

Arthur H. Roberts, President
EKRA, Ltd
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July 25, 2012

Honorable Allan L. Gropper
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004

Re: Eastman Kodak Bankruptcy – case No. 12-10202
Kodak 's Motion for an Order Authorizing the Proposed Emergence
Performance Plan and Payments

Hon. Judge Gropper,

As President of EKRA, an Association of approximately 5,000 Eastman Kodak Company Retirees, I am writing to express the strongest possible objection to Kodak's proposed Emergence Performance Plan (the "Plan").

Initially, EKRA was not going to comment on the Plan. However, since the reaction of EKRA members to the Plan has been almost entirely negative, EKRA feels obligated to submit this letter in opposition.

Most retirees expect any settlement, be it Kodak's subsidization of retiree health care or payments to retirees with claims for unfunded pensions, to be very small, and are therefore making plans to: pay more for whatever benefits may be continued, live on less income, and generally adjust to the fact that Kodak's obligation to provide retirees with benefits that they earned was not an obligation after all. The idea that an already small pool of funds allocated to retiree creditors will be further reduced as the result of an incentive program for "key executives" is, to say the least, appalling. Please, for the sake of 56,000 Kodak retirees and dependents do not approve this plan.

The Plan is apparently intended to replace the Kodak Long Term Omnibus Incentive Program, which was designed to reward senior executives, with grants of stock and restricted stock, for increasing shareowner value. Now, with Kodak stock virtually worthless, the Company proposes changing the target goals from long-term to short-term, and changing the payout medium from stock to cash. Since the Long Term Plan failed to meet its goals, participants should live with the results.

Many, if not all, of the key executives listed as participants in the Plan are also unsecured creditors, as the result of their participation in the unfunded pension plans (KERIP and KURIP), and other special arrangements. Indeed, Antonio Perez, Kodak's CEO, has himself

submitted an unsecured claim for more than \$18 million, and stands to gain just about \$1.8 million for every 10% increase in settlement value. I suspect that the same is true for other key executives. What more incentive do these people need!

IF the Court is persuaded that additional incentive compensation for key executives is necessary, we suggest using the annual incentive bonus plan for executives (EXCEL), which is designed to award short-term performance. If necessary, EXCEL funding, and payout targets, can be increased. Providing all EXCEL participants with the same bankruptcy-related incentive would, it seems to us, produce better results for creditors than a plan that rewards just a handful of key executives.

In conclusion, EKRA requests the Court to deny Kodak's motion to approve the Plan.

Sincerely,
EKRA, Ltd.

Arthur H. Roberts, President

Cc: Tyson Lomazow, Esq., Millbank Tweed Hadley & McCloy, LLP
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