IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-_____ (___)
Debtor.[1]	)	

MOTION OF THE DEBTOR FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTOR TO (A) PAY CERTAIN PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER COMPENSATION AND (B) MAINTAIN AND HONOR EMPLOYEE MEDICAL AND OTHER BENEFIT PROGRAMS (II) MODIFYING AUTOMATIC STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM; AND (III) GRANTING RELATED RELIEF

Sangamo Therapeutics, Inc., as debtor and debtor in possession (the "**Debtor**") in the above-captioned case, hereby files this motion (the "**Motion**") and respectfully states as follows:

RELIEF REQUESTED

1. By this Motion, the Debtor seeks entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** (the "**Interim Order**") and **Exhibit B** (the "**Final Order**"): (i) authorizing the Debtor to (a) pay, in its sole discretion, all prepetition amounts owed under or related to, among other things, the Compensation Obligations, Reimbursement Obligations, Employee Benefit Programs, and Workers' Compensation (each as defined below and, together with all fees, costs, and expenses incident thereto, collectively, the "**Employee Obligations**") in an amount not to exceed $719,800 on an interim basis and $737,600 on a final basis; (b) maintain and continue to honor its prepetition practices, programs, and policies for its Employees (as

[1] The last four digits of the Debtor's federal tax identification number are 9556. The Debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

defined below) (collectively, the "**Employee Wage and Benefit Programs**") as such Employee Wage and Benefit Programs were in effect as of the date hereof and as such may be modified, amended, or supplemented from time-to-time in the ordinary course of business and pay any related administrative costs and obligations arising thereunder; (ii) modifying the automatic stay if necessary to permit the Employees to proceed with any claims they may have under the Workers' Compensation Program (as defined below); and (iii) granting related relief.

2. The Debtor also requests that the Interim Order and Final Order (a) authorize all applicable banks and other financial institutions (collectively, the "**Banks**"), when requested by the Debtor, to receive, process, honor, and pay any and all checks, drafts, credit card payments, processing fees, and other forms of payment, including fund transfers on account of the Employee Obligations (collectively, the "**Payments**"), whether such Payments were submitted before, on, or after the Petition Date, *provided* that sufficient funds are on deposit in the applicable accounts to cover such Payments, and provide that any such Bank shall not have any liability to any party for relying on such direction by the Debtor; (b) authorize the Banks to rely on any directions and representations of the Debtor as to which Payments are subject to this Motion, and provide that any such Bank shall not have any liability to any party for relying on such directions or representations by the Debtor; (c) authorize, but not direct, the Debtor to issue new postpetition checks or effect new postpetition fund transfers or other new postpetition Payments to replace any checks, drafts, and other forms of payment, including fund transfers, which may be inadvertently dishonored or rejected; and (d) authorize, but not direct, the Debtor to continue in its ordinary course to make Payments and pay certain fees on account of the Employee Obligations.

JURISDICTION AND VENUE

3. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012 (Sleet, C.J.). This is a core proceeding under 28 U.S.C. § 157(b). Venue of this Chapter 11 Case (as defined below) and this Motion is proper in this District under 28 U.S.C. §§ 1408 and 1409.

4. The statutory predicates for the relief requested herein are sections 105(a), 363(b), and 507(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and rules 4001, 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and rule 9013-1(m) of the *Local Rules of the United States Bankruptcy Court for the District of Delaware* (the "**Local Rules**").

5. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final order or judgment with respect to this Motion if it is determined that this Court lacks Article III jurisdiction to enter such final order or judgment absent consent of the parties.

BACKGROUND

6. On June 23, 2026 (the "**Petition Date**"), the Debtor commenced with the United States Bankruptcy Court for the District of Delaware (this "**Court**") a voluntary case under chapter 11 of the Bankruptcy Code (this "**Chapter 11 Case**"). The Debtor continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No creditors' committee has been appointed by the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**"), nor has a trustee or examiner been appointed in this Chapter 11 Case.

7. Additional factual background and information regarding the Debtor, including its business operations, its corporate and capital structure, and the events leading to the commencement of this Chapter 11 Case, are set forth in detail in the *Declaration of Scott B. Willoughby in Support of the Chapter 11 Petition and First Day Motions* (the "**First Day Declaration**"), filed contemporaneously herewith and fully incorporated herein by reference.

DEBTOR'S EMPLOYEES AND EMPLOYEE OBLIGATIONS

I. The Debtor's Employees and Supplemental Workforce

a. The Debtor's Employees

8. As discussed in the First Day Declaration, the Debtor experienced a series of significant workforce reductions in recent years (collectively, the "**RIFs**"). First, as a result of the April 2023 Restructuring, the November 2023 Restructuring, and the France Restructuring, the Company reduced its workforce by approximately 365 roles. Second, prior to the Petition Date, in March 2026, the Company executed a reduction in force (the "**March RIF"),** reducing its workforce by approximately 22 roles and furloughing 14 employees in connection with the Company's ongoing efforts to reduce operating expenses and preserve liquidity, as it continued to evaluate strategic alternatives. Third, shortly before the Petition Date, in connection with its chapter 11 filing and the proposed sale transactions, the Debtor executed an additional reduction in force (the "**Prepetition RIF**") further reducing its workforce from 128 full time employees, 126 of whom were located in the United States and two of whom were located in the United Kingdom, to a group of 77 employees (the "**Employees**") necessary to support essential operations, administer this Chapter 11 Case and support the proposed sale transactions. In addition, certain employees affected by the Prepetition RIF have agreed to transition from full-time employment to

part-time independent contractor arrangements, pursuant to which they will continue to provide services to the Debtor on a limited basis during the pendency of these proceedings.

9. Following the Prepetition RIF, the Debtor's remaining workforce consists solely of those employees who have been specifically identified and selected by Lilly and Astellas in connection with the Lilly Sale and Astellas Sale, respectively, and those employees and independent contractors whom the Debtor identified as necessary to assist with the administration of this Chapter 11 Case.

b. The Supplemental Workforce

10. In addition to the Employees, the Debtor also employs eight independent contractors (the "**Independent Contractors**") and twelve temporary workers (the "**Temporary Workers**," and together with the Independent Contractors, the "**Supplemental Workforce**," and the Supplemental Workforce, together with the Employees, the "**Workforce**"). The Independent Contractors are generally either (i) contracted to provide certain specialized services with respect to a particular product, initiative, or business function, or (ii) were subject to the RIFs and have been contracted to perform certain limited services following their termination as Employees. The Temporary Workers include individuals retained through certain vendors or staffing agency to provide facility operations and certain clinical services in connection with the Debtor's businesses. The Debtor employs the Temporary Workers through certain staffing agencies and remits payments for the Temporary Workers to such staffing agencies who are ultimately responsible for paying the individual Temporary Workers.

11. The Supplemental Workforce is a critical complement to the work performed by the Employees. Accordingly, by this Motion, the Debtor seeks authority to continue to employ the Supplemental Workforce following the Petition Date, pay certain prepetition amounts

outstanding with respect to the Supplemental Workforce, and to employ additional Independent Contractors and Temporary Workers in the ordinary course of business.

II. Employee Obligations

12. Each of the components of the Employee Obligations is described in further detail below. The Debtor's last regular payroll was made on June 12, 2026, which included payment of Employee Obligations through June 6, 2026. In addition, on June 22, 2026, the Debtor made a special payroll of approximately $1.5 million, which included payment of all unpaid wages through June 22, 2026 (the "**Special Payroll**"). The Special Payroll also included all amounts due upon termination to employees affected by the Prepetition RIF, including amounts paid to "cash-out" unused Paid Time Off (as defined below) as required by applicable state law.

13. As a result of the Special Payroll, the Debtor estimates that it owes approximately $737,600 in the aggregate on account of prepetition Employee Obligations as of the Petition Date, approximately $719,800 of which will come due during the period between the Petition Date and the final hearing on this Motion (the "**Interim Period**"). By this Motion, the Debtor is not seeking authority to pay any amount in excess of the statutory priority caps imposed by sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code other than with respect to Paid Time off upon termination if required to be paid under applicable Law. The various components and approximate amounts of Employee Obligations, each of which are discussed in further detail below, are summarized in the following chart.

Category	Prepetition Amount Debtor is Seeking Authority to Pay on Interim Basis	Prepetition Amount Debtor is Seeking Authority to Pay on Final Basis
Compensation Obligations		
Employee Wages	$10,000	$20,000
Bonus Program and Salary Incentive Program	$0	$0

Deductions	$175,000	$175,000
Employer Payroll Taxes	$5,000	$5,000
ADP Service Fees	$10,000	$10,000
Severance Program	$0	$0
Supplemental Workforce Compensation	$110,000	$110,000
Reimbursement Obligations		
Out of Pocket Expenses	$15,000	$15,000
Employee Benefit Programs		
Health Care Plans	$300,000	$300,000
COBRA	$300	$600
Flexible Spending Programs	$1,000	$1,000
Health Savings Account	$25,000	$25,000
Life Insurance Plans and Disability Plans	$12,500	$12,500
401(k) Savings Plan, including 401(k) Provider Service Fees	$42,500	$42,500
Paid Time Off[2]	As required under applicable state law	As required under applicable state law
Other Employee Programs	$7,500	$15,000
Stock Compensation Program	$0	$0
Stock Compensation Fees	$0	$0
Workers' Compensation	$6,000	$6,000
Total Employee Obligations	**$719,800**	**$737,600**

A. Compensation Obligations

14. In the ordinary course of business, the Debtor incurs and pays the following obligations relating to the Employees' wages and salaries (the "**Compensation Obligations**"):

[2] As set forth below, the Debtor estimates that approximately $840,000 of unused Paid Time Off has accrued as of the Petition Date. By this Motion, the Debtor seeks authority to pay any "cash out" amounts due with respect to earned but unused Paid Time Off only as required by applicable law, notwithstanding any prepetition cap on payments authorized to be made in the Interim Period and the priority claim limits set forth in section 507(a)(4) and 507(a)(5).

i. Employee Wages

15. The Employees are paid an annual base salary or on an hourly bases and receive wages bi-weekly (*i.e.*, twenty-six pay periods per year) (the "**Employee Wages**"). Following the RIFs, the Debtor's gross payroll is expected to include approximately $625,000 per pay period on account of Employee Wages.

16. As a result of the Special Payroll, the Debtor does not believe it owes any amounts on account of accrued, but unpaid Employee Wages as of the Petition Date. Nevertheless, out of an abundance of caution, the Debtor seeks authority to pay $20,000 on account of prepetition Employee Wages (including $10,000 during the Interim Period), and to continue paying Employee Wages in the ordinary course of business.

ii. Bonus Program

17. In addition to paying Employee Wages, the Debtor has historically maintained an incentive compensation program for its Employees (the "**Bonus Program**"). Pursuant to the Bonus Program, certain eligible Employees can earn discretionary bonuses calculated as a percentage of their base salary upon the achievement of certain individual and corporate objectives. Certain of the Employees earned bonuses for the 2024 and 2025 performance periods. In order to preserve liquidity, however, the Debtor has not made any payments on account of such bonuses.

18. Additionally, as part of its incentive-based compensation program, the Debtor granted certain employees a deferred merit-based salary increase (the "**Salary Incentive Program**"). Any increase to an employee's base salary under the Salary Incentive Program was to be paid at the sole discretion of the Debtor's compensation committee, and contingent on, among

other things, the Debtor addressing certain liquidity constraints. In order to preserve liquidity, however, the Debtor has not made any payments on account of the Salary Incentive Program.

19. Accordingly, as of the Petition Date, the Debtor believes it owes (i) approximately $9.4 million on account of accrued, but unpaid prepetition amounts under the Bonus Program and (ii) approximately $2.31 million on account of accrued, but unpaid prepetition amounts under the Salary Incentive Program. The Debtor is not seeking authority by this Motion to pay any amounts under the Bonus Program or the Salary Incentive Program, although the Debtor expressly reserves its right to seek such relief in the future.

iii. Gross Pay Deductions, Government Withholding, and Payroll Taxes

20. The Debtor routinely deducts certain amounts from each Employee's gross payroll, including Withholding Taxes (as defined below), deductions payable pursuant to certain of the Employee Benefit Programs (as defined below), such as an Employee's share of medical, dental, and vision insurance premiums, 401(k) elected contributions and loan payments, and certain elected insurance and benefits, and may also be required to deduct for various garnishments (collectively, the "**Deductions**"). The Deductions are taken from the Employees' paychecks and are either remitted by the Debtor to the appropriate third-party recipients or credited to the Debtor's operating account as a reconciliation of amounts pre-paid or to be paid by the Debtor for the Employee Benefit Programs. Following the RIFs, the Debtor expects to deduct approximately $300,000 in Deductions per pay period. The Debtor may not have forwarded certain of the Deductions to the appropriate third-party recipients prior to the Petition Date. Specifically, as of the Petition Date, the Debtor believes there is approximately $175,000 in accrued but unremitted or uncredited amounts on account of Deductions, all of which will be required to be remitted during the Interim Period.

21. The Debtor is required by federal and state law to withhold from Employees' salaries and wages certain amounts related to federal, state, and local income taxes, Social Security taxes, and Medicare taxes (collectively, the "**Withholding Taxes**") and to remit any such withheld amounts to the appropriate taxing authorities. The Debtor is also required to make certain additional payments from its own funds in connection with the Withholding Taxes, which include matching payments on account of Social Security and Medicare taxes and to pay, based on a percentage of gross payroll, additional amounts owed to taxing authorities for, among other things, state and federal unemployment insurance (the "**Employer Payroll Taxes**" and, together with the Withholding Taxes, the "**Payroll Taxes**"). Prior to each payroll payment, the Debtor pre-funds all Payroll Taxes to the Debtor's payroll processor, Automatic Data Processing, Inc. ("**ADP**" or the "**Payroll Processor**"), which remits such amounts to the applicable taxing authority.

22. In the aggregate, Employer Payroll Taxes are expected to total approximately $100,000 per month following the RIFs. As a result of the Supplemental Payroll, the Debtor does not believe any amounts are outstanding with respect to Employer Payroll Taxes. Nevertheless, out of an abundance of caution, the Debtor requests authority to pay up to $5,000 on account of prepetition Employer Payroll Taxes during the pendency of this chapter 11 case (including authority to pay all of such amount during the Interim Period).

23. To the extent any of the Deductions or Payroll Taxes may not have been forwarded to the appropriate third-party recipients, the Debtor seeks authority to forward such prepetition Deductions and Payroll Taxes (and to continue to forward Deductions and Payroll Taxes on a post-petition basis whether or not related to the prepetition period) either directly or through their Payroll Processer, as applicable, in the ordinary course of business and consistent with past practice.

iv. Payroll Services

24. To efficiently manage the processing and payment of the various obligations described above, the Debtor uses ADP in the ordinary course of business to provide payroll processing, tax computation, payment preparation, federal electronic tax depositing, deposit and state tax filing and certain other administrative services related to payroll and employee plans, benefits, policies, and programs. Each payroll period, the Debtor provides ADP with the payroll data and funds necessary to satisfy the Employee Wages and Payroll Taxes via wire transfer prior to the applicable payroll date. The Debtor's payroll manager enters and submits the information to ADP via the online website with respect to all of the payroll obligations owed to the Employees in advance of each pay period, and ADP processes payments to the Employees via check or direct deposit based upon the Employees' elections, as well as to the appropriate third-party recipients of the Payroll Taxes. Accordingly, provided the Debtor adequately provides the payroll data and funds prior to the applicable payroll date, ADP is responsible for ensuring that (i) the Employees are paid on time, (ii) appropriate Deductions are made, (iii) payroll reporting is accurate, and (iv) appropriate amounts are remitted to the applicable taxing authorities and other third-party payees.

25. The Debtor has historically paid ADP approximately $10,000 per month for such services (the "**ADP Service Fees**"), but expects such amount to be reduced as a result of the RIFs. The Debtor also pays ADP approximately $2,500 in January of each year for year-end W-2 and W-3 tax form and filing services. As of the Petition Date, the Debtor believes it owes approximately $10,000 on account of accrued, but unpaid ADP Service Fees, all of which will come due during the Interim Period.

v. Severance Program

26. Prior to the Petition Date, all Employees were eligible to participate in the Debtor's employee severance programs (the "**Severance Programs**"), which included one program for executive level employees and another program for non-executives. Pursuant to the Severance Programs, terminated employees are entitled to receive varying lengths of salary payment along with other benefits, depending upon tenure, seniority, and the conditions of the employee's termination (the "**Severance Obligations**"). All former employees who are entitled to Severance Obligations (the "**Severance Employees**") were required to sign a separation and release agreement and a general waiver and release with the Debtor.

27. As of the Petition Date, the Debtor believes there are 73 Severance Employees, and the Debtor currently has $3.69 million in accrued, but unpaid amounts on account of Severance Obligations (excluding COBRA Reimbursable Expenses (as defined below)). The Debtor is not seeking authority by this Motion to pay any amounts on account of the Severance Obligations relating to prepetition or postpetition terminations of the Severance Employees, although the Debtor expressly reserves its rights to seek such relief in the future.

vi. Supplemental Workforce Compensation

28. As of the Petition Date, the Debtor estimates owing approximately $1.1 million in the aggregate for unpaid prepetition services provided by the Supplemental Workforce and for various fees and other costs owed to the various vendors and staffing agencies (the "**Supplemental Workforce Compensation**"). By this Motion, the Debtor requests authority to pay $110,000 of such prepetition amount, which excludes legacy amounts owing to staffing agencies (the "**Legacy Supplemental Workforce Costs**"). The Debtor expects all of the reduced amount to come due during the Interim Period. If these amounts go unpaid, the Supplemental Workforce may stop

providing their services to the Debtor. Accordingly, the Debtor requests authority, but not direction, to continue to retain and pay the Supplemental Workforce and the vendors and staffing agencies for fees and costs as they become due in the ordinary course of business.

29. In addition, the Debtor expects that it may need to employ additional Independent Contractors and Temporary Workers following the Petition Date, including certain individuals that were subject to the Prepetition RIF. Accordingly, by this Motion, the Debtor requests authority to employ new Independent Contractors and Temporary Workers during the pendency of its chapter 11 case.

B. Reimbursement Obligations

30. In the ordinary course of business, the Debtor reimburses its Employees, or pays on their behalf, certain eligible expenditures incurred while performing their duties for the Debtor (the "**Reimbursement Obligations**"), including expenses incurred out of pocket and using corporate credit cards.

i. Credit Card Obligations

31. In the ordinary course of business, the Debtor maintains corporate credit cards (the "**Corporate Credit Cards**") through Silicon Valley Bank (a division of First Citizens Bank & Trust Company) ("**SVB**"). The Corporate Credit Cards are used by the Debtor's executives and certain senior employees to pay work-related expenses. Obligations owing under the Corporate Credit Cards (the "**Credit Card Obligations**") are paid directly by the Debtor to SVB.[3]

[3] Contemporaneously herewith, the Debtor has filed the *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Continue Use of its Existing Cash Management System, Bank Accounts, Checks, Corporate Credit Cards, and Business Forms, (B) to Pay Related Prepetition Obligations; and (C) to Perform Intercompany Transactions With Its Foreign Non-Debtor Subsidiaries in the Ordinary Course; (II) Extending Time to Comply With 11 U.S.C. § 345(b); and (III) Waiving Compliance With Certain of the U.S. Trustee Guidelines; and (IV) Granting Related Relief* (the "**Cash Management Motion**"). The Debtor is seeking to continue to maintain the Corporate Credit Cards program and to pay prepetition Credit Card Obligations pursuant

ii. Out of Pocket Expenses

32. The Debtor, in the ordinary course of its business, also reimburses Employees for a variety of ordinary, necessary, and reasonable business-related expenses that Employees incur within the scope of their job duties and pay out of pocket without using a Corporate Credit Card (the "**Out of Pocket Expenses**"). These expenses generally include, but are not limited to, actual costs for travel, hotels and lodging, business meals, seminar and industry event registration, certain training and certification, and other business-related expenses. Employees are expected to use sound judgment and good business sense when incurring expenses in line with the Debtor's expense policy or are otherwise required to have such expenses approved by the Debtor's leadership. The Debtor reimburses its Employees for Out of Pocket Expenses after submission and approval of an expense report. As of the Petition Date, the Debtor believes it owes approximately $15,000 on account of accrued, but unpaid Out of Pocket Expenses, all of which will come due during the Interim Period.

C. Employee Benefit Programs

33. In the ordinary course of business, the Debtor maintains various employment benefit plans and policies. These benefit plans and policies fall within the following categories: (i) medical, dental, and vision benefits; (ii) flexible spending accounts; (iii) health savings programs; (iv) life insurance, accidental death and dismemberment ("**AD&D**") insurance, and short-term and long-term disability insurance; (v) 401(k) plan benefits; (vi) paid time off; and (vii) certain other miscellaneous benefits (collectively, the "**Employee Benefit Programs**"). The Employee Benefit Programs are available to all Employees (the "**Eligible Employees**" and, with

to the Cash Management Motion. Accordingly, the Debtor is not seeking to pay Credit Card Obligations by this Motion.

respect to each program they participate in, the "**Program Participants**"). The Debtor expects that following the RIFs, the average cost for the Employee Benefit Programs will be approximately $513,100 per month.

34. As of the Petition Date, the Debtor estimates that there is approximately $396,600 in the aggregate owed on account of prepetition obligations under the Employee Benefit Programs, $388,800 of which is expected to be due and payable during the Interim Period.

35. The Debtor seeks authority, in the exercise of its discretion, to pay prepetition claims (if applicable), to honor obligations, and to continue programs, in the ordinary course of business and consistent with past practice, relating to the Employee Benefit Programs, subject to the Debtor's rights to modify or discontinue any Employee Benefit Program to reduce applicable costs or the benefits provided thereunder.

i. Healthcare Plans

36. Eligible Employees can participate in Employee Benefit Programs providing fully insured medical insurance coverage (the "**Medical Plans**"), dental insurance coverage (the "**Dental Plan**"), and vision insurance coverage (the "**Vision Plan**" and, together with the Medical Plans and Dental Plan, the "**Health Care Plans**") maintained pursuant to a plan in accordance with section 125 of the Internal Revenue Code ("**Section 125**"). The Debtor contributes the majority of the premiums owed under the Health Care Plans, with the Employees paying the balance of the premiums. Pursuant to Section 125, the Eligible Employees can elect to have their portion of the premiums paid via pre-tax amounts.

37. The Medical Plans are provided and administered by Anthem Insurance Companies, Inc. (d/b/a Anthem Blue Cross Blue Shield) ("**Anthem**") and Kaiser Permanente ("**Kaiser**," and together with Anthem, the "**Medical Insurance Providers**"). Employees have the

following options for Medical Plans: an Anthem Exclusive Provider Plan, an Anthem Preferred Provider Plan, an Anthem High-Deductible Plan, a Kaiser Health Maintenance Plan, and a Kaiser High-Deductible Plan. The Debtor's contributions under the Medical Plans are generally remitted to the Medical Insurance Providers on a monthly basis. The Program Participants' contributions are deducted from their payroll payments as reimbursement for the prior pay period. Following the RIFs, premiums for the Medical Plans are expected to total approximately $300,000 per month, $30,000 of which relates to Employee contributions.

38. The Dental Plan is fully insured and administered by Delta Dental ("**Delta Dental**") and is a preferred provider plan. The Debtor's contributions under the Dental Plan are generally remitted to Delta Dental when invoiced. The Program Participants' contributions are deducted from their payroll payments and transferred to the Debtor as reimbursement for the prior pay period. The Dental Plans provide coverage for preventive, basic, and major dental procedures. Following the RIFs, premiums for the Dental Plans are expected to total approximately $30,000 per month, $3,000 of which relates to Employee contributions. Accordingly, following the RIFs, the Debtor expects to pay approximately $27,000 per month for premium payments on account of the Dental Plans.

39. The Vision Plan is fully insured and administered by Vision Service Plan ("**VSP**"). The Debtor's contributions under the Vision Plan are generally remitted to VSP on a monthly basis. The Program Participants' contributions are deducted from their payroll payments and transferred to the Debtor as reimbursement for the prior pay period. Employees have one option for the Vision Plan. Following the RIFs, premiums for the Vision Plans are expected to total approximately $3,000 per month, all of which is paid by the Debtor.

40. In the aggregate, following the RIFs, the Debtor expects to pay approximately $333,000 per month for premiums under the Health Care Plans, which includes the Debtor's contributions of approximately $300,000 and the Program Participants' contributions of approximately $33,000. As of the Petition Date, the Debtor estimates that there is approximately $333,000, in the aggregate, owed on account of prepetition obligations under the Health Care Plans, $33,000 of which are attributed to Employee contributions[4] and $300,000 of which are attributable to Debtor contributions. The Debtor expects all of the amounts attributable to Debtor contributions to be due and payable during the Interim Period.

41. As required under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), the Debtor's Health Care Plans, mental health program, and medical FSA Account are also available to certain former Employees. Any Employee who is enrolled in such plans at the time the Employee's employment is terminated (other than for gross misconduct or whose coverage would end as a result of a reduction in hours so as to no longer qualify) is eligible to continue his or her Health Care Plans for up to eighteen months provided that there are still Employees enrolled to support such plans. If there are no longer active Employees, then the Health Care Plans automatically terminate, and COBRA cannot be offered.

42. In connection with the Severance Program, the Debtor offered certain former employees reimbursement for COBRA covered benefits following their termination (the "**COBRA Reimbursable Expenses**"). As of the Petition Date, the Debtor believes it owes approximately $900,000 on account of accrued but unpaid COBRA Reimbursable Expenses. The

[4] The $33,000 owed on account of Employee contributions to the Health Care Plans is captured in the total Deductions, above. As noted above, out of an abundance of caution, to avoid any disruption to the Health Care Plans the Debtor is seeking authority to pay the full monthly premium for the Health Care Plans.

Debtor does not seek authority to pay the COBRA Reimbursable Expenses pursuant to this Motion, but reserves the right to request such relief in the future.

43. The Debtor's COBRA administration is provided by Wex Inc. ("**Wex**"). The Debtor is required to pay administrative fees to Wex only if an employee makes a COBRA election. As of the Petition Date, the Debtor does not believe it owes any amounts on account of accrued, but unpaid, COBRA administrative costs. Nevertheless, out of an abundance of caution, the Debtor seeks authority to pay up to $600 in prepetition COBRA administrative costs during the pendency of its chapter 11 case, including $300 during the Interim Period.

ii. Flexible Spending Programs

44. The Debtor provides four flexible spending accounts for its Employees (collectively, the "**FSA Programs**"). Two of the FSA Programs allow eligible Employees to contribute pre-tax dollars to an account available for payment of health related expenses that are not covered (in whole or in part) by the Health Care Plans. The program a particular Employee may participate in depends on their Health Care Plan. The third program is a dependent care flexible spending account, into which Employees may contribute pre-tax dollars for payment of eligible expenses, including, without limitation, child care and elder care. The final program allows employees to contribute pre-tax dollars to an account for payment of eligible transit and parking expenses related to work.

45. The FSA Programs are administered through HealthEquity, Inc. ("**HealthEquity**"), or, in the case of the commuter account, Wex. The FSA Programs and are funded entirely by the participating Employees.

46. Following the RIFs, the Debtor expects to spend approximately $1,000 per month in administrative costs associated with the FSA Programs. As of the Petition Date, the Debtor

believes it owes approximately $1,000 on account of prepetition accrued but unpaid administrative costs in connection with the FSA Programs, all of which will become due and payable during the Interim Period.

iii. Health Savings Account

47. The Debtor also provides Employees enrolled in certain of the Health Care Plans with the option to participate in a tax-advantaged health savings account (the "**HSA Plan**"). Under the HSA Plan, eligible Employees have the ability to contribute a portion of their pre-tax compensation to a health savings account to pay for qualified out-of-pocket health care expenses for the Employee and qualified dependents. In addition, the Debtor makes certain contributions in connection with the HSA Plan on the Employees' behalf. The HSA Accounts are administered by Optum Bank ("**Optum**"), and the Debtor pays certain fees to Optum in connection with the HSA Plan (the "**Optum Fees**").

48. HSA Plan contributions are deposited by the Debtor into a designated account maintained by Optum (the "**HSA Accounts**"). Employees who elect to participate in the HSA Plan designate a certain amount per month to be withheld from their payroll as a Deduction. In addition to contributions made by Employees, the Debtor contributes to the Employee's HSA Accounts up to $3,750 per year. Following the RIFs, the Debtor expects to spend approximately $25,000 per month in connection with the HSA Plan (including Optum Fees). As of the Petition Date, the Debtor estimates that there is approximately $25,000 owed on account of prepetition obligations in connection with the HSA Plan (including Optum Fees), all of which is expected to become due and payable during the Interim Period.

iv. Life Insurance Plans, Accident and Illness Insurance and Disability Plans

49. The Debtor provides Eligible Employees with basic life and AD&D insurance coverage, in each case equal to two times the Employees' annual earnings up to $500,000 (the "**Life Insurance Plan**"), at no cost to the Employees. The Employees can also elect to purchase additional voluntary life and AD&D insurance coverage plans (the "**Supplemental Life Insurance Plans**") for themselves and their children and spouses. The Supplemental Life Insurance Plans include coverage equal to a maximum of $500,000 per Employee, a maximum of $250,000 for spouses, and a maximum of $10,000 for children. The Employees pay 100% of the premiums for all elected coverage under the Supplemental Life Insurance Plans. The Life Insurance Plans are provided by the Guardian Life Insurance Company of America ("**Guardian**") and all Employees are eligible.

50. The Debtor also provides all Employees with long-term disability coverage (the "**Long-Term Disability Plan**"). The Long-Term Disability Plan is provided by Guardian. When a valid claim is made, the Long-Term Disability Plan provides 60% of the claimant's monthly salary, up to a maximum payment of $15,000 per month, per Employee. The Debtor pays for 100% of the monthly premium payments or the Long-Term Disability Plan, with no contribution from the Employees.

51. Additionally, the Debtor also provides all Employees with short-term disability coverage (the "**Short-Term Disability Plan**") through Guardian. The Debtor pays for 100% of the monthly premium payments for the Short-Term Disability Plan, with no contribution from the Employees.

52. Following the RIFs, the Debtor expects to pay approximately $12,500 monthly in premiums in connection with the Life Insurance Plans, the Long-Term Disability Plan and the Short-Term Disability Plan. The Debtor also expects $2,500 per month to be withheld from

Employees in connection with the Supplemental Life Insurance Plans. As of the Petition Date, the Debtor estimates that there is approximately $12,500, in the aggregate, owed on account of prepetition obligations under the Life Insurance Plan, the Long-Term Disability Plan and the Short-Term Disability Plan, all of which is expected to come due during the Interim Period. In addition, the Debtor expects $2,500 is outstanding on account of employee contributions with respect to the Supplemental Life Insurance Plans.[5]

v. 401(k) Savings Plan

53. The Debtor maintains a defined contribution plan for the benefit of all Employees meeting the requirements of section 401(a) and 401(k) of the Internal Revenue Code (the "**401(k) Savings Plan**"). All Employees are eligible to participate in the 401(k) Savings Plan. In total, the 401(k) Savings Plan has 672 total participants comprised of current and former employees of the Debtor, 247 of which have amounts currently invested. The 401(k) Savings Plan held approximately $42 million in contributions as of June 8, 2026.

54. The 401(k) Savings Plan is primarily funded with withholdings from Employee wages and salaries. The 401(k) Savings Plan is implemented pursuant to the Employee Retirement Income Security Act of 1974 ("**ERISA**") and the Employees contribute to the 401(k) Savings Plan on a pre-tax and/or post-tax basis. The Debtor matches 100% of the Employees' contributions up to the first $5,000 of eligible earnings, subject to regulations of the Internal Revenue Service. Under the 401(k) Savings Plan, the Debtor's matching contribution is made each pay period. The Debtor and Fidelity periodically reconcile amounts paid on account of 401(k) contributions

[5] The $2,500 owed on account of Employee contributions with respect to Supplemental Life Insurance is captured in the total Deductions, above.

(including contributions made to a 401(k) plan administered by a newly hired Employee's former employer) and make any necessary reconciliation payments (the "**True-Up**").

55. Employees can request and receive distributions under the 401(k) Savings Plan after their employment with the Debtor has ended. Further, active Employees may request a hardship distribution, which will be paid if the request satisfies certain criteria.

56. The 401(k) Savings Plan is not guaranteed, but it does have a liability policy as required under ERISA. The liability policy insures against losses to the 401(k) Savings Plan caused by fraud or dishonesty of the administrators of the 401(k) Savings Plan.

57. To efficiently manage the 401(k) Savings Plan, the Debtor employs Fidelity Investments ("**Fidelity**") in the ordinary course of business, and Fidelity sub-contracts with Retirement DNA ("**Retirement DNA**") to handle the day-to-day administration of the 401(k) Savings Plan. In connection with such administration services, each quarter, the Debtor pays Fidelity and Retirement DNA certain service fees (the "**401(k) Provider Service Fees**").

58. Following the RIFs, the Debtor expects to pay approximately $85,000 per month in Debtor contributions and 401(k) Provider Fees in connection with the 401(k) savings plan. As of the Petition Date, the Debtor estimates that there is approximately $42,500 in the aggregate, owed on account of prepetition Debtor obligations under the 401(k) Savings Plan, all of which the Debtor expects to come due and payable during the Interim Period. The Debtor seeks authority to continue to honor its obligations under the 401(k) Savings Plan, the True-Up and the 401(k) Provider Service Fees in the ordinary course of business.

vi. Paid Time Off

59. In the ordinary course of business, the Debtor provides paid time off ("**Paid Time Off**") to Employees, which may be used for any reason. Paid Time Off generally accrues at

specified rates based on the Employee's length of service, though some senior employees received unlimited Paid Time Off that they may use at their discretion. Accrued Paid Time Off is capped at 240 hours and is "cashed out" upon termination. The Debtor does not cash out paid time off for senior employees that have unlimited Paid Time Off.

60. The Debtor estimates that approximately $840,000 of unused Paid Time Off that may be eligible for payout has accrued as of the Petition Date. By this Motion, the Debtor seeks authority to (i) pay any "cash out" amounts due with respect to earned but unused Paid Time Off only as required by applicable law and (ii) to continue administering its Paid Time Off policy in the ordinary course of business.

61. In addition, the Debtor provides certain other forms of paid leave (together with Paid Time Off, the "**Paid Leave**") to Employees, including non-statutory sick pay, paid holidays, family leave, bereavement leave and other forms of Paid Leave, many of which are required by U.S. law. These other forms of Paid Leave do not involve incremental cash outlays beyond standard payroll obligations.

vii. Other Employee Programs

62. In addition to the foregoing, the Debtor has certain other practices, programs, and policies that provide benefits to its Employees, including onsite gym access, mental health benefits, cell phone allowances, health and wellness expense reimbursements, legal services benefits, education and other miscellaneous programs (the "**Other Employee Programs**"). The Debtor intends to continue and honor such practices, programs, and policies after the Petition Date, and such practices, programs, and policies may be modified, amended, or supplemented from time to time in the ordinary course of the Debtor's business.

63. Following the RIFs, the Debtor expects to pay approximately $15,000 total monthly for the Other Employee Programs. As of the Petition Date, the Debtor estimates that there is approximately $7,500 owed on account of prepetition obligations under the Other Employee Programs, all of which is expected to be due and payable during the Interim Period.

viii. Stock Compensation Plans

64. The Debtor also maintains certain stock-based compensation programs whereby certain of the Debtor's employees may receive equity awards in the form of stock options (the "**Stock Options**") or restricted stock units ("**RSUs**"). The Debtor has also historically maintained an employee stock purchase plan[6] (the "**Employee Stock Purchase Plan**", and together with the Stock Options and RSUs, the "**Stock Compensation Plans**"). As of December 31, 2025, a total of 34.1 million shares of common stock of the Debtor are authorized for issuance under the Stock Compensation Plans. The Debtor is not seeking authority under this Motion to make any further equity awards under the Stock Compensation Plans or to implement new stock-based compensation plans, but reserves the right to seek such authority at a later date.

65. In certain states, the Debtor is required to withhold and remit the requisite taxes that result from an Employee's exercise of a Stock Option. Any such taxes are the responsibility of the Employee and are simply withheld by the Debtor and remitted to the appropriate taxing authority. The Debtor seeks authority to continue to remit such taxes, as required by applicable

[6] Pursuant to the Employee Stock Purchase Program, eligible Employees were granted a right to purchase shares of the Debtor's common stock at a reduced rate. On or about May 31, 2026, the Employee Stock Purchase Program was suspended, and on June 12, 2026 amounts that were paid by Employes or that were deducted from their compensation in connection with the Employee Stock Purchase Program, but not yet used to purchase shares of stock, were returned to the Employees. Accordingly, the Debtor believes there are no amounts currently owing to the Employees in connection with the Employee Stock Purchase Program.

state law. The amount of such taxes, however, depends upon the value of the Debtor's stock at the time of exercise and therefore cannot be estimated.

66. Certain of the Stock Compensation Plans are administered by Equity Edge Online through E*Trade (the "**Stock Compensation Plan Administrator**"). The Stock Compensation Plan Administrator provides the Debtor with critical back-office and accounting support related to certain of the Stock Compensation Programs, which the Debtor believes would be difficult to replace. Historically, the Debtor has paid approximately $6,000 per month to the Stock Compensation Plan Administrator (the "**Stock Compensation Fees**"). The Debtor estimates that no accrued but unpaid obligations on account of the Stock Compensation Fees are outstanding as of the Petition Date.

D. Workers' Compensation

67. The Debtor maintains required statutory workers' compensation insurance in each of the states in which it operates at no cost to Employees (collectively, the "**Workers' Compensation Program**").

68. As part of the Workers' Compensation Program, the Debtor maintains a policy (the "**Workers' Compensation Policy**") with Chubb Limited ("**Chubb**"). The Workers' Compensation Policy covers (i) workers' compensation and (ii) employer liability for accident and disease. The premium for the Workers' Compensation Policy is approximately $35,000 per year.

69. The Debtor currently does not have any employees on leave under the Workers' Compensation Program. The Debtor believes that, as of the Petition Date, there is one open claim made under the Workers' Compensation Policy (together with any other claims that may be made in connection with the Workers' Compensation Policy, the "**Workers' Compensation Claims**").

70. As of the Petition Date, the Debtor believes it owes $6,000 on account of accrued but unpaid obligations under the Workers' Compensation Program, all of which is expected to come due during the Interim Period.

71. It is critical that the Debtor be permitted to continue its Workers' Compensation Program because alternative arrangements for workers' compensation coverage would most certainly be more costly, and the failure to provide coverage may subject the Debtor and/or its officers to severe penalties. To facilitate the ordinary course handling of Workers' Compensation Claims, the Debtor further requests authority, in its sole discretion, to lift the automatic stay of section 362 of the Bankruptcy Code to allow Workers' Compensation Claims to proceed under the Workers' Compensation Program and to allow the Debtor, and/or Chubb to negotiate, settle and/or litigate Workers' Compensation Claims, and pay resulting amounts, whether such claims arose before or after the Petition Date.

BASIS FOR RELIEF

I. Certain Employee Obligations Are Entitled to Priority Treatment

72. Under section 507(a)(4)(A) of the Bankruptcy Code, claims of employees against a debtor for "wages, salaries, or commissions, including vacation, severance, and sick leave pay," that are "earned within 180 days before" the date on which a debtor's chapter 11 case is commenced are afforded priority unsecured status up to $17,150 per individual. Similarly, section 507(a)(5) of the Bankruptcy Code provides that employees' claims for contribution to certain employee benefit plans are also afforded priority unsecured status to the extent of $17,150 per employee covered by such plans, less any amount paid pursuant to section 507(a)(4) of the Bankruptcy Code.

73. The Debtor believes that a substantial portion of the Employee Obligations constitute priority claims under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code. As

priority claims, such Employee Obligations must be paid in full before any general unsecured obligations of the Debtor may be satisfied. Additionally, the Employer Payroll Taxes generally give rise to priority claims under section 507(a)(8) of the Bankruptcy Code and, therefore, payment of such obligations would not prejudice other creditors. Accordingly, the relief requested herein likely may affect only the timing of the payment of a substantial portion of the Employee Obligations and should not prejudice the rights of the Debtor's general unsecured creditors.

II. Payment of Certain Employee Obligations and Maintenance of Certain Employee Benefit Programs Are Required by Law

74. The Debtor also seeks authority to pay the Deductions and the Payroll Taxes to the appropriate entities. These amounts principally represent Employee earnings that governments, Employees, and judicial authorities have designated for deduction from the Employees' paychecks. Indeed, certain Deductions, including contributions to the Employee Benefit Programs, are not property of the Debtor's estate because they have been withheld from the Employees' paychecks on another party's behalf. *See* 11 U.S.C. § 541(b). Further, federal and state laws require the Debtor and its officers to make certain tax payments that have been withheld from its Employees' paychecks. *See* 26 U.S.C. §§ 6672 and 7501(a); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95-97 (3d Cir. 1994) (finding that state law requiring a corporate debtor to withhold city income tax from its employees' wages created a trust relationship between the debtor and the city for payment of withheld income taxes); *DuCharmes & Co., Inc. v. State of Mich.* (*In re DuCharmes & Co.*), 852 F.2d 194, 196 (6th Cir. 1988) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the Deductions and the Payroll Taxes are not property of the Debtor's estate, the Debtor requests that the Court authorize it to transmit such amounts to the proper parties in the ordinary course of business.

III. The Payment of Employee Obligations Also Is Warranted under Sections 105(a) and 363(b) of the Bankruptcy Code and the Doctrine of Necessity

75. Section 363(b) of the Bankruptcy Code provides, in relevant part, that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under section 363(b) of the Bankruptcy Code, a court may authorize a debtor to pay certain prepetition claims if a sound business purpose exists for so doing. *See In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (requiring that the debtor show a "sound business purpose" to justify its actions under section 363 of the Bankruptcy Code); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). Moreover, if "the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that "[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task").

76. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein under the doctrine of necessity. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title."

77. Under section 105(a) and the doctrine of necessity, the bankruptcy court may exercise its broad grant of equitable powers to permit the payment of prepetition obligations when such payment is essential for the orderly administration of the debtor's chapter 11 case. *See, e.g.*, *In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code provides a statutory basis for the payment of prepetition claims under the

doctrine of necessity and noting that "[t]he Supreme Court, the Third Circuit and the District of Delaware all recognize the court's power to authorize payment of prepetition claims when such payment is necessary"); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (confirming that the doctrine of necessity is the standard in the Third Circuit for enabling a court to authorize the payment of prepetition claims prior to the confirmation of a reorganization plan).

78. The relief requested by this Motion represents a sound exercise of the Debtor's business judgment, is necessary to avoid immediate and irreparable harm to the Debtor's estate, and is justified under sections 105(a) and 363(b) of the Bankruptcy Code. Authorizing the Debtor to pay prepetition wages, employee benefits, and similar items will benefit the Debtor's estate and its creditors by allowing the Debtor to maintain the status quo while administering its chapter 11 case. Further, as set forth above, the Debtor's remaining Workforce is critical to the Debtor's chapter 11 sale efforts and maximizing recoveries for its estate and creditors. Indeed, many of the Employees and certain members of the Supplemental Workforce possess key institutional knowledge regarding the Debtor's products and, as such, have been identified by a potential purchaser as targets expected to be onboarded by such buyer in connection with a sale.

79. Failure to satisfy the prepetition obligations set forth herein will jeopardize Workforce morale and loyalty. The majority of the Debtor's Workforce rely exclusively on their compensation and benefits to satisfy their daily living expenses. These individuals will be exposed to significant financial difficulties and other distractions if the Debtor is not permitted to honor its Compensation Obligations and obligations related to the Employee Benefit Plans. Furthermore, if the Court does not authorize the Debtor to honor its various obligations under the Health Care Plans, Life Insurance Plans, the Long-Term Disability Plan or the Short-Term Disability Plan, the

Employees will not receive appropriate coverage and, thus, may become obligated to pay certain health care and related claims. The loss of such coverage will result in considerable anxiety for the Employees (and likely attrition) at a time when the Debtor needs such Employees to perform their jobs, maintain the status quo, and assist with the sale process and execution of the Debtor's chapter 11 strategy.

80. Indeed, without the relief requested herein being granted, the Debtor's Workforce may seek alternative opportunities. The loss of Employees and Supplemental Workforce, who have critical historical information about the Debtor's key products and past operations, would deplete the Debtor's already lean workforce, thereby hindering the Debtor's ability to orderly administer its chapter 11 case and sale process. Such disruption may be value destructive and prolong this chapter 11 case, to the detriment of the Debtor's creditors.

IV. The Automatic Stay Should be Modified for Workers' Compensation Claims

81. Section 362(a)(1) of the Bankruptcy Code operates to stay:

> the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title . . . .

11 U.S. C. § 362(a)(1). Section 362(d)(1), however, permits a debtor or other party in interest to request a modification or termination of the automatic stay for "cause." 11 U.S.C. § 362(d)(1).

82. Pursuant to section 362(d) of the Bankruptcy Code, the Debtor seeks authority to modify the automatic stay to permit employees who hold Workers' Compensation Claims to proceed with such claims in the appropriate judicial or administrative forum and waive corresponding notice requirements under Bankruptcy Rule 4001(d). The Debtor further requests

that any recovery on account of such claims be limited solely to the proceeds under the Debtor's General Workers' Compensation Policy and proceeds from non-Debtor sources.

83. There is cause to modify the automatic stay because staying the Workers' Compensation Claims could result in employee departures or otherwise harm employee morale at a time when the Debtor needs to stabilize its businesses. Unnecessary distractions—or worse, heavy attrition—could jeopardize the Debtor's chapter 11 case and result in irreversible harm to the Debtor's businesses. Accordingly, the Debtor requests that the Court modify the automatic stay as it relates to valid Workers' Compensation Claims to allow employees holding any such claims to pursue resolution and collection in accordance with the Workers' Compensation Policy and any other non-Debtor sources.

V. The Court Should Authorize the Banks to Honor and Pay Checks Issued and Electronic Funds Transferred Made to Pay Employee Obligations

84. The Debtor further requests that the Court authorize and direct the Banks to process, honor, and pay any and all checks drawn or electronic funds transfers made relating to the Employee Obligations, whether such checks were presented or electronic funds transfers were initiated before or after the Petition Date. The Debtor has the ability to identify those checks or wire transfer requests that relate to an authorized payment of Employee Obligations. As such, the Debtor believes that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. The Debtor also seeks authority to issue new postpetition checks or effect new electronic fund transfers on account of Employee Obligations to replace any prepetition checks or electronic fund transfer requests that may be dishonored or rejected as a result of the commencement of the Debtor's Chapter 11 Case.

RESERVATION OF RIGHTS

85. The Debtor reserves all rights. Without limiting the generality of the foregoing, nothing contained herein is or should be construed as: (a) an admission as to the validity, extent, perfection, priority, allowability, or enforceability of any particular claim against the Debtor; (b) a waiver of the Debtor's or any third party's rights to dispute the amount of, basis for, or validity of any claim against the Debtor; (c) a promise to pay any claim; (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and nothing herein otherwise affects the Debtor's rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease with any party subject to this Motion; (f) granting third-party beneficiary status or bestowing any additional rights on any third party; or (g) being otherwise enforceable by any third party. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtor's rights to subsequently dispute such claim.

IMMEDIATE RELIEF IS NECESSARY TO AVOID IMMEDIATE AND IRREPARABLE HARM

86. Bankruptcy Rule 6003(a) provides that "[u]nless relief is need to avoid immediate and irreparable harm, the court must not, within 21 days after the petition is filed, grant an application or motion to . . . use, sell, or lease," or otherwise "incur any other obligation regarding property of the estate. . . ." Fed. R. Bankr. P. 6003. Further, Bankruptcy Rule 4001(a) provides that "[r]elief from a stay under § 362(a) . . . may be granted without prior notice only if . . . specific facts . . . clearly demonstrate that the movant will suffer immediate and irreparable injury . . . ." For all the reasons set forth herein, if the Debtor is not authorized to pay the Employee Obligations,

immediate and irreparable harm might be caused to the Debtor's estate. Thus, the interim relief requested herein is consistent with Bankruptcy Rules 4001 and 6003. Accordingly, the Debtor submits that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rules 4001 and 6003 are satisfied.

WAIVER OF BANKRUPTCY RULES 4001(a), 6004(a) AND 6004(h)

87. To implement the foregoing successfully, the Debtor requests that the Court find that notice of this Motion is adequate under Bankruptcy Rule 6004(a) under the circumstances, and waive the stay imposed by Bankruptcy Rules 4001(a) and 6004(h). As described above, and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor. Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the stay imposed by Bankruptcy Rules 4001(a) and 6004(h), to the extent such notice requirements and such stay apply.

NOTICE

88. The Debtor has provided notice of this motion to the following parties or their respective counsel: (i) the U.S. Trustee; (ii) the holders of the twenty largest unsecured claims against the Debtor; (iii) counsel to the DIP Lender; (iv) the Internal Revenue Service; (v) the Securities and Exchange Commission; (vi) the United States Attorney's Office for the District of Delaware and all other states in which the Debtor operates; (vii) the United States Food and Drug Administration; (viii) the Banks; (ix) ADP; (x) Anthem; (xi) Kaiser; (xii) Delta Dental; (xiii) VSP, (xiv) Wex; (xv) HealthEquity; (xvi) Guardian; (xvii) Optum, (xviii) Fidelity; (xix) E*Trade; (xx) Chubb; and (xxi) all other parties entitled to notice pursuant to Local Rule 9013-1(m). The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

89. No previous request for the relief sought herein has been made by the Debtor to this Court or any other court.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that the Court grant the relief requested in this Motion, the Interim Order, the Final Order, and such other and further relief as is just and proper.

Dated: June 23, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Amanda R. Steele

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Proposed Counsel for the Debtor and Debtor in Possession

EXHIBIT A

Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-_____ (___)
Debtor.[1]	)	**Re: Docket No. __**

INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO (A) PAY CERTAIN PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER COMPENSATION AND (B) MAINTAIN AND HONOR EMPLOYEE MEDICAL AND OTHER BENEFIT PROGRAMS; (II) MODIFYING AUTOMATIC STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**")[2] of the Debtor for entry of an interim order (this "**Interim Order**") (i) authorizing the Debtor to (a) pay prepetition wages, salaries, benefits and other compensation, taxes, withholdings, and related costs and (b) pay and honor obligations relating to employee health care, life insurance, and other benefits programs on a post-petition basis, (ii) modifying the automatic stay if necessary to permit the Debtor's employees to proceed with any claims they may have under the Workers Compensation Program, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper

[1] The last four digits of the debtor's federal tax identification number are 9556. The debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

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

before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided under the circumstances and in accordance with the Bankruptcy Rules and the Local Rules, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "**Hearing**"); and upon consideration of the First Day Declaration and the record of the Hearing; and the Court having determined that the relief sought in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate, as contemplated by Bankruptcy Rule 6003, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.

2. The Debtors are authorized, but not directed, to (i) pay, in their sole discretion, all prepetition obligations on account of the Debtor's Compensation Obligations, Reimbursement Obligations, and Employee Benefit Programs in an aggregate amount not to exceed $719,800 (plus any amounts necessary to "cash out" Paid Time Off if required under applicable law) without further order of this Court, (ii) maintain and continue the Employee Wage and Benefit Programs as such were in effect as of the Petition Date and as such may be modified, amended, or supplemented from time-to-time in the ordinary course of business, and (iii) honor any related administrative costs and obligations arising thereunder. Notwithstanding the foregoing, the Debtor shall not pay any Legacy Supplemental Workforce Costs without further order of the Court.

3. For the avoidance of doubt, the Debtor is authorized, but not directed, to pay all processing and administrative fees associated with and all costs and expenses incidental to payment of the Employee Obligations.

4. The Debtor is authorized to employ additional Independent Contractors and Temporary Workers in the ordinary course of business.

5. Notwithstanding any other provision of this Interim Order, nothing in this Interim Order shall authorize the Debtor to make any payment to or on behalf of any Employee, Independent Contractor or Temporary Worker on account of wages and other compensation obligations in excess of the statutory caps set forth in sections 507(a)(4) and (5) of the Bankruptcy Code. The Debtor is not authorized to "cash out" unpaid Paid Time Off upon termination/resignation of an Employee in excess of the caps provided by sections 507(a)(4) and (5) of the Bankruptcy Code unless applicable state law requires such payment.

6. Nothing in this Interim Order authorizes any payment subject to section 503(c) of the Bankruptcy Code including, for the avoidance of doubt, payment of any bonus or severance obligations to or on behalf of any "insider" (as defined by section 101(31) of the Bankruptcy Code).

7. The automatic stay is modified solely to the extent necessary to permit the Debtor's employees to proceed with any valid Workers' Compensation Claims they may have under the Workers' Compensation Program, and to allow the Debtor, Chubb, and/or third party administrators to negotiate, settle, and/or litigate such claims and pay resulting amounts, whether such claims arose before or after the Petition Date, provided that any recovery on account of such claims is limited solely to the proceeds under the Debtor's applicable Workers' Compensation Program and proceeds from non-Debtor sources that do not have any recourse against the Debtor.

8. The Banks are authorized, when requested by the Debtor in its sole discretion, to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers on account of the Employee Obligations (collectively, the "**Payments**") whether

such Payments were submitted before, on, or after the Petition Date, *provided* that sufficient funds are on deposit in the applicable accounts to cover such Payments. Each of the Banks is authorized to rely on any directions and representations of the Debtor as to which Payments should be honored and paid in respect of the Employee Obligations pursuant to the Motion and this Interim Order, and any such Bank shall not have any liability to any party for relying on such directions or representations by the Debtor as provided in this Interim Order. The Debtor is authorized to issue new postpetition checks or effect new postpetition fund transfers or other new postpetition Payments to replace any checks, drafts, and other forms of payment, including fund transfers, which may have been inadvertently dishonored or rejected.

9. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with any orders, as applicable, authorizing or approving any postpetition debtor-in-possession financing or use of cash collateral for the Debtor (such orders, the "**DIP Order**") and any budget in connection with any such postpetition debtor-in-possession financing or use of cash collateral authorized therein. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

10. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (a) an admission as to the validity, extent, perfection, priority, allowability, or enforceability of any claim or any security interest which purportedly secures such claim, or other asserted right or obligation, or a waiver or other limitation on the Debtor's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a waiver of the Debtor's or any

appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtor; (c) a promise to pay any claim; (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and nothing herein otherwise affects the Debtor's rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease with any party subject to this Interim Order; (f) granting third-party beneficiary status or bestowing any additional rights on any third party; or (g) being otherwise enforceable by any third party. Without limiting the generality of the foregoing, nothing in the Motion or this Interim Order nor any payment of any Employee Obligations pursuant to this Interim Order shall be construed as impairing the Debtor's right to contest the validity, priority, or amount of any Employee Obligations and all of the Debtor's rights with respect thereto are hereby reserved.

11. The requirements of Bankruptcy Rule 6003(b) are satisfied.

12. Under the circumstances of this Chapter 11 Case, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

13. Notwithstanding Bankruptcy Rules 4001(a)(3) and 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

14. The deadline by which objections to entry of the Final Order on the Motion must be filed is _____, 2026 at ____ __.m. (Eastern Time). The Final Hearing, if required, will be held on _____, 2026 at ____ __.m. (Eastern Time).

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

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

EXHIBIT B

Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-_____ (___)
Debtor.[1]	)	**Re: Docket Nos. __ & ___**

FINAL ORDER (I) AUTHORIZING THE DEBTOR TO (A) PAY CERTAIN PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER COMPENSATION AND (B) MAINTAIN AND HONOR EMPLOYEE MEDICAL AND OTHER BENEFIT PROGRAMS; (II) MODIFYING AUTOMATIC STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**")[2] of the Debtor for entry of a final order (this "**Final Order**"), (i) authorizing the Debtor to (a) pay prepetition wages, salaries, benefits and other compensation, taxes, withholdings, and related costs and (b) pay and honor obligations relating to employee health care, life insurance, and other benefits programs on a post-petition basis, (ii) modifying the automatic stay if necessary to permit the Debtor's employees to proceed with any claims they may have under the Workers Compensation Programs, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* for the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.); and consideration of the Motion and the relief

[1] The last four digits of the debtor's federal tax identification number are 9556. The debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

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

requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due, sufficient, and proper notice of the Motion having been provided and in accordance with the Bankruptcy Rules and the Local Rules, and it appearing that no other or further notice need be provided; and a hearing, if any, having been held to consider the relief requested in the Motion (the "**Hearing**"); and upon consideration of the First Day Declaration and the record of the Hearing, if any, and all of the proceedings had before the Court; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein. Any objections or reservations of rights filed in respect of the Motion not otherwise withdrawn or resolved are overruled.

2. The Debtors are authorized, but not directed, to (i) pay, in their sole discretion, all prepetition obligations on account of the Debtor's Compensation Obligations, Reimbursement Obligations, and Employee Benefit Programs in an aggregate amount not to exceed $737,600 (plus any amounts necessary to "cash out" Paid Time Off if required under applicable law) without further order of this Court, (ii) maintain and continue the Employee Wage and Benefit Programs as such were in effect as of the Petition Date and as such may be modified, amended, or supplemented from time-to-time in the ordinary course of business, and (iii) honor any related administrative costs and obligations arising thereunder. Notwithstanding the foregoing, the Debtor shall not pay any Legacy Supplemental Workforce Costs without further order of the Court.

3. For the avoidance of doubt, the Debtor is authorized, but not directed, to pay all processing and administrative fees associated with and all costs and expenses incidental to payment of the Employee Obligations.

4. The Debtor is authorized to employ additional Independent Contractors and Temporary Workers in the ordinary course of business.

5. Notwithstanding any other provision of this Final Order, nothing in this Final Order shall authorize the Debtor to make any payment to or on behalf of any Employee, Independent Contractor or Temporary Worker on account of wages and other compensation obligations in excess of the statutory caps set forth in sections 507(a)(4) and (5) of the Bankruptcy Code. The Debtor is not authorized to "cash out" unpaid Paid Time Off upon termination/resignation of an Employee in excess of the caps provided by sections 507(a)(4) and (5) of the Bankruptcy Code unless applicable state law requires such payment.

6. Nothing in this Final Order authorizes any payment subject to section 503(c) of the Bankruptcy Code including, for the avoidance of doubt, payment of any bonus or severance obligations to or on behalf of any "insider" (as defined by section 101(31) of the Bankruptcy Code).

7. The automatic stay is modified solely to the extent necessary to permit the Debtor's employees to proceed with any valid Workers' Compensation Claims they may have under the Workers' Compensation Program, and to allow the Debtor, Chubb, and/or third party administrators to negotiate, settle, and/or litigate such claims and pay resulting amounts, whether such claims arose before or after the Petition Date, provided that any recovery on account of such claims is limited solely to the proceeds under the Debtor's applicable Workers' Compensation Program and proceeds from non-Debtor sources that do not have any recourse against the Debtor.

8. The Banks are authorized, when requested by the Debtor in its sole discretion, to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers on account of the Employee Obligations (collectively, the "**Payments**") whether such Payments were submitted before, on, or after the Petition Date, *provided* that sufficient funds are on deposit in the applicable accounts to cover such Payments. Each of the Banks is authorized to rely on any directions and representations of the Debtor as to which Payments should be honored and paid in respect of the Employee Obligations pursuant to the Motion and this Final Order, and any such Bank shall not have any liability to any party for relying on such directions or representations by the Debtor as provided in this Final Order. The Debtor is authorized to issue new postpetition checks or effect new postpetition fund transfers or other new postpetition Payments to replace any checks, drafts, and other forms of payment, including fund transfers, which may have been inadvertently dishonored or rejected.

9. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with any orders, as applicable, authorizing or approving any postpetition debtor-in-possession financing or use of cash collateral for the Debtor (such orders, the "**DIP Order**") and any budget in connection with any such postpetition debtor-in-possession financing or use of cash collateral authorized therein. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

10. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as: (a) an admission as to the validity, extent, perfection, priority, allowability, or enforceability of

any claim or any security interest which purportedly secures such claim, or other asserted right or obligation, or a waiver or other limitation on the Debtor's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a waiver of the Debtor's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtor; (c) a promise to pay any claim; (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and nothing herein otherwise affects the Debtor's rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease with any party subject to this Final Order; (f) granting third-party beneficiary status or bestowing any additional rights on any third party; or (g) being otherwise enforceable by any third party. Without limiting the generality of the foregoing, nothing in the Motion or this Final Order nor any payment of any Employee Obligations pursuant to this Final Order shall be construed as impairing the Debtor's right to contest the validity, priority, or amount of any Employee Obligations and all of the Debtor's rights with respect thereto are hereby reserved.

11. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

12. This Final Order is immediately effective and enforceable notwithstanding the provisions of Bankruptcy Rules 4001(a)(3), 6004(h) or otherwise.

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

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