to operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

7. On September 14, 2022, the Debtors filed the Debtors' *Application for Entry of an Order (I) Authorizing the Retention and Employment of Houlihan Lokey Capital, Inc. As Financial Advisor and Investment Banker to the Debtors Effective As of August 23, 2022 and (II) Waiving Certain Reporting Requirements Pursuant to Local Rule 2016-2* [D.I. 126] (the "**Retention Application**"), pursuant to which the Debtors sought authority to retain and employ Houlihan Lokey pursuant to the terms of an engagement agreement dated as of September 16, 2020 and amended July 2, 2021 and further amended August 8, 2022 (the "**Engagement Letter**"). A copy of the Engagement Letter is attached hereto as **Exhibit A**.

8. On October 7, 2022, the Court entered the *Order (I) Authorizing the Retention and Employment of Houlihan Lokey Capital, Inc. As Financial Advisor and Investment Banker to the Debtors Effective as of August 23, 2022 and (II) Waiving Certain Reporting Requirements Pursuant to Local Rule 2016-2* [D.I. 212] (the "**Retention Order**") approving the Retention Application and authorizing the retention and employment of Houlihan Lokey effective as of the Petition Date, pursuant to the terms of the Engagement Letter. A copy of the Retention Order is attached as **Exhibit B**.

9. On September 28, 2022, the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Approving the Disclosure Statement For, and Confirming, the Joint Prepackaged Chapter 11 Plan of Reorganization of Carestream Health, Inc. and Its Debtor Affiliates, and (II) Granting Related Relief* [Docket No. 185] (the “**Confirmation Order**”), pursuant to which the Court approved and confirmed the *Amended Joint Prepackaged Chapter 11 Plan of Reorganization of Carestream Health, Inc. and Its Debtor Affiliates* [Docket No. 159] (as modified, amended, or supplemented from time to time, the “**Plan**”).<sup>2</sup>

10. On September 30, 2022, the Reorganized Debtors filed the *Notice of (I) Entry of Order Approving the Debtors’ Disclosure Statement For, and Confirming, the Debtors’ Amended Joint Prepackaged Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code and (II) Occurrence of Effective Date* [Docket No. 188].

11. Pursuant to Local Rule 2016-2, this First and Final Fee Application is supported by the certification of Andrew Turnbull.

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

## II. The Houlihan Lokey Engagement<sup>3</sup>

12. Pursuant to the Engagement Letter, Houlihan Lokey was retained to provide the following services to the Debtors:

- (a) providing the Debtors expert financial advice and assistance in connection with a potential transaction, including performing financial analyses, searching for a purchaser acceptable to the Debtors, coordinating visits of potential purchasers and assisting the Debtors in negotiating the financial aspects of a transaction;
- (b) assisting the Debtors with a review of its capital structure, including the terms, priorities and conditions of debt, pension and other obligations and claims;
- (c) assisting the Debtors with a review of its legal entity structure in relation to the aforementioned claims analysis;
- (d) assisting the Debtors in the development and distribution of select information and presentation materials to the Debtors' creditors and other stakeholders and coordination of due diligence with such parties;
- (e) assisting and providing input to the Debtors regarding potential strategic alternatives available for the resolution of the Debtors' liabilities;
- (f) assisting the Debtors with discussions with creditor constituents regarding progress toward the consummation of a transaction;
- (g) assisting the Debtors and their other advisors to evaluate the ability to achieve applicable thresholds necessary to consummate a transaction;
- (h) assisting the Debtors' management with presenting to and advising their leadership and Board of Directors regarding a transaction; and
- (i) providing such other financial advisory and investment banking services as may be mutually agreed upon by Houlihan Lokey and the Debtors.

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<sup>3</sup> The following summary is provided for convenience only and is qualified in its entirety by reference to the Engagement Letter. To the extent there are any inconsistencies between this summary and the terms of the Engagement Letter, the Engagement Letter shall control. Unless otherwise defined herein, capitalized terms in this section shall have the meanings ascribed to them in the Engagement Letter.

13. Pursuant to the Engagement Letter, as approved by the Retention Order, the Debtors agreed to pay Houlihan Lokey the compensation set forth in the Engagement Letter (the “**Fee and Expense Structure**”). The principal terms of the Fee and Expense Structure are as follows:

- (a) *Monthly Fees*: Upon the execution of the Addendum dated July 2, 2021 and on the 2nd day of each month thereafter, beginning August 2, 2021, the Debtors shall pay Houlihan Lokey a nonrefundable cash fee (the “Monthly Fee”) of \$100,000 for each of the first three Monthly Fees and \$150,000 per month thereafter. Fifty percent (50%) of all Monthly Fees after the third Monthly Fee previously paid on a timely basis to Houlihan Lokey shall be credited against the Supplemental Transaction Fee (as defined below) to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Monthly Fee shall be credited more than once), except that, in no event, shall such Supplemental Transaction Fee be reduced below zero. Notwithstanding the foregoing, after the execution of definitive documentation for a Discount Transaction (as defined below) that has also been agreed to in writing by all compromised creditors and while such agreements remain in effect, the Monthly Fee shall be \$100,000.
- (b) *Transaction Fee*: Upon the consummation of a Transaction (as defined below), the Debtors shall pay Houlihan Lokey a cash fee (the “Transaction Fee”) equal to \$5,915,000.
- (c) *Supplemental Transaction Fee*: In addition to the Monthly Fees and the Transaction Fee payable to Houlihan Lokey pursuant to the Engagement Agreement, upon the consummation of a Discount Transaction, the Debtors shall pay Houlihan Lokey a cash fee (the “Supplemental Transaction Fee”) equal to \$1,750,000.

14. A “Transaction” was defined in the original Engagement Agreement dated September 16, 2020 as the purchase of more than fifty percent (50%) of the outstanding common stock (on a fully diluted basis) or substantially all of the consolidated assets of Carestream Health, Inc. (the “Company”) or its parent, Carestream Health Holdings, Inc. (“CHHI”), accomplished prior to the expiration or termination of the Engagement Agreement (or subsequently, to the extent provided in Section 9 of the Engagement Agreement) in one or a series of transactions, including, but not limited to, private purchases of stock, a merger or a sale by Carestream Health, Inc. or Carestream Health Holdings, Inc., of its stock or assets.



15. The Addendum to the Engagement Agreement dated July 2, 2021 provided that a “Transaction” shall also include any transaction or series of transactions whereby creditors of the Company acquire a majority of either the equity or assets of the Company or CHHI through a recapitalization or restructuring of the equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of the Company or CHHI, including accrued and/or accreted interest thereon, which are outstanding as of the Addendum Effective Date, including, without limitation, interest bearing trade debt, the Amended and Restated Credit Agreement (First Lien) dated May 8, 2020 (the “First Lien Agreement”) and the Second Lien Credit Agreement as amended May 8, 2020 (the “Second Lien Agreement”), which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan of reorganization or liquidation under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms, conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of the Company or CHHI or any combination of the foregoing transactions.

16. The Addendum to the Engagement Agreement dated July 2, 2021 defined a “Discount Transaction” as a Transaction as described in the immediately preceding paragraph or a Transaction that results in less than a full recovery for any lender or creditor of the Company.

17. In addition to all of the other fees and expenses described in the Engagement Letter, the Engagement Letter further provides that the Debtors shall, upon Houlihan Lokey’s request and

in accordance with applicable orders of the Court, reimburse Houlihan Lokey for its reasonable out-of-pocket expenses incurred from time to time in connection with its services pursuant to the Engagement Letter (the “**Expenses**”).

### **III. Services Provided by Houlihan Lokey**

18. Both leading up to and during the chapter 11 reorganization, Houlihan Lokey professionals advised the Debtors on all aspects of their chapter 11 reorganization, including, but not limited to, general development of the restructuring strategy and approach to achieving a consensual restructuring of the Debtors, the development of restructuring proposals and participation in the negotiation of the restructuring with all stakeholders, general advice with respect to the chapter 11 filing, the negotiation of the DIP financing, the valuation of the Debtors, the evaluation of alternatives to ensure sufficient liquidity, the preparation of comprehensive financial analyses and supporting models to support the restructuring proposals, running a fulsome sale process, assistance with drafting of the plan and disclosure statement, and the preparation of declarations in support of the Debtors’ chapter 11 cases. The services that Houlihan Lokey has rendered to the Debtors have been necessary and in the best interests of the Debtors and have furthered the goals of all parties in interest. Because this was a fully negotiated, pre-packaged chapter 11 filing, a substantial portion of Houlihan Lokey’s work was performed during the nearly two-year period after Houlihan Lokey was retained and prior to the bankruptcy filing. So as not to unduly burden the Court, the following is a summary of the services provided by Houlihan Lokey on behalf of the Debtors prior to and during the Compensation Period:

- (a) *Strategic Advisory* – Houlihan Lokey advised the Debtors on a range of strategic and tactical issues prior to the Petition Date, including analysis of potential options to address their capital structure. Houlihan Lokey participated in planning sessions and other periodic meetings with the Debtors and their legal counsel concerning process and strategy issues.
- (b) *Assistance with Business Plan Development* – Prior to the Petition Date and continuing through the confirmation hearing, Houlihan Lokey professionals

expended significant resources and time assisting the Debtors in developing the business plan, as well as assisting in updating the business plan throughout Houlihan Lokey's engagement with the Debtors. Houlihan Lokey professionals interfaced at length with the Debtors' management to assist in preparing the business plan. In addition, Houlihan Lokey assisted the debtors' management in the development of alternate business plan scenarios and sensitivity analyses.

- (c) *Sale Process* – In connection with the contemplated sale of the Debtors, Houlihan Lokey assisted the Company in the development and distribution of selected information, documents and other materials (e.g. teasers, confidential information memoranda, and management presentations), identified and contacted numerous prospective buyers, facilitated due diligence performed by prospective buyers, and assisted the Debtors' boards of directors in monitoring and evaluating the sale process.
- (d) *Out-of-Court Transaction Evaluation* – Prior to the Petition Date, Houlihan Lokey advised and assisted the Debtors in the evaluation and exploration of potential out-of-court transaction proposals to address the Debtors' capital structure and liquidity. Houlihan Lokey participated in planning sessions and assisted in the development of potential out-of-court transaction proposals. In addition, Houlihan Lokey assisted the Company in sourcing potential new financing to enhance liquidity including contacting prospective lenders, preparing lender diligence materials, assisting with management presentations and evaluating financing structuring alternatives.
- (e) *Meetings and Oversight of Diligence with Creditors* – Houlihan Lokey prepared, reviewed, advised and assisted in the preparation of presentation materials for multiple meetings with the Debtors' creditors and their advisors. Houlihan Lokey, in coordination with the Debtors' management and restructuring advisors, coordinated diligence meetings, management presentations and calls on a number of different topics and work streams. Houlihan Lokey professionals also assisted management in the coordination and dissemination of due diligence requests.
- (f) *Development of Restructuring Support Agreement* – Houlihan Lokey, in coordination with the Debtors' management and other advisors, assisted with the development and negotiation of the Debtors' Restructuring Support Agreement ("RSA"). Houlihan Lokey advised the Debtors on tactics and strategies for negotiating with multiple stakeholders and provided input and analysis regarding debt capacity, valuation, financing terms, liquidity needs and plan feasibility.
- (g) *DIP and Exit Financing* – Houlihan Lokey professionals assisted the Debtors with securing, evaluating and negotiating debtor-in-possession and exit financing. As part of these processes, Houlihan Lokey analyzed potential financing structures and assisted with the negotiation of terms and conditions of the debtor-in-possession and exit financing proposals.

- (h) *Preparation of Court Filings* – Houlihan Lokey assisted the Debtors and their legal counsel in preparation and review of various court filings leading up to and through the chapter 11 proceedings, including the disclosure statement, the Plan and the RSA.
- (i) *First Day Hearing Support* – Houlihan Lokey provided assistance for the Debtors during the first day hearing, including analyses in support of the Debtors’ petitions.
- (j) *General Creditor Communications* – Houlihan Lokey assisted with the preparation and review of presentation materials for each of the Debtors’ creditor constituencies to keep them informed about the Debtors’ operations, financial projections and liquidity.
- (k) *General Bankruptcy Assistance* – Houlihan Lokey participated in regular planning sessions and other periodic meetings with the Debtors and their other advisors concerning process and strategy issues related to the restructuring and bankruptcy. Houlihan Lokey monitored and reviewed operating results of the business, the budget and performance against the budget. In addition, Houlihan Lokey participated in discussions with various creditors to keep them informed about the Debtors’ operations, financial projections, capital structure and other key events. Further, Houlihan Lokey participated in regularly scheduled board calls and assisted in preparation of board materials.

**IV. The Houlihan Lokey Team**

19. Although a number of professionals have worked on this engagement, the following financial restructuring professionals in Houlihan Lokey’s Chicago office performed substantial services to the Debtors in connection with these cases:

<b><u>Name</u></b>	<b><u>Title</u></b>
Andrew Turnbull	Managing Director
Benjamin Ilhardt	Director
Salman Paya	Associate
Clayton Stoker	Associate
Anastasia Kadiyala	Financial Analyst

20. For the convenience of the Court and all parties in interest, attached hereto as **Exhibit C** is a summary setting forth the estimated hours worked by Houlihan Lokey professionals by work category during the Compensation Period.

**V. Houlihan Lokey's Request for Allowance (and Final Approval) of Compensation and Reimbursement of Out-of-Pocket Expenses Incurred**

21. Houlihan Lokey has rendered substantial and valuable professional services on behalf of the Debtors that resulted in a significant benefit to the creditors of the Debtors' estates and that were beneficial to the administration of these chapter 11 cases. Houlihan Lokey respectfully submits that its services were provided with the requisite level of skill and were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problems, issues, and tasks addressed. Houlihan Lokey charged its customary fees, which are reasonable based on the customary compensation charged by comparably skilled professionals in cases other than cases under this title. The amount sought in compensation is in line with awards in similar cases and is commensurate with the professional standing, ability, and expertise of Houlihan Lokey and the professionals who have participated in these cases. Accordingly, the compensation requested herein reflects the reasonable value of the services provided to the Debtors.

**A. Houlihan Lokey's Request for Allowance (and Final Approval) of Monthly Fees and Reimbursement of Out-of-Pocket Expenses**

22. During the Compensation Period, Houlihan Lokey provided advisory services to the Debtors and earned Monthly Fees for such services totaling \$100,000 and incurred actual and necessary out-of-pocket expenses in the amount of \$435.41. Houlihan Lokey respectfully requests the allowance and final approval by the Court of all Monthly Fees earned and the reimbursement of out-of-pocket expenses incurred during the Compensation Period. In seeking reimbursement of an expenditure, Houlihan Lokey is requesting reimbursement "at cost" and does not make a profit on such expenditure.

**B. Houlihan Lokey’s Request for Allowance (and Final Approval) of the Transaction Fee**

23. As set forth in the Engagement Letter, and as approved by the Retention Order, in addition to the other fees provided in the Engagement Letter, a cash fee of \$5,915,000 (the “**Transaction Fee**”) is due to Houlihan Lokey upon the closing of a Transaction. On September 28, 2022, the Plan was confirmed. The Plan became effective on September 30, 2022, at which time the reorganized Debtors emerged from chapter 11 protection. Houlihan Lokey respectfully requests the allowance and final approval by the Court of the Transaction Fee in the amount of \$5,915,000.

**C. Houlihan Lokey’s Request for Allowance and Final Approval of the Supplemental Transaction Fee**

24. As set forth in the Engagement Letter, and as approved by the Retention Order, in addition to the other fees provided in the Engagement Letter, a cash fee of \$1,750,000 (the “**Supplemental Transaction Fee**”) is due to Houlihan Lokey upon the closing of a Discount Transaction. Houlihan Lokey respectfully requests the allowance and final approval by the Court of the Supplemental Transaction Fee in the amount of \$875,000 (net of \$875,000 of Monthly Fee credits).

25. An invoice detailing the advisory fees earned and the out-of-pocket expenses incurred during the Compensation Period is attached hereto as **Exhibit D**. A summary of all fees earned and out-of-pocket expenses incurred during the Compensation Period is outlined below:

**Summary of Financial Compensation Requested**  
(August 23, 2022 – September 28, 2022)

(\$USD)

Invoice Date	Description	Amount
<u>Monthly Fees</u>		
09/02/2022	Monthly Fee	\$100,000.00
<b>Total Monthly Fees [A]</b>		<b>\$100,000.00</b>
<u>Transaction Fees</u>		
9/28/2022	Transaction Fee	5,915,000.00
9/28/2022	Supplemental Transaction Fee	1,750,000.00
<b>Total Transaction Fees [B]</b>		<b>\$7,665,000.00</b>
<b>Total Gross Fees Earned During the Compensation Period [A] + [B]</b>		<b>\$7,765,000.00</b>
Less: Prepetition Monthly Fee Payments Credited <sup>(1)</sup>		(825,000.00)
Less: Postpetition Monthly Fee Payments Credited <sup>(2)</sup>		(50,000.00)
<b>Total Net Fees Due at Closing &amp; Requested</b>		<b>\$6,890,000.00</b>

(1) Reflects the credits associated with the fourteen Monthly Fees paid to Houlihan Lokey prepetition by the Debtors

(2) Reflects the credits associated with one postpetition Monthly Fee for September 2022 not yet paid by the Debtors

**Summary of Expense Reimbursement Requested***(August 23, 2022 – September 28, 2022)*

[A] Telephone & Data	\$61.38
[B] Travel & Overtime Meals	374.03
<b>Total Out of Pocket Expenses Incurred &amp; Requested</b>	<b>\$435.41</b>

*[A] Telephone Bills plus Conference Calls**[B] Overtime Meals and Transportation*

26. Pursuant to the Retention Order, Houlihan Lokey is excused from complying with the information requirements contained in Local Rule 2016-2(d). Instead, Houlihan Lokey has maintained reasonably detailed time records in the Debtors' cases in one-half hour increments containing summary descriptions of the services rendered by the applicable professional. As Houlihan Lokey does not have the systems in place to allow its professional staff to regularly log hours worked, the hours logged are estimates only. Such detailed time records are set forth in **Exhibit C** attached hereto.

27. Houlihan Lokey has reviewed the requirements of Local Rule 2016-2 and the undersigned certifies that he has reviewed this First and Final Fee Application and believes that it complies with Local Rule 2016-2 as modified by the Retention Order.

28. All services for which Houlihan Lokey requests compensation were performed for and on behalf of the Debtors and not on behalf of any other person or stakeholder.



29. No agreement or understanding exists between Houlihan Lokey and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these proceedings.

## VI. Basis for Relief

30. Section 328(a) of the Bankruptcy Code permits a debtor, with court approval, to employ a professional person “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Accordingly, section 328(a) of the Bankruptcy Code permits the compensation of professionals, including investment bankers, on flexible terms that reflect the nature of their services and prevailing market conditions.

31. Courts consistently find that the purpose of section 328 of the Bankruptcy Code is to permit the pre-approval of compensation arrangements as a method of insuring that the most competent professionals would be available to provide services in bankruptcy cases. *In re National Gypsum Co.*, 123 F.3d 861, 862-63 (5th Cir. 1997) (“If the most competent professionals are to be available for complicated capital restructurings and the development of corporate reorganization, they must know what they will receive for their expertise and commitment. Courts must protect those agreements and expectations, once found to be acceptable.”). Once the terms of a professional’s retention have been approved under section 328(a) of the Bankruptcy Code, the agreed-upon compensation cannot be altered unless the agreed terms “prove to have been improvident in light of the developments not capable of being anticipated at the time of fixing of such terms and conditions.” 11 U.S.C. § 328(a); *In re Smart World Techs.*, 552 F.3d. 228, 232 (2d. Cir. 2009) (“Where the court pre-approves the terms and conditions of the retention under section 328(a), its power to amend those terms is severely constrained.”); see also *In re Relativity Fashion, LLC*, No. 15-11989 (MEW), 2016 WL 8607005, at \*\*2-3 (Bankr. S.D.N.Y. Dec. 16, 2016) (Wiles,

J.) (“under Section 328(a), reasonableness is judged in advance, and the issue is not revisited except in the very narrow circumstances permitted by the statute. If you agree to hire someone on a flat fee or percentage-fee basis, there should be some comfort that the compensation will be paid and that a court will not simply impose a new and different deal after all the work has been done.”); *In re Graces Restaurant Group, Inc.*, No. 18-19054 (JNP), 2019 WL 182547, at \*4 (Bankr. D.N.J. Jan. 11, 2019) (“Section 328 permits a debtor to seek court approval to determine the reasonableness of a fee arrangement before services are rendered.”).

32. On the Petition Date, the Debtors filed their prepackaged Plan. As of the Petition Date, the Plan was unanimously accepted by all creditor classes entitled to vote. Houlihan Lokey spent substantial time and effort both prepetition and postpetition assisting the Debtors with their restructuring efforts, and was instrumental in the successful outcome of these cases.

33. The Retention Order approved Houlihan Lokey’s compensation pursuant to section 328 of the Bankruptcy Code. Pursuant to the Retention Order, Houlihan Lokey’s requested compensation and expense reimbursements are solely subject to review under the standards of section 328(a) of the Bankruptcy Code, and not section 330. Retention Order ¶ 4. Only the U.S. Trustee may object to Houlihan Lokey’s fees and expenses pursuant to section 330 of the Bankruptcy Code. *Id.* ¶ 5. As described above, the professional services and related expenses that are the subject of the Application were rendered and incurred in connection with these chapter 11 cases, and in discharge of Houlihan Lokey’s professional responsibilities as investment banker and financial advisor to the Debtors. Houlihan Lokey’s services have been substantial, necessary, and beneficial to the Debtors. Houlihan Lokey believes that the fees requested by this Application are reasonable given the variety and complexity of the issues involved in these cases and the need to act or respond on an expedited basis to those issues—and are contemplated by the Bankruptcy Code and provided for in the Retention Order. Houlihan Lokey submits that nothing has arisen in

these cases that would cause the agreed-upon compensation requested herein to be altered and respectfully submits that the Application should be approved.

**WHEREFORE**, Houlihan Lokey respectfully requests final allowance of (i) compensation for professional services rendered during the Compensation Period in the amount of \$6,890,000 and (ii) actual, reasonable, and documented out-of-pocket expenses of \$435.41.

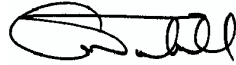
Total Amount of Compensation Requested:	\$7,765,000.00
Less: Amounts Paid or Credited to Date:	<u>(\$875,000.00)</u>
<b>Net Amount of Compensation Requested:</b>	<b>\$6,890,000.00</b>

Total Amount of Expense Reimbursement Requested:	\$435.41
Less: Amounts Paid or Credited to Date:	<u>\$0.00</u>
<b>Net Amount of Expense Reimbursement Requested:</b>	<b>\$435.41</b>

Dated: November 8, 2022

Houlihan Lokey Capital, Inc.  
Investment Banker to the Debtors

By:



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Andrew Turnbull  
Managing Director  
111 S Wacker Drive, Floor 37  
Chicago, IL 60610

**CERTIFICATION**

I, Andrew Turnbull, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am a Managing Director at Houlihan Lokey Capital, Inc. (“**Houlihan Lokey**”), which maintains offices for providing investment banking services at 111 S Wacker Drive Floor 37, Chicago, IL 60610. Houlihan Lokey has acted as an investment banker to, and rendered professional services on behalf of, the Debtors.

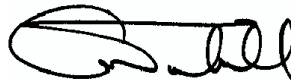
2. I have personally performed or supervised the professional services rendered by Houlihan Lokey as investment banker to the Debtors and I am familiar with the services performed on behalf of the Debtors by Houlihan Lokey.

3. This affidavit is submitted pursuant to rule 2016 of the Federal Rules of Bankruptcy Procedure in connection with Houlihan Lokey’s application (the “**Application**”) for allowance of Compensation and Reimbursement of Expenses for the time period of August 23, 2022, through and including September 28, 2022, in the amount of \$6,890,435.41.

4. All of the services for which compensation is sought by Houlihan Lokey were performed for and on behalf of the Debtors, and not on behalf of any other person.

5. No agreement or understanding exists between Houlihan Lokey and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

6. I have reviewed the requirements of Local Rule 2016-2 and certify that, to the best of my knowledge, information and belief, the Application is in compliance with the requirements of Local Rule 2016-2.



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Andrew Turnbull  
Managing Director

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

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In re:	)	
	)	Chapter 11
CARESTREAM HEALTH, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 22-11778 (JKS)
Reorganized Debtors.	)	(Jointly Administered)
	)	
	)	

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**Objection Deadline: November 29, 2022, at 4:00 p.m. (ET)  
Hearing Date: To Be Scheduled**

**NOTICE OF FILING OF FEE APPLICATION**

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PLEASE TAKE NOTICE that Houlihan Lokey Capital, Inc. (“Houlihan Lokey”), retained investment banker and financial advisor for the above-captioned debtors and debtors in possession (collectively, the “Debtors,” and after the effective date of their chapter 11 plan, collectively, the “Reorganized Debtors”) filed its *First and Final Fee Application of Houlihan Lokey Capital, Inc. As Investment Banker to Debtors for Allowance and Final Approval of Compensation for Services Rendered and for Reimbursement of Expenses for the Period of August 23, 2022 Through September 28, 2022* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”), seeking fees in the amount of \$6,890,000.00 and reimbursement of actual and necessary expenses in the amount of \$435.41 for the period from August 23, 2022 through September 28, 2022.

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Reorganized Debtors’ service address is: 150 Verona Street, Rochester, New York 14608.

**PLEASE TAKE FURTHER NOTICE** that any objection or response to the Application must be made in writing and be filed with the United States Bankruptcy Court for the District of Delaware (the “Court”), 824 N. Market Street, Third Floor, Wilmington, Delaware 19801, **on or before November 29, 2022, at 4:00 p.m. prevailing Eastern Time.**

**PLEASE TAKE FURTHER NOTICE** that at the same time, you must also serve a copy of the response or objection to this Application upon: (a) the Debtors, Carestream Health, Inc., 150 Verona Street, Rochester, New York 14608; (b) co-counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn.: Patrick J. Nash, Jr., P.C. (patrick.nash@kirkland.com), Tricia Schwallier Collins (tricia.collins@kirkland.com), and Yusuf U. Salloum (yusuf.salloum@kirkland.com); and Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Nicole L. Greenblatt, P.C. (nicole.greenblatt@kirkland.com) and Rachael M. Bentley (rachael.bentley@kirkland.com); (ii) co-counsel to the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn.: Laura Davis Jones, Esq. (ljones@pszjlaw.com), Timothy P. Cairns, Esq. (tcairns@pszjlaw.com), and Edward Corma, Esq. (ecorma@pszjlaw.com); (ii) counsel to JPMorgan Chase Bank, N.A., (a) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attn: Sandeep Qusba, Esq. (squsba@stblaw.com) and Jonathan Mitnick, Esq. (jonathan.mitnick@stblaw.com) and (b) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com), Matthew B. McGuire, Esq. (mcguire@lrclaw.com), and Matthew R. Pierce, Esq. (pierce@lrclaw.com); (iii) counsel to the Credit Suisse AG, Cayman Island Branch, (a) Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, 31st Floor, New York, New York 10022, Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com), Scott D. Talmadge, Esq. (scott.talmadge@freshfields.com),

Samantha S. Braunstein, Esq. ([samantha.braunstein@freshfields.com](mailto:samantha.braunstein@freshfields.com)), Lacey Nemergut, Esq. ([lacey.nemergut@freshfields.com](mailto:lacey.nemergut@freshfields.com)), and Skyler Splinter, Esq. ([skyler.splinter@freshfields.com](mailto:skyler.splinter@freshfields.com)) and (b) Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington Delaware 19801, Attn: Jeremy W. Ryan, Esq. ([jryan@potteranderson.com](mailto:jryan@potteranderson.com)), L. Katherine Good, Esq. ([kgood@potteranderson.com](mailto:kgood@potteranderson.com)), Elizabeth R. Schlecker, Esq. ([eschlecker@potteranderson.com](mailto:eschlecker@potteranderson.com)); (iv) counsel to the Crossover Group, (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, New York 10036, Attn: Philip C. Dublin ([pdublin@akingump.com](mailto:pdublin@akingump.com)), Naomi Moss ([nmoss@akingump.com](mailto:nmoss@akingump.com)), and Gary A. Ritacco ([gritacco@akingump.com](mailto:gritacco@akingump.com)) and (b) Troutman Pepper Hamilton Sanders LLP, Hercules Plaza, Suite 5100, 1313 N. Market Street, Wilmington, Delaware 19899, Attn: Evelyn J. Meltzer ([evelyn.meltzer@troutman.com](mailto:evelyn.meltzer@troutman.com)), Marcy J. McLaughlin Smith ([marcy.smith@troutman.com](mailto:marcy.smith@troutman.com)), and Kenneth A. Listwak ([ken.listwak@troutman.com](mailto:ken.listwak@troutman.com)); (v) the Office of The United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Janes M. Leamy, Esq. ([jane.m.leafy@usdoj.gov](mailto:jane.m.leafy@usdoj.gov)); and (vi) counsel to any statutory committee appointed in these chapter 11 cases.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.**

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE APPLICATION WILL BE HELD ON A DATE AND TIME TO BE SCHEDULED BEFORE THE HONORABLE J. KATE STICKLES, UNITED STATES BANKRUPTCY COURT JUDGE, AT THE UNITED STATES BANKRUPTCY COURT FOR**



THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, FIFTH FLOOR, COURT ROOM  
NO. 6, WILMINGTON, DELAWARE 19801.

*[Remainder of page intentionally left blank]*

Dated: November 8, 2022  
Wilmington, Delaware

*/s/ Laura Davis Jones*

---

Laura Davis Jones (DE Bar No. 2436)  
Timothy P. Cairns (DE Bar No. 4228)  
Edward Corma (DE Bar No. 6718)  
**PACHULSKI STANG ZIEHL & JONES LLP**  
919 North Market Street, 17th Floor  
P.O. Box 8705  
Wilmington, Delaware 19801  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400  
Email: ljones@pszjlaw.com  
tcairns@pszjlaw.com  
ecorma@pszjlaw.com

-and-

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)  
Tricia Schwallier Collins (*pro hac vice* pending)  
Yusuf U. Salloum (admitted *pro hac vice*)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
300 North LaSalle Street  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200  
Email: patrick.nash@kirkland.com  
tricia.schwallier@kirkland.com  
yusuf.salloum@kirkland.com

-and-

Nicole L. Greenblatt, P.C. (admitted *pro hac vice*)  
Rachael M. Bentley (admitted *pro hac vice*)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Email: nicole.greenblatt@kirkland.com  
Email: rachael.bentley@kirkland.com

*Co-Counsel for the Reorganized Debtors*

**EXHIBIT A**

**ENGAGEMENT LETTER**



## HOULIHAN LOKEY

September 16, 2020

**PERSONAL AND CONFIDENTIAL**

Carestream Health, Inc.  
150 Verona Street  
Rochester, NY 14608  
Attn: David Westgate, Chief Executive Officer

Dear Ladies and Gentlemen:

1. **Engagement; Services.** We are pleased to confirm the arrangements under which Houlihan Lokey Capital, Inc. ("Houlihan Lokey") is engaged by Carestream Health, Inc. (the "Company") as financial advisor in connection with the possible sale of the Company. This engagement is exclusive to Houlihan Lokey except that it is understood and agreed that the Company has or will also engage Goldman Sachs & Co. and Credit Suisse AG in connection with this transaction pursuant to separate engagement letters.

During the term of our engagement, we will provide the Company with financial advice and assistance in connection with a potential Transaction (as defined below), which may include performing financial analyses, searching for a purchaser acceptable to the Company, coordinating visits of potential purchasers and assisting the Company in negotiating the financial aspects of the Transaction.

2. **Fees.** The fees for our engagement will depend on the outcome of this assignment. If the purchase of more than 50% of the outstanding common stock (on a fully diluted basis) or substantially all of the consolidated assets of the Company or its parent, Carestream Health Holdings, Inc. ("CHHI"), is accomplished prior to the expiration or termination of this Agreement (or subsequently, to the extent provided in Section 9 hereof) in one or a series of transactions, including, but not limited to, private purchases of stock, a merger or a sale by the Company or CHHI of its stock or assets (a "Transaction"), then, upon the consummation of such Transaction, the Company will pay Houlihan Lokey a cash fee (the "Transaction Fee") equal to the sum of:

- (a) 0.845% of the aggregate consideration paid in such Transaction or series of Transactions to the extent not exceeding \$1.3 billion, plus
- (b) 2.600% of the portion of the aggregate consideration paid in such Transaction or series of Transactions in excess of \$1.3 billion and not exceeding \$1.6 billion, plus
- (c) 3.250% of the portion of the aggregate consideration paid in such Transaction or series of Transactions in excess of \$1.6 billion.

Carestream Health, Inc.  
September 16, 2020

Page 2

The common stock outstanding "on a fully diluted basis" shall mean after the vesting and/or exercise of all outstanding options, restricted shares, restricted stock units and warrants, but excluding (i) options and warrants that would not be both exercisable and in-the-money in connection with the Transaction and (ii) restricted shares and restricted stock units that would be forfeited upon or prior to the Transaction. Except as provided herein, the Transaction Fee will be paid to us in cash immediately upon the consummation of the Transaction.

The aggregate consideration for purposes of calculating a Transaction Fee shall be:

- (i) in the case of the sale, exchange or purchase of the Company's equity securities (including a merger), the total consideration paid for such securities (including amounts paid to holders of options, warrants and convertible securities), plus the principal amount of all indebtedness for borrowed money (including, without limitation, any lending lease obligations required to be capitalized in accordance with U.S. generally accepted accounting principles ("GAAP") and any net unfunded pension liability, determined in accordance with GAAP), less any cash or cash equivalents (including short-term investments intended to be held less than 6 months), in each case as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase; and
- (ii) in the case of a sale or disposition by the Company of assets, the total consideration paid for such assets, plus the net value of any current assets not sold by the Company (including cash and cash equivalents and short-term investments intended to be held less than 6 months) and the principal amount of all indebtedness for borrowed money (including, without limitation, any lending lease obligations required to be capitalized in accordance with GAAP and any net unfunded pension liability, determined in accordance with GAAP) assumed by the purchaser.

For purposes of clauses (i) and (ii) immediately above, the total consideration paid shall be determined on a net basis after any deductions (including e.g., deductions with respect to working capital or similar adjustments, but excluding any deductions for the fees and expenses of professional advisors engaged by the Company in connection with the Transaction), and subject to the preceding paragraph with respect to indebtedness for borrowed money and cash.

Amounts paid into escrow and contingent payments in connection with any Transaction will be included as part of the aggregate consideration only to the extent provided in this paragraph. Any portion of the Transaction Fee on amounts paid into escrow will be payable upon the establishment of such escrow; provided, however, such fees will be payable only upon the release of such amounts from escrow to or on behalf of the Company or its stockholders if the related escrow agreement provides that the escrow agent shall not pay any such amounts from escrow to or on behalf of the Company or its stockholders prior to the payment of such Transaction Fee to Houlihan Lokey. If the consideration in connection with any Transaction may be increased by payments related to future events, the portion of our Transaction Fee relating to such contingent payments will be calculated and paid if and when such contingent payments are made.

In connection with a sale of more than 50% of the outstanding common stock (on a fully diluted basis) of the Company or CHHI, the Transaction Fee will be payable and calculated under the

Carestream Health, Inc.  
September 16, 2020

Page 3

definition of aggregate consideration set forth above as though 100% of the outstanding common stock on a fully diluted basis had been acquired for the same per share amount paid in the transaction in which more than 50% of the Company's or CHHI's outstanding common stock is acquired by a purchaser or group of affiliated purchasers. Nevertheless, our services pursuant to this letter will continue without additional fee after control is obtained to assist the Company with a second step merger or similar transaction.

If any portion of the aggregate consideration is paid in the form of securities, the value of such securities, for purposes of calculating the Transaction Fee, will be determined by the average of the last sale prices for such securities on the five trading days ending five trading days prior to the date on which the corresponding payment of the Transaction Fee becomes payable. If such securities do not have an existing public trading market, the value of the securities shall be the mutually agreed upon fair market value on the day prior to the date on which the corresponding payment of the Transaction Fee becomes payable.

In addition, if the Company or any of its affiliates enters into an agreement with respect to a transaction described in the third paragraph of this Agreement (the "Other Agreement") and the Other Agreement is terminated prior to consummation of such transaction the Company shall pay Houlihan Lokey an advisory fee equal to 20% of any "termination fee," "break-up fee," "topping fee," "expense reimbursement" or other form of compensation paid to the Company or its affiliates pursuant to the Other Agreement in connection with such termination (the "Payment"), but such advisory fee shall in no event exceed 35% of the Transaction Fee that would have been payable by the Company upon consummation of the transaction contemplated by the Other Agreement. If Houlihan Lokey receives an advisory fee pursuant to this paragraph and subsequently becomes entitled to receive a Transaction Fee pursuant to this Agreement, the amount of the advisory fee so received shall be credited against such Transaction Fee.

**3. Other Services.** To the extent Houlihan Lokey is requested by the Company to perform any financial advisory or investment banking services which are not within the scope of this engagement (including, for example, arranging or otherwise assisting any party in connection with any financing for the Transaction or rendering a fairness opinion), the Company shall pay Houlihan Lokey such fees as shall be mutually agreed upon by the parties hereto in writing, in advance, depending on the level and type of services required, and such fees shall be in addition to the fees and expenses described hereinabove. Except as set forth in the preceding sentence, if Houlihan Lokey is legally required to render additional services directly or indirectly relating to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, attending depositions, and testifying at trial, and whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey's then current hourly rates for the persons involved for the time expended in rendering such services, including, but not limited to, time for meetings, conferences, preparation and travel, and all related out-of-pocket expenses (including, without limitation, the fees and expenses of Houlihan Lokey's legal counsel incurred in connection therewith).

**4. Expenses.** In addition, and regardless of whether any Transaction is consummated, the Company shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable out-of-pocket expenses incurred from time to time, but in no event greater than \$75,000 in the aggregate without the Company's prior approval, which approval shall not be

Carestream Health, Inc.  
September 16, 2020

Page 4

unreasonably withheld (provided that such limitation shall not affect the Company's obligations to pay any such expenses under the immediately preceding paragraph and Schedule A attached hereto). Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses including, but not limited to (i) travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors, (ii) the fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the performance of this Agreement and the matters contemplated hereby, and (iii) research, database and similar information charges paid to third party vendors, and reprographics expenses, to perform client-related services that are not capable of being identified with, or charged to, a particular client or engagement in a reasonably practicable manner, based upon a uniformly applied monthly assessment. The expenses set forth in clause (iii) of the immediately preceding sentence shall total \$25,000, which amount shall be billed to the Company at a rate of \$2,000 per month until the total amount is paid, with any outstanding balance to be included in Houlihan Lokey's final invoice. The Company instructs Houlihan Lokey to send any invoice related to expenses to Scott Rosa at the address above or at [scott.rosa@carestream.com](mailto:scott.rosa@carestream.com).

**5. Discussions and Inquiries.** In order to coordinate most effectively our efforts to assist the Company in effecting a Transaction satisfactory to the Company during the term of our engagement, the Company and its management will promptly inform us of any discussions they may have or of any inquiry they may receive concerning the availability of all or a portion of the stock or assets of the Company for purchase.

**6. Confidentiality.** Please note that any written or oral advice provided by Houlihan Lokey in connection with our engagement is exclusively for the information of the Board of Directors of the Company (solely in their capacities as directors) in connection with their consideration of the transaction, and such advice and the terms of this letter may not be disclosed to any third party or circulated or referred to publicly (including any reference to the fact that we have rendered such advice or entered into this letter) or used or relied on by any other party or for any other purpose without our prior written consent. Notwithstanding the immediately preceding sentence, the Company may furnish the information described in the immediately preceding sentence on a need-to-know basis to its legal counsel and other professional advisors that are advising the Company with respect to the Transaction (provided that (i) such information is provided to the advisors subject to the confidentiality, disclosure, reliance and other restrictions with respect to such information set forth in this Agreement, (ii) that neither Houlihan Lokey nor any of its affiliates shall have any duty, liability or obligation to such advisors in connection therewith, and (iii) that the Company shall be responsible for any breach by such advisors of the provisions of this Agreement). The provisions of this paragraph shall survive any termination or completion of the engagement provided by this letter.

**7. Indemnification.** In connection with engagements such as this, it is our firm policy to receive indemnification. The Company agrees to the provisions with respect to our indemnity and other matters set forth in Schedule A, which is incorporated by reference into this Agreement.

**8. Termination; Survival.** Our services may be terminated by the Company or us at any time with or without cause effective upon thirty days' prior written notice to that effect, provided, however, that no expiration or termination of this Agreement shall affect (a) the

Carestream Health, Inc.  
September 16, 2020

Page 5

indemnification, reimbursement, contribution and other obligations and provisions set forth on Schedule A attached hereto, (b) the confidentiality provisions set forth herein, (c) Section 3 (Other Services) (other than the first sentence thereof), Section 6 (Confidentiality), Section 7 (Indemnification), Section 8 (Termination; Survival), Section 10 (Information) (other than the first four sentences thereof), Section 11 (Credit) and Section 12 (Miscellaneous) hereof, (d) Houlihan Lokey's right to receive, and the Company's obligation to pay (or, as the case may be, reimburse), any and all fees and expenses that are or become due, whether or not any Transaction shall be consummated prior to or subsequent to the effective date of expiration or termination, pursuant to, and as more fully set forth in, this Agreement.

**9. Tail Fee.** If this Agreement expires or is terminated, we will be entitled to our Transaction Fee set forth above in the event that at any time prior to the expiration of 12 months after such termination (i) an agreement is entered into with respect to a Transaction that is eventually consummated or (ii) an Other Agreement is entered into and a Payment is eventually received by the Company; provided, however, in the event Houlihan Lokey unilaterally terminates its services hereunder other than as a result of a material breach by the Company of its financial obligations hereunder, the foregoing provisions of this sentence shall not apply.

**10. Information.** The Company will provide Houlihan Lokey with access to management and other representatives of the Company and other participants in the Transaction, as reasonably requested by Houlihan Lokey. The Company will furnish Houlihan Lokey with such information as Houlihan Lokey may reasonably request for the purpose of carrying out its engagement hereunder, all of which will be, to the Company's best knowledge, accurate at the time furnished. In addition, with respect to financial forecasts and projections that may be furnished to or discussed with Houlihan Lokey by the Company or any other entity, Houlihan Lokey will be entitled to assume that such financial forecasts and projections have been or will be reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the Company's or such other entity's management, as the case may be, as to the matters covered thereby. The Company will use commercially reasonable efforts to promptly notify Houlihan Lokey upon becoming aware in writing of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to, or discussed with, Houlihan Lokey, or any materials provided by the Company in the data room to any potential acquiror who remains in the Transaction process. Houlihan Lokey shall rely, without independent verification, on the accuracy and completeness of all information that is publicly available and of all information furnished by or on behalf of the Company or any other potential party to any Transaction or otherwise reviewed by, or discussed with, Houlihan Lokey. The Company understands and agrees that Houlihan Lokey will not be responsible for the accuracy or completeness of such information, and shall not be liable for any inaccuracies or omissions therein. The Company acknowledges that Houlihan Lokey has no obligation to conduct any appraisal of any assets or liabilities of the Company or any other party or to evaluate the solvency of any party under any applicable laws relating to bankruptcy, insolvency or similar matters. Houlihan Lokey's role in reviewing any information is limited solely to performing such a review as it shall deem necessary to support its own advice and analysis and shall not be on behalf of any other party.

**11. Credit.** After the announcement or consummation of any transaction described in the third paragraph of this Agreement, Houlihan Lokey may, at its own expense and with the prior



Carestream Health, Inc.  
September 16, 2020

Page 6

written consent of the Company, place announcements on its corporate website and in financial and other newspapers and periodicals (such as a customary “tombstone” advertisement, including the Company’s logo or other identifying marks) describing its services in connection therewith. Furthermore, if requested by Houlihan Lokey, the Company agrees that in its initial press release announcing such a transaction, the Company will include in such press release a mutually acceptable reference to Houlihan Lokey’s role as financial advisor to the Company with respect to such transaction.

**12. Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors, heirs and assigns and any successor, heir or assign of any substantial portion of such parties’ respective businesses and/or assets. Nothing in this Agreement, express or implied, is intended to confer or does confer on any person or entity, other than the parties hereto, the HL Parties and each of their respective successors, heirs and assigns, any rights or remedies (directly or indirectly as a third party beneficiary or otherwise) under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder. For purposes of this Agreement, the term “HL Parties” shall mean Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, partners, members, employees, agents, representatives, advisors, subcontractors and controlling persons.

The Company understands and acknowledges that Houlihan Lokey and its affiliates (collectively, the “Houlihan Lokey Group”) engage in providing investment banking, securities trading, financing, financial advisory, and consulting services and other commercial and investment banking products and services to a wide range of institutions and individuals. In the ordinary course of business, the Houlihan Lokey Group and certain of its employees, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Company or any other party that may be involved in the matters contemplated by this Agreement or have other relationships with such parties. With respect to any such securities, financial instruments and/or investments, all rights in respect of such securities, financial instruments and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, the Houlihan Lokey Group may in the past have had, and may currently or in the future have, financial advisory or other investment banking or consulting relationships with parties involved in the matters contemplated by this Agreement, including parties that may have interests with respect to the Company, a Transaction or other parties involved in a Transaction, from which conflicting interests or duties may arise. Although the Houlihan Lokey Group in the course of such other activities and relationships or otherwise may have acquired, or may in the future acquire, information about the Company, a Transaction or such other parties, or that otherwise may be of interest to the Company, the Houlihan Lokey Group shall have no obligation to, and may not be contractually permitted to, disclose such information, or the fact that the Houlihan Lokey Group is in possession of such information, to the Company or to use such information on the Company’s behalf.

Houlihan Lokey agrees that until the earlier of (a) the expiration or termination of this Agreement, and (b) the consummation of a Transaction, Houlihan Lokey shall not become engaged to provide buy-side mergers and acquisitions investment banking services or financing services to a

Carestream Health, Inc.  
September 16, 2020

Page 7

potential acquiror of the Company, CHHI, or their respective subsidiaries, which services relate to a potential Transaction, without the prior consent of the Company.

In order to enable Houlihan Lokey to bring relevant resources to bear on its engagement hereunder from among its global affiliates, the Company agrees that Houlihan Lokey may share information obtained from the Company and other parties hereunder with other members of the Houlihan Lokey Group, and may perform the services contemplated hereby in conjunction with such other members.

The parties understand that Houlihan Lokey is being engaged hereunder as an independent contractor to provide the services described above solely to the Company, and that Houlihan Lokey is not acting as an agent or fiduciary of the Company, the security holders or creditors of the Company or any other person or entity in connection with this engagement, and the Company agrees that it shall not make, and hereby waives, any claim based on an assertion of such an agency or fiduciary relationship. Any duties of Houlihan Lokey arising by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder will be owed solely to the Company.

The captions in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law. The Company understands that Houlihan Lokey is not undertaking to provide any legal, regulatory, accounting, insurance, tax or other similar professional advice. The Company acknowledges that Houlihan Lokey will not be distributing securities or acting as an agent with respect to the placement of any securities for any party pursuant to this Agreement.

This Agreement is the complete and exclusive statement of the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral, other than the Confidentiality Agreement dated as of June 20, 2020 between Houlihan Lokey and the Company, which shall remain in full force and effect.

This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties hereto.

This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against either party because this Agreement was drafted by such party, and the parties waive any statute or rule of law to such effect.

Each of the Company and Houlihan Lokey has all requisite power and authority to enter into this Agreement. This Agreement has been duly and validly authorized by all necessary action on the

Carestream Health, Inc.  
September 16, 2020

Page 8

part of the Company and Houlihan Lokey and has been duly executed and delivered by the Company and Houlihan Lokey and constitutes a legal, valid and binding agreement of the Company and Houlihan Lokey, enforceable in accordance with its terms.

Houlihan Lokey acknowledges that the Company has or will engage Goldman, Sachs & Co. and Credit Suisse AG to act as co-advisors regarding the Transaction (the "Other Financial Advisors") and has or will separately communicate to each of Houlihan Lokey and the Other Financial Advisors their respective primary responsibilities relating to a Transaction. Each of Houlihan Lokey and the Other Financial Advisors will act as separate independent contractors, and each is being separately retained solely to assist the Company in its efforts to effect a possible Transaction. Houlihan Lokey and the other HL Parties shall not have any responsibility for, or lose any right or benefit hereunder (including, without limitation, any right or benefit under Schedule A attached hereto) as a result of, any actions or omissions of the Other Financial Advisors or any of their respective affiliates or their or their affiliates' directors, officers, partners, members, employees, agents, representatives, advisors, subcontractors or controlling persons (or any of the respective successors and assigns thereof). The Other Financial Advisors shall have no rights under this Agreement (including, without limitation, any rights to any fees or expenses payable to Houlihan Lokey hereunder). Any obligations of Houlihan Lokey and the Other Financial Advisors shall be several and not joint. Nothing contained in this Agreement, and no action taken by Houlihan Lokey with respect to the Company, shall be deemed to constitute Houlihan Lokey and the Other Financial Advisors as a partnership, an association, a joint venture or any other entity, and neither Houlihan Lokey nor any of the Other Financial Advisors is an agent of the other for any purposes. Any separate agreement between Houlihan Lokey and the Other Financial Advisors regarding any allocation of fees, responsibilities and the like shall not in any manner limit or contradict the foregoing statements.

To help the United States government fight the funding of terrorism and money laundering activities, the federal law of the United States requires all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing business with that person. Accordingly, the Company will provide Houlihan Lokey upon request (i) certain information regarding the identities of all individuals who, directly or indirectly, own 25% or more of the Company's equity interests as well as the Company's executive officers and other control persons, and (ii) certain identifying information necessary to verify the Company's identity, such as a government-issued identification number (e.g., a U.S. taxpayer identification number), certified articles of incorporation, a government-issued business license, partnership agreement, or trust instrument. By executing this Agreement, the Company confirms that all such information provided to Houlihan Lokey is accurate and complete.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Such counterparts may be delivered by one party to the other by facsimile or other electronic transmission, and such counterparts shall be valid for all purposes.

**THIS AGREEMENT AND ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH OF**

Carestream Health, Inc.  
September 16, 2020

Page 9

**HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT.**

**REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE BROUGHT AND MAINTAINED IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND AGREES TO VENUE IN SUCH COURTS. EACH PARTY FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE EXCLUSIVELY TO SUCH JURISDICTION AND VENUE IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURTS, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. EACH OF THE COMPANY AND HOULIHAN LOKEY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR CLAIM BROUGHT IN ANY OF THE COURTS REFERRED TO ABOVE SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURTS HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. THE COMPANY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO THE COMPANY AT ITS ADDRESS SET FORTH ABOVE.**


Carestream Health, Inc.  
September 16, 2020

Page 10

Please confirm that the foregoing is in accordance with the Company's understanding by signing and returning to us the enclosed copy of this letter, which shall become a binding agreement upon our receipt and shall supersede any prior agreement between us with respect to its subject matter. We are delighted to accept this engagement and look forward to working with the Company on this assignment.

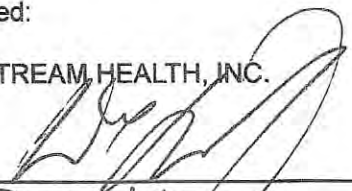
Very truly yours,

HOULIHAN LOKEY CAPITAL, INC.

By:   
Name: Jonathan Pritti  
Title: Managing Director

Confirmed:

CARESTREAM HEALTH, INC.

By:   
Name: David E. Westgate  
Title: Chairman / CEO

**Schedule A**

This Schedule is attached to, and constitutes a material part of, that certain agreement (the "Agreement") dated September 16, 2020, between Carestream Health, Inc. (the "Company") and Houlihan Lokey Capital, Inc. ("Houlihan Lokey"). Unless otherwise noted, all capitalized terms used herein shall have the meanings set forth in the Agreement.

As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under the Agreement, the Company agrees (i) to indemnify and hold harmless the HL Parties, to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Agreement, and (ii) to reimburse each HL Party for all expenses (including, without limitation, the fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling, compromising or otherwise becoming involved in any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person or entity (including, without limitation, (x) any shareholder or derivative action or (y) any claim to enforce such HL Party's indemnification, contribution, reimbursement and other rights under this Schedule A in which the Company is not judicially determined to be the prevailing party), arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Agreement. However, the Company shall not be liable under the foregoing indemnification provision for any loss, claim, damage or liability which arises out of any action or failure to act by any HL Party (other than an action or failure to act undertaken at, and consistent with, the explicit instruction or request of the Company) and is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such HL Party, and in such case, the Company shall be entitled to recover from the applicable HL Party any expenses advanced by the Company to such HL Party pursuant to the reimbursement obligation set forth in this paragraph to the extent attributable to such loss, claim, damage or liability, subject to such HL Party's rights of contribution.

With respect to any litigation or other adversarial proceeding exclusively between Houlihan Lokey and the Company with respect to the Agreement that is not in any way related to a claim by a third party, the indemnity and reimbursement provisions in the immediately preceding paragraph shall not apply, and the prevailing party in such proceeding shall be entitled to recover, in addition to any other appropriate amounts, its reasonable costs and expenses in connection with such proceeding, including, but not limited to, reasonable attorneys' fees and expenses and court costs, except that this provision shall not apply to any claims (a) brought by any HL Party to enforce such HL Party's indemnification, contribution, reimbursement and other rights under this Schedule A, or (b) brought by any person or entity asserting claims on behalf of or in right of the Company, including, without limitation, a claim made derivatively, or by a shareholder, receiver or person serving in a similar capacity, which claims shall be covered by the indemnity and reimbursement provisions set forth in the immediately preceding paragraph.

If for any reason the foregoing indemnification or reimbursement is unavailable to any HL Party or insufficient to fully indemnify any HL Party or hold it harmless in respect of any losses, claims, damages, liabilities or expenses referred to in subsections (i) or (ii) of such indemnification or reimbursement provisions, then the Company shall contribute to the amount paid or payable by such HL Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the matters contemplated by the Agreement. If, however, the allocation provided by the immediately preceding sentence is not

permitted by applicable law, then the Company shall contribute to such amount paid or payable by such HL Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors), on the one hand, and such HL Party, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the two immediately preceding sentences, to the extent the exception to indemnification contemplated by the last sentence in the second paragraph of this Schedule A applies with respect to such HL Party, the Company shall contribute to the amount paid or payable by such HL Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors), on the one hand, and such HL Party, on the other hand, in connection with the matters contemplated by the Agreement, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the HL Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Houlihan Lokey from the Company pursuant to the Agreement. Relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, shall be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Houlihan Lokey under the Agreement.

The Company shall not settle, compromise or consent to the entry of any judgment in any pending or threatened action, suit, dispute or proceeding arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Agreement (whether or not an HL Party is an actual or potential party thereto), or authorize, consent to, participate in, or assist in effectuating any such settlement, compromise or consent by or on behalf of any person or entity, unless such settlement, compromise or consent contains a release of the HL Parties reasonably satisfactory in form and substance to Houlihan Lokey or is otherwise consented to by Houlihan Lokey. Notwithstanding the immediately preceding sentence, the Company may enter into such a proposed settlement, compromise or consent without Houlihan Lokey's prior written consent if such settlement, compromise or consent (i) provides for an express, full, irrevocable and unconditional release of Houlihan Lokey and the other HL Parties set forth in an instrument signed by all parties to such settlement, compromise, or consent, and (ii) does not require or contain (a) any action or inaction, agreement, payment, or admission by or with respect to Houlihan Lokey or any other HL Party, (b) any statement regarding the character, fault, culpability, failure to act, professionalism, due care, loyalty, expertise or reputation of, Houlihan Lokey or any other HL Party, or (c) any continuing obligations or restrictions on Houlihan Lokey or any other HL Party.

If an HL Party has sought indemnification hereunder in connection with an action or proceeding brought by a third party that is also brought against the Company, the Company may, in actions or proceedings other than those brought by or on behalf of the Company, upon written notice to such HL Party, assume the defense thereof, by retaining counsel reasonably satisfactory to such HL Party and paying the fees and expenses of such counsel. Any HL Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel incurred after receipt of such notice from the Company shall be at the expense of such HL Party (but not other out-of-pocket defense or investigation expenses incurred by or on behalf of such HL Party, which expenses shall be reimbursed by the Company) unless (a) the Company has agreed to pay the fees and expenses of such counsel, or (b) the Company shall have failed to timely assume the defense of such action or proceeding or retain counsel reasonably satisfactory to such HL Party, or (c) as reasonably determined by such HL Party (in good faith reliance on the advice of counsel), (i) there may be

legal defenses available to such HL Party or another HL Party that are different from or additional to those available to the Company, or (ii) the representation of the Company and such HL Party by the same counsel would be inappropriate due to an actual or potential conflict of interest (in the case of any of the foregoing clauses (a), (b) or (c), if such HL Party notifies the Company in writing that it elects to retain separate counsel, (A) the Company shall not have the right to assume the defense of such action or proceeding on behalf of such HL Party, and (B) such HL Party may employ separate counsel to represent or defend it in any such action or proceeding and the Company will pay the fees and expenses of such counsel (in addition to local counsel), provided, however, that the Company will not be required to pay the fees and expenses of more than one separate law firm for Houlihan Lokey and all other HL Parties (in addition to local counsel) in any single action or proceeding.

The Company further agrees that neither Houlihan Lokey nor any other HL Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company or any person or entity asserting claims on behalf of or in right of the Company arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Agreement, except for losses, claims, damages or liabilities incurred by the Company which arise out of any action or failure to act by such HL Party (other than an action or failure to act undertaken at, and consistent with, the explicit instruction or request of the Company) and are finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such HL Party.

The indemnity, reimbursement, and other obligations and agreements of the Company set forth in the Agreement (i) shall, for the avoidance of doubt, apply to any activities or actions arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Agreement, prior to the date hereof, and to any modifications of the Agreement, and (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any HL Party. The Company agrees that Houlihan Lokey would be irreparably injured by any breach of any such obligations or agreements, that money damages alone would not be an adequate remedy for any such breach and that, in the event of any such breach, Houlihan Lokey shall be entitled, in addition to any other remedies, to injunctive relief and specific performance.





## HOULIHAN LOKEY

### ENGAGEMENT AGREEMENT ADDENDUM

This addendum (the “Addendum”) to the letter agreement between Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) and Carestream Health, Inc. (the “Company”) dated September 16, 2020 (the “Agreement”) shall be effective as of July 2, 2021 (the “Addendum Effective Date”). Any capitalized term used but not otherwise defined in this Addendum shall have the meaning set forth in the Agreement.

The parties hereto agree as follows:

- A) The following paragraph shall be added as the third paragraph to Section 1 titled “Engagement; Services” of the Agreement:

Houlihan Lokey’s services in connection with a potential Transaction will also consist of (i) reviewing the Company’s capital structure, including the terms, priorities and conditions of debt, pension and other obligations and claims; (ii) reviewing the Company’s legal entity structure in relation to the aforementioned claims analysis; (iii) assisting in the development and distribution of select information and presentation materials to the Company’s creditors and other stakeholders and coordination of due diligence with such parties in regards to a Discount Transaction (as defined below); (iv) assisting and providing input to the Company regarding potential strategic alternatives available for the resolution of the Company’s liabilities; (v) assisting with or leading discussions with creditor constituents regarding progress toward the consummation of a Discount Transaction; (vi) working with the Company and the Company’s other advisors to evaluate the ability to achieve applicable thresholds necessary to consummate a Discount Transaction; (vii) assisting Company management in presenting to and advising the Company’s leadership and Board of Directors regarding a Discount Transaction; and (viii) rendering such other financial advisory and investment banking services as may be mutually agreed upon by Houlihan Lokey and Carestream (collectively, the “Restructuring Services”).

- B) Section 2 titled “Fees” of the Agreement shall be amended by:

- I. Adding the following footnote to the defined term “Transaction”:

<sup>1</sup> A “Transaction” shall also include any transaction or series of transactions whereby creditors of the Company acquire a majority of either the equity or assets of the Company or CHHI through a recapitalization or restructuring of the equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of the Company or CHHI, including accrued and/or accreted interest thereon, which are outstanding as of the Addendum Effective Date, including, without limitation, interest bearing trade debt, the Amended and Restated Credit Agreement (First Lien) dated May 8, 2020 (the “First Lien Agreement”) and the Second Lien Credit Agreement as amended May 8, 2020 (the “Second Lien Agreement”), which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan of reorganization or liquidation under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms,

conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of the Company or CHHI or any combination of the foregoing transactions.

II. Adding the following to the end of clause (ii) of the third paragraph:

In the event of a Transaction as described in footnote 1, the aggregate consideration for such Transaction shall include the gross proceeds and other consideration paid to, or received by, or to be paid to or received by, any entity comprising the Company, or any of its equity or debt holders, or other parties in interest, including, without limitation, holders of warrants and convertible securities, and holders of options or stock appreciation rights, whether or not vested. Such proceeds and consideration shall be deemed to include, without limitation: amounts in escrow and any deposits; payments made in installments; and Contingent Payments (as defined below). In addition, if any of the liabilities of any entity comprising the Company or CHHI are assumed, decreased, reinstated, satisfied or otherwise paid off in conjunction with a Transaction (e.g., “cure” payments or otherwise), or any of the assets of any entity comprising the Company or CHHI are sold or otherwise transferred outside of the Company’s ordinary course of business to another party prior to the closing of the Transaction or are retained by any entity comprising the Company after the closing of the Transaction, the consideration will be increased to reflect the face value of any such liabilities and the fair market value of any such assets. For purposes of calculating the Transaction Fee, the term “Contingent Payments” shall mean the consideration received or receivable by the Company, CHHI, or any of their constituents and/or any other parties in the form of deferred performance-based payments, “earn-outs”, or other contingent payments based upon the future performance of any entity comprising the Company or any of its businesses or assets.

III. Adding the following paragraphs at the end of the section:

A Transaction as described in footnote 1 or a Transaction that results in less than a full recovery for any lender or creditor of the Company is herein referred to as a “Discount Transaction”.

In addition to the other fees provided for herein, upon the execution of this Addendum and on the 2<sup>nd</sup> day of each month thereafter during the term of the Agreement, beginning with August 2, 2021, the Company shall pay Houlihan Lokey a nonrefundable cash fee (the “Monthly Fee”) of \$100,000 for each of the first three Monthly Fees and \$150,000 per month thereafter. Fifty percent (50%) of all Monthly Fees after the third Monthly Fee previously paid on a timely basis to Houlihan Lokey shall be credited against the Supplemental Transaction Fee (as defined below) to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Monthly Fee shall be credited more than once), except that, in no event, shall such Supplemental Transaction Fee be reduced below zero. Notwithstanding the foregoing, after the execution of definitive documentation for a Discount Transaction that has also been agreed to in writing by all compromised creditors (e.g., requisite lenders under the First Lien Agreement and / or Second Lien Agreement and / or such other creditor party) and such agreements remain in effect, the Monthly Fee shall be \$100,000.

In addition to the Transaction Fee payable to Houlihan Lokey pursuant to the Agreement, upon the consummation of a Discount Transaction, the Company will pay Houlihan Lokey a cash fee (the “Supplemental Transaction Fee”) equal to \$1.75 million.

The Company may elect, effective upon ten days’ prior written notice, to pause the Restructuring Services contemplated herein (a “Pause”) and subsequent thereto the Company shall have no

obligation to pay additional Monthly Fees and Houlihan Lokey shall have no obligation to provide the Restructuring Services. Upon ten days' prior written notice, the Company may cancel a Pause, following which Houlihan Lokey shall recommence the Restructuring Services and the Company shall pay Monthly Fees on the effective date of cancelling the Pause and monthly thereafter. Notwithstanding the foregoing, no Pause shall affect Houlihan Lokey's right to receive and the Company's obligation to pay all Monthly Fees payable prior to the effective date of a Pause and any Supplemental Transaction Fee that Houlihan Lokey is owed hereunder.

- C) Section 12 titled "Miscellaneous" of the Agreement shall be re-labeled Section 13, the reference to such section in Section 8 is updated accordingly and the new Section 12 is as follows:

**12. Bankruptcy Court Approval.** In the event that the Company is or becomes a debtor under Chapter 11 of the Bankruptcy Code, whether voluntarily or involuntarily, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of the Agreement and Addendum, as a professional person pursuant to, and subject to the standard of review of, Sections 327(a) and 328(a) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and applicable local rules and orders, and Houlihan Lokey's employment hereunder shall not be subject to any other standard of review, including under Section 330 of the Bankruptcy Code. In so agreeing to seek Houlihan Lokey's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges the reasonableness of Houlihan Lokey's fee and expense reimbursement arrangement. The Company shall submit Houlihan Lokey's employment application as soon as practicable following the Company's filing of a voluntary Chapter 11 case, or the entry of an order for relief in any involuntary case filed against the Company, and use its best efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey as much in advance of any Chapter 11 filing as is practicable, and must be acceptable to Houlihan Lokey in its sole discretion. Following entry of the order authorizing the employment of Houlihan Lokey, the Company shall pay all fees and expenses due pursuant to this Agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses (including, without limitation, interim fees and final fees) with the Bankruptcy Court.

The Company agrees that Houlihan Lokey's post-petition compensation as set forth herein and payments made pursuant to the expense reimbursement and indemnification provisions of this Agreement shall be entitled to priority as expenses of administration under sections 503(b)(1)(A), 503(b)(2) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any "carve-outs" for professional fees and expenses (which carve-outs shall be adequate to enable the Company to pay Houlihan Lokey's fees and expenses, fully and promptly) in effect pursuant to one or more financing or cash collateral orders entered by the Bankruptcy Court in accordance with the terms thereof, provided, however, that the form of documentation to be used to satisfy the foregoing obligations of the Company shall be acceptable to Houlihan Lokey in its sole discretion. The Company will use its best efforts to ensure that any sale order, debtor-in-possession financing order, cash collateral order, adequate protection order and/or similar order entered in any bankruptcy case involving the Company (i) permits the use of sale, financing and cash collateral proceeds for the full and prompt payment of all of Houlihan Lokey's fees and expenses contemplated hereby (including, without limitation, all fees contingent upon the occurrence of any Transaction) and (ii) contains the agreements by the Company's lenders (or parties whose cash collateral is being used) that Houlihan Lokey's fees and expenses will be paid at the times and from the sources specified herein. If such orders and carve-outs are or become insufficient to provide the foregoing assurances, Houlihan Lokey shall then have

no obligation to provide further services under this Agreement. In no event shall the Company move to reject this Agreement during any bankruptcy case involving the Company.

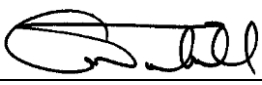
Houlihan Lokey shall have no obligation to provide services under the Agreement and Addendum in the event that the Company becomes a debtor under the Bankruptcy Code unless the foregoing authorizations, including authorization to employ Houlihan Lokey under Section 328(a) of the Bankruptcy Code, are granted by final order of the Bankruptcy Court that is no longer subject to appeal, rehearing, reconsideration or petition for certiorari and is acceptable to Houlihan Lokey in all respects. If such an order is not obtained, or is later reversed, vacated, stayed or set aside for any reason, Houlihan Lokey may terminate the Agreement, and the Company shall reimburse Houlihan Lokey for all fees and reasonable expenses incurred prior to the date of such termination, subject to any requirements of the Bankruptcy Code, the Bankruptcy Rules, applicable orders of such Bankruptcy Court and applicable local rules and orders. Prior to commencing a Chapter 11 case, the Company shall pay all amounts due and payable to Houlihan Lokey in cash. No fee payable to any other person, by the Company or any other party, shall reduce or otherwise affect any fee payable hereunder to Houlihan Lokey.

The Company will use its best efforts to ensure that, to the fullest extent permitted by law, any confirmed plan in any bankruptcy case involving the Company contains typical and customary release provisions (both from the Company and from third parties) and exculpation provisions releasing, waiving and forever discharging the HL Parties (as defined below) from any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities related to the Company or the engagement described in the Agreement and Addendum. The terms of this Section are solely for the benefit of Houlihan Lokey, and may be waived, in whole or in part, only by Houlihan Lokey.

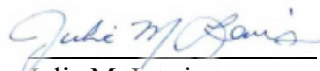
This Addendum shall serve as an amendment to the Agreement pursuant to Section 3 (Other Services) and no alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each party.

By signing below, the parties to the Agreement acknowledge the effectiveness of this Addendum to the Agreement:

HOULIHAN LOKEY CAPITAL, INC.

By:   
\_\_\_\_\_  
Andrew Turnbull  
Managing Director

CARESTREAM HEALTH, INC.

By:   
\_\_\_\_\_  
Julie M. Lewis  
General Counsel and Corporate Secretary



## HOULIHAN LOKEY

### ENGAGEMENT AGREEMENT AMENDMENT

This amendment (the “Amendment”) to the letter agreement between Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) and Carestream Health, Inc. (the “Company”) dated September 16, 2020 (the “Agreement”) and the Addendum thereto dated July 2, 2021, shall be effective as of August 8, 2022 (the “Amendment Effective Date”). Any capitalized term used but not otherwise defined in this Amendment shall have the meaning set forth in the Agreement or the Addendum.

The parties hereto agree as follows:

Section 2 titled “Fees” of the Agreement shall be amended by inserting “\$5,915,000” after “... (the “Transaction Fee”) equal to” and deleting the following:

“the sum of:


- (a) 0.845% of the aggregate consideration paid in such Transaction or series of Transactions to the extent not exceeding \$1.3 billion, plus
- (b) 2.600% of the portion of the aggregate consideration paid in such Transaction or series of Transactions in excess of \$1.3 billion and not exceeding \$1.6 billion, plus
- (c) 3.250% of the portion of the aggregate consideration paid in such Transaction or series of Transactions in excess of \$1.6 billion.”

This Amendment shall serve as an amendment to the Agreement and the Addendum pursuant to Section 12 of the Agreement.

By signing below, the parties acknowledge the effectiveness of this Amendment:

HOULIHAN LOKEY CAPITAL, INC.

By: \_\_\_\_\_

  
Andrew Turnbull  
Managing Director

CARESTREAM HEALTH, INC.

By: \_\_\_\_\_

  
David Westgate  
Chairman, President and Chief Executive Officer

**EXHIBIT B**

**RETENTION ORDER**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

CARESTREAM HEALTH, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-10778 (JKS)

(Jointly Administered)

Docket Ref. No. 126

**ORDER (I) AUTHORIZING THE RETENTION  
AND EMPLOYMENT OF HOULIHAN LOKEY CAPITAL, INC.  
AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE  
DEBTORS EFFECTIVE AS OF AUGUST 23, 2022 AND (II) WAIVING  
CERTAIN REPORTING REQUIREMENTS PURSUANT TO LOCAL RULE 2016-2**

Upon consideration of the application (the “Application”)<sup>2</sup> of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an order (this “Order”) pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, and Local Rules 2014-1 and 2016-2, authorizing the employment and retention of Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) as its financial advisor and investment banker pursuant to the terms of the Engagement Agreement, dated as of as of September 16, 2020, as amended July 2, 2021 and August 8, 2022 (the “Engagement Agreement”), a copy of which is attached hereto as **Exhibit 1**; and the Court having considered the Application and the Turnbull Declaration; and the Court finding that (A) the terms and conditions of Houlihan Lokey’s employment set forth in the Engagement Agreement

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors’ service address is: 150 Verona Street, Rochester, New York 14608.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application or the Engagement Agreement, as applicable.

(including the Fee and Expense Structure) as modified by this Order, are reasonable as required by section 328(a) of the Bankruptcy Code; (B) Houlihan Lokey (i) does not hold or represent an interest adverse to the interest of the estate; and (ii) is a “disinterested person” as that term is defined under section 101(14) of the Bankruptcy Code; (C) the Application and the Turnbull Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; (D) the relief requested in the Application is in the best interests of the Debtors, their estates and creditors; and (E) notice of the Application was due and proper under the circumstances; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby

ORDERED THAT:

1. The Application is granted as set forth in this Order.
2. The Debtors are authorized to retain and employ Houlihan Lokey as their financial advisor and investment banker pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, and Local Rules 2014-1 and 2016-2, effective as of August 23, 2022, on the terms and conditions set forth in the Engagement Agreement and the Application, and are directed to perform their obligations set forth therein, except as expressly modified herein.
3. None of the fees payable to Houlihan Lokey shall constitute a “bonus” or fee enhancement under applicable law.
4. The compensation, fees, and expenses payable to Houlihan Lokey pursuant to the Engagement Agreement, together with the indemnification, reimbursement of expenses, and contribution obligations owed to Houlihan Lokey and any other HL Party under the Engagement Agreement, shall be subject to review only pursuant to the standard of review set forth in section



328(a) of the Bankruptcy Code and shall not be subject to the standard of review set forth in section 330 of the Bankruptcy Code or any other standard of review.

5. Notwithstanding the preceding paragraph, the U.S. Trustee shall retain the right to object to the compensation, fees, and expenses to be paid to Houlihan Lokey pursuant to the Application and the Engagement Agreement, including the Monthly Fee, the Transaction Fee and the Supplemental Transaction Fee, based on the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court shall consider any such objection by the U.S. Trustee under section 330 of the Bankruptcy Code. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the U.S. Trustee to challenge the reasonableness of Houlihan Lokey's compensation, fees, and expenses under the standard set forth in the preceding sentence. Accordingly, nothing in this Order or such record shall constitute a finding of fact or conclusion of law binding the U.S. Trustee, on appeal or otherwise, with respect to the reasonableness of Houlihan Lokey's fees.

6. The Debtors are authorized to compensate and reimburse Houlihan Lokey pursuant to the terms of the Engagement Agreement, subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable orders of this Court.

7. In light of the services to be provided by Houlihan Lokey and the compensation structure in the Engagement Agreement as well as the prepackaged nature of these cases, Houlihan Lokey and its professionals shall be excused from: (i) any requirement to maintain or provide detailed time records in accordance with Bankruptcy Rule 2016(a), Local Rule 2016-2, and the United States Trustee Fee Guidelines; and (ii) conforming with a schedule of hourly rates for its professionals. Instead, notwithstanding that Houlihan Lokey does not charge for its services on an hourly basis, Houlihan Lokey will nonetheless maintain reasonably detailed time records in 0.5

hour increments containing descriptions of those services rendered for the Debtors, and the individuals who provided those services, and will present such records together with its fee applications filed with the Court.

8. To the extent requested in the Application, Houlihan Lokey is granted a waiver with respect to the information requirements contained in Local Rule 2016-2(d).

9. The Debtors shall be bound by the indemnification, contribution, reimbursement and exculpation provisions set forth in the Engagement Agreement, subject during the pendency of these cases to the following:

- a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, the HL Parties for any claims arising from, related to, or in connection with the services to be provided by Houlihan Lokey as specified in the Application, but not for any claim arising from, related to, or in connection with Houlihan Lokey's post-petition performance of any other services (other than those in connection with the engagement), unless such post-petition services and indemnification therefor are approved by this Court;
- b. the Debtors shall have no obligation to indemnify any HL Party, or provide contribution or reimbursement to any HL Party, for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen from such HL Party's bad faith, breach of fiduciary duty (if any), gross negligence, or willful misconduct, (ii) for a contractual dispute in which the Debtors allege the breach of such HL Party's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003), or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which such HL Party is not entitled to receive indemnity, contribution, or reimbursement under the terms of the Engagement Agreement as modified by this Order; and
- c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, any HL Party believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, such HL Party must file an application therefor in this Court, and the Debtors may not pay any such amounts to such HL Party

before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period during which the Court shall have jurisdiction over any request for fees and expenses by HL Parties for indemnification, contribution, or reimbursement, and not as a provision limiting the duration of the Debtors' obligation to indemnify the HL Parties.

10. Notwithstanding any provision in the Engagement Agreement to the contrary, the contribution obligations of the HL Parties shall not be limited to the aggregate amount of fees actually received by Houlihan Lokey from the Debtors pursuant to the Engagement Agreement.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry, notwithstanding the possible applicability of Bankruptcy Rule 6004, 7062, or 9014.

13. The relief granted herein shall be binding upon any chapter 11 trustee appointed in these chapter 11 cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these chapter 11 cases to cases under chapter 7.

14. To the extent that this Order is inconsistent with the Engagement Agreement, the terms of this Order shall govern.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

Dated: October 7th, 2022  
Wilmington, Delaware

  
J. KATE STICKLES  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT C**

**SUMMARY OF HOURS EXPENDED DURING COMPENSATION PERIOD**

## August 23, 2022 through September 28, 2022

Employee	Title	A	B	C	D	E	Total
Andrew Turnbull	Managing Director	4.5	6.0	4.5	3.0	3.5	21.5
Benjamin Ilhardt	Director	21.5	10.5	8.0	4.0	14.0	58.0
Salman Paya	Associate	52.5	9.5	6.5	4.0	9.5	82.0
Clayton Stoker	Associate	76.0	9.5	6.5	4.0	8.0	104.0
Anastasia Kadiyala	Financial Analyst	37.0	5.0	0.5	3.0	24.0	69.5
<b>Total</b>		191.5	40.5	26.0	18.0	59.0	335.0

**Legend**

A	Due Diligence, Analysis and Review
B	Discussions / Correspondence with Debtors and Debtors' Advisors
C	Discussions / Correspondence with Creditors and Creditors' Advisors
D	Court Hearings, Meetings and Associated Preparation Discussions with Parties-in-Interest
E	Administrative

**EXHIBIT D**

**EXPENSE SUMMARY FOR THE COMPENSATION PERIOD FROM AUGUST 23, 2022  
THROUGH AND INCLUDING SEPTEMBER 28, 2022**

# Houlihan Lokey

**Invoice # 90182-15**

**PERSONAL & CONFIDENTIAL**

September 28, 2022

Carestream Health, Inc.  
150 Verona Street  
Rochester, NY 14608

Client # 101291  
Case # 109182

ATTN: Scott Rosa, Chief Financial Officer

**Professional Fees**

Transaction Fee	\$ 5,915,000.00	
Supplemental Transaction Fee	1,750,000.00	
Monthly Fee due on September 2, 2022	100,000.00	
Less: 50% Monthly Fee Credits	<u>(875,000.00)</u>	
Professional Fees Due		\$ 6,890,000.00

**Out of Pocket Expenses**

Ground Transportation	\$ 59.87	
Travel and Overtime Meals	314.16	
Telephone and Data	<u>61.38</u>	
Out of Pocket Expenses Due		\$ 435.41

**TOTAL AMOUNT DUE AND PAYABLE**

**\$ 6,890,435.41**

**PAYMENT DUE UPON RECEIPT**

Please Send Checks To:  
Houlihan Lokey Capital, Inc.  
Accounts Receivable Department  
10250 Constellation Boulevard, 5th Floor  
Los Angeles, California 90067-6802

Wire Transfer Instructions:  
Bank of America  
Wire Transfer ABA #026009593  
ACH ABA #121000358  
fbo Houlihan Lokey Capital, Inc.  
Account #1453120593  
Swift Code (Int'l Wires Only): BOFAUS3N  
Federal ID #95-4024056



<u>Expense Date</u>	<u>Expenditure Category</u>	<u>Invoice Number</u>	<u>Amount</u>	<u>Employee</u>	<u>Explanation</u>
9/6/22	Travel and Overtime Meals	CR00305260	\$ 32.88	Ilhardt, Benjamin	Overtime Dinner
9/13/22	Travel and Overtime Meals	CR00305422	22.08	Paya, Salman	Overtime Dinner
9/14/22	Travel and Overtime Meals	CR00305422	24.67	Paya, Salman	Overtime Dinner
9/6/22	Travel and Overtime Meals	CR00305750	22.77	Kadiyala, Anastasia	Overtime Dinner
9/10/22	Travel and Overtime Meals	CR00305750	24.28	Kadiyala, Anastasia	Overtime Dinner
9/21/22	Travel and Overtime Meals	CR00308098	27.29	Paya, Salman	Overtime Dinner
9/26/22	Travel and Overtime Meals	CR00308098	23.17	Paya, Salman	Overtime Dinner
8/28/22	Travel and Overtime Meals	SL-1853-102	57.75	Multiple	Overtime Dinner
9/27/22	Travel and Overtime Meals	SL-1853-100	79.27	Multiple	Overtime Dinner
<b>Total Travel and Overtime Meals</b>			<b>314.16</b>		
9/13/22	Ground Transportation	CR00305750	29.95	Kadiyala, Anastasia	Overtime Taxi
9/14/22	Ground Transportation	CR00305750	29.92	Kadiyala, Anastasia	Overtime Taxi
<b>Total Ground Transportation</b>			<b>59.87</b>		
9/10/22	Telephone and Data	CR00308630	46.38	Ilhardt, Benjamin	Telecommunication Services
9/7/22	Telephone and Data	CR00305260	15.00	Ilhardt, Benjamin	Telecommunication Services
<b>Total Telephone and Data</b>			<b>61.38</b>		
<b>Grand Total</b>			<b>\$ 435.41</b>		