



## For Kodak Retirement Income Plan (KRIP) Participants

[Please refer to the 8-K for important information about any potential plan termination]

### Overview

Kodak recently announced, in a [Form 8-K filed](#) with the SEC, agreements to sell certain illiquid assets from our Kodak Retirement Income Plan (KRIP) to a series of investors, which we expect will generate over \$600 million of plan liquidity. The sale of these assets is a key step in positioning KRIP for a potential plan termination, which would position the company for long-term success while protecting the retirement benefits of our current and former employees\*. While no formal decision has been made, Kodak also disclosed KRIP is being prepared for a potential termination.

If Kodak decides to proceed with a termination, plan assets would first be used to fulfill all obligations to KRIP participants, ensuring they receive their benefits earned under the KRIP plan, and then establish a new, well-funded replacement plan for current U.S.-based employees.

The remaining proceeds that would revert to Kodak present a transformational opportunity for the company that will strengthen our balance sheet and position us for future success.

### **The potential termination would not impact the retirement benefits to which our current and former employees are entitled.**

If you are an active employee or former employee who has not commenced benefits, upon a termination you would have the option to receive the amount to which you are entitled in the form of a lump sum distribution. Otherwise, participants, including retirees, would receive annuity payments identical to those they currently receive.

Kodak will be following the Department of Labor's requirements for selecting the safest available annuity provider in this process and would engage an independent fiduciary to assist in the process for purposes of protecting participants' interests during the transaction and fulfilling fiduciary duties.

Please see below for an FAQ with additional details.

*\*KRIP benefits certain current and former U.S. employees only.*

# FAQs

## 1. How will Kodak leverage the \$1.2 billion KRIP surplus?

- Kodak recently announced agreements to sell certain illiquid Kodak Retirement Income Plan (KRIP) assets to a series of investors for over \$600 million. The sale of these assets is a key step in positioning KRIP for a potential plan termination, which would position the company for long-term success while protecting the pensions of our current and former employees.
- While no formal decision has been made, Kodak also disclosed it is preparing KRIP for a potential termination.
- A potential KRIP termination presents a transformational opportunity for our company and our balance sheet and positions us for the future.
  - KRIP would first use plan assets to fulfill obligations to KRIP participants, ensuring they receive their plan benefits. If you are an active employee or former employee who has not commenced benefits, you would have the option to receive the amount to which you are entitled in the form of a lump sum distribution. Otherwise, participants, including retirees, would receive annuity payments identical to those they currently receive.
  - We anticipate KRIP's surplus assets would then enable us to establish a new, well-funded replacement plan for current U.S.-based Kodak employees.

## 2. Why was this transaction necessary and why may KRIP be terminated?

- As a result of decades of employer-only contributions and KRIP's successful management of the fund, KRIP has a surplus of \$1.2 billion above what is needed to pay projected benefits for current and former employees.
- In March, Kodak successfully engaged a highly reputable investment consulting firm, NEPC, to help us preserve the benefits of our current and former employees.
- Through this process, we determined that converting most of KRIP's assets to liquid assets would be in the best interest of all Kodak stakeholders.
- A potential KRIP termination would enable Kodak to use proceeds from any remaining overfunded portion of the plan to pay down debt, decrease debt interest payments, invest in long-term growth opportunities, and establish a new, well-funded benefit plan for current U.S.-based Kodak employees, all while ensuring current KRIP participants receive their benefits earned under the KRIP plan.

## 3. If you terminate KRIP, what would that mean for plan participants?

- The only thing that would be different is that annuity recipients would receive annuity payments from an insurance company determined to satisfy a "safest available annuity provider" test instead of KRIP.
- If you are an active employee or a former employee who has not commenced benefits, you would have the option to elect to receive the amount to which you are entitled in the form of a lump sum distribution. Otherwise, you would receive annuity payments.

**4. When would the plan transition be completed?**

- We anticipate this transition process may take up to 24 months, during which time all KRIP obligations to current and former Kodak employees would continue to be met.

**5. Is this related to Kodak's Chapter 11 restructuring?**

- No. The plan transition has nothing to do with Kodak's restructuring.

**6. Can you share details regarding the anticipated new plan for current U.S.-based Kodak employees?**

- It is too early in the process to share details, but we expect that current assets from KRIP would enable us to establish a new well-funded benefit plan for current U.S.-based Kodak employees. The benefits to be provided under the replacement plan and the mechanics for transitioning to the replacement plan will be provided at a later date.

**7. What would this mean for our existing KRIP benefits? Would they change?**

- If you are an active employee or a former employee who has not yet retired, you would have the option to elect to receive the amount to which you are entitled in the form of a lump sum distribution. Otherwise, participants would receive annuity payments.

**8. Is there a financial penalty for plan participants?**

- No. KRIP participants would continue to receive the full plan benefits.

**9. What are the tax implications of receiving a lump sum distribution?**

- If you choose a lump sum distribution, the amount could be subject to income taxes in the year you receive it unless you elect to roll over your lump sum distribution into a qualified plan. You may also face an early withdrawal penalty, if you are under the age of 59½, unless you qualify for an exemption or roll over your lump sum distribution. It's important to consult with a tax advisor to understand the tax implications of any distribution or rollover option you choose.

**10. How will Kodak arrange for my pension benefits to continue to be paid on time and in full once the plan is transitioned?**

- For those plan participants receiving or who elect to receive annuity payments, KRIP will be following the Department of Labor's requirements for selecting the safest available annuity provider in this process and would engage an independent fiduciary to assist in the process for purposes of protecting participants' interests during the transaction and fulfilling fiduciary duties.

**11. What happens to the Pension Benefit Guaranty Corporation (PBGC) coverage after a plan termination?**

- If the KRIP is terminated, the KRIP would purchase an annuity from an insurance company for participants who are already receiving annuity payments or those participants who make an election to receive their KRIP benefits in the form of an annuity.
- After plan assets have been distributed to provide all of your benefits, either through lump sum distributions or the purchase of an annuity contract, benefits would no longer be guaranteed by the Pension Benefit Guaranty Corporation.

- All states, Puerto Rico, and the District of Columbia have “guaranty associations.” The purpose of a guaranty association is to protect policyholders, up to specified limits, in the event the insurance company is financially unable to meet its obligations.
- However, state laws vary and can change over time, and different states may calculate the value of annuities differently.
- If you receive your pension benefits in the form of an annuity and the insurance company becomes unable to pay, a guaranty association may be responsible for all, part, or none of your annuity. Generally, where you live at the time the insurance company is unable to pay determines which guaranty association is responsible.

**12. Do you plan to reinsure the annuitized plan to offer additional protection to participants?**

- It is too early in the process to share details, but we will be following the Department of Labor’s requirements for selecting the safest available annuity provider in this process and would engage an independent fiduciary to assist in the process for purposes of protecting participants’ interests during the transaction and fulfilling fiduciary duties.

**13. What action should I take now?**

- You do not need to take any action at this time. When and if we proceed with a plan termination, KRIP’s benefit plan administrator – October Three – will be in touch with further information and instructions. When and if the termination process commences, you would receive an official Notice of Intent to Terminate.

**14. Will I receive additional information to help me make a decision on a lump sum payment or annuity?**

- Yes, as our plans are finalized, you will receive more information about the transition and your options from October Three, KRIP’s benefit plan administrator.

**15. Once I receive additional information, what steps should I take to make a decision?**

- Please carefully review any notice you receive so that you understand the process and the options for receiving your benefits. Consider consulting a financial advisor or pension expert to make an informed decision, and make sure to complete any required forms or elections within the deadlines provided.

**16. This sounds complicated and disruptive. What assurances do you have that this is in my best interest?**

- Transferring retiree obligations to insurance companies in this way involves well defined regulatory processes and similar actions have been completed successfully by some of the largest companies in the U.S., including Goodyear and Accenture. They are a strategic way for companies to help secure the financial well-being of retirement plan participants while also creating long-term growth opportunities for the business.

**17. I have more questions. Who can I contact for answers?**

- Please contact October Three, KRIP’s benefit plan administrator. They can be reached at 877.99.KODAK (877.995.6325) and online at <https://kodak.o3retirement.com/>.