FORM T-3

Initial application for qualification of trust indentures

Filing Date: **2024-08-19**
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FILER

RITE AID CORP
CIK:**84129**| IRS No.: **231614034** | State of Incorp.:**DE** | Fiscal Year End: **0302**
Type: **T-3** | Act: **39** | File No.: **022-29116** | Film No.: **241221774**
SIC: **5912** Drug stores and proprietary stores

Mailing Address
PO BOX 3165
HARRISBURG PA 17105

Business Address
1200 INTREPID AVENUE,
2ND FLOOR
PHILADELPHIA PA 19112
7177612633

ECKERD CORP
CIK:**31364**| IRS No.: **510378112** | State of Incorp.:**DE** | Fiscal Year End: **0131**
Type: **T-3** | Act: **39** | File No.: **022-29116-100** | Film No.: **241221873**
SIC: **5912** Drug stores and proprietary stores

Mailing Address
JACK ECKERD
CORPORATION
P O BOX 4689
CLEARWATER FL 34618

Business Address
8333 BRYAN DAIRY RD
LARGO FL 34647
8133996000

GENOVESE DRUG STORES INC
CIK:**40970**| IRS No.: **111556812** | State of Incorp.:**DE** | Fiscal Year End: **0131**
Type: **T-3** | Act: **39** | File No.: **022-29116-97** | Film No.: **241221871**
SIC: **5912** Drug stores and proprietary stores

Mailing Address
3500 ONE PEACHTREE
CENTER
303 PEACHTREE ST NE
ATLANTA GA 30308

Business Address
80 MARCUS DR
MELVILLE NY 11747
5164201900

THRIFT DRUG INC
CIK:**894887**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-04** | Film No.: **241221778**

Business Address
615 ALPHA DR
PITTSBURGH PA 15238
4129636600

HEALTH DIALOG SERVICES CORP
CIK:**1100800**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-96** | Film No.: **241221870**

Business Address
SIXTY STATE STREET
SUITE 700
BOSTON MA 02109

PJC Lease Holdings, Inc.
CIK:**1309264**| IRS No.: **010573780** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-84** | Film No.: **241221858**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

EDC Drug Stores, Inc.

Mailing Address
50 SERVICE ROAD

Business Address
50 SERVICE ROAD

CIK:**1309265**| IRS No.: **560596933**
Type: **T-3** | Act: **39** | File No.: **022-29116-66** | Film No.: **241221840**

WARWICK RI 02886

WARWICK RI 02886
(401) 825-3900

PJC Manchester Realty LLC

CIK:**1309266**| IRS No.: **010573821** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-49** | Film No.: **241221823**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

JCG Holdings (USA), Inc.

CIK:**1309268**| IRS No.: **201147565**
Type: **T-3** | Act: **39** | File No.: **022-29116-93** | Film No.: **241221867**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

Maxi Drug North, Inc.

CIK:**1309272**| IRS No.: **050520884**
Type: **T-3** | Act: **39** | File No.: **022-29116-91** | Film No.: **241221865**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

Maxi Drug South, L.P.

CIK:**1309277**| IRS No.: **050520885**
Type: **T-3** | Act: **39** | File No.: **022-29116-90** | Film No.: **241221864**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

Maxi Drug, Inc.

CIK:**1309279**| IRS No.: **042960944**
Type: **T-3** | Act: **39** | File No.: **022-29116-89** | Film No.: **241221863**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

PJC of Massachusetts, Inc.

CIK:**1309280**| IRS No.: **050481151** | State of Incorp.:**MA**
Type: **T-3** | Act: **39** | File No.: **022-29116-48** | Film No.: **241221822**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

Maxi Green Inc.

CIK:**1309281**| IRS No.: **450515111**
Type: **T-3** | Act: **39** | File No.: **022-29116-54** | Film No.: **241221828**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

PJC of Rhode Island, Inc.

CIK:**1309282**| IRS No.: **231979613** | State of Incorp.:**RI**
Type: **T-3** | Act: **39** | File No.: **022-29116-47** | Film No.: **241221821**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

PJC Peterborough Realty LLC

CIK:**1309285**| IRS No.: **201151661** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-45** | Film No.: **241221819**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

P.J.C. Distribution, Inc.

CIK:**1309286**| IRS No.: **223252604** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-86** | Film No.: **241221860**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

PJC Realty MA, Inc.

CIK:**1309288**| IRS No.: **200692817** | State of Incorp.:**MA**
Type: **T-3** | Act: **39** | File No.: **022-29116-44** | Film No.: **241221818**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

P.J.C. of Vermont, Inc.

CIK:**1309289**| IRS No.: **050498065** | State of Incorp.:**VT**
Type: **T-3** | Act: **39** | File No.: **022-29116-46** | Film No.: **241221820**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

P.J.C. Realty Co., Inc.

CIK:**1309290**| IRS No.: **042967938** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-85** | Film No.: **241221859**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
(401) 825-3900

PJC Revere Realty LLC

CIK:**1309292**| IRS No.: **010573818** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-43** | Film No.: **241221817**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

PJC Special Realty Holdings, Inc.

CIK:**1309293**| IRS No.: **010573843** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-42** | Film No.: **241221816**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

Jean Coutu Group (PJC) USA, Inc.

CIK:**1309299**| IRS No.: **042925810** | State of Incorp.:**DE**
Type: **T-3** | Act: **39** | File No.: **022-29116-06** | Film No.: **241221780**

Mailing Address
50 SERVICE ROAD
WARWICK RI 02886

Business Address
50 SERVICE ROAD
WARWICK RI 02886
401-825-3900

Apex Drug Stores, Inc.

CIK:**1312295**| IRS No.: **382413448** | State of Incorp.:**MI** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-73** | Film No.: **241221847**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Broadview & Wallings-Broadview Heights Ohio, Inc.

CIK:**1312299**| IRS No.: **251814215** | State of Incorp.:**OH** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-63** | Film No.: **241221837**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

GDF, Inc.

CIK:**1312307**| IRS No.: **341343867** | State of Incorp.:**MD** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-75** | Film No.: **241221849**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Gettysburg & Hoover-Dayton, Ohio, LLC

CIK:**1312313**| IRS No.: **000000000** | State of Incorp.:**OH** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-59** | Film No.: **241221833**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Harco, Inc.

CIK:**1312315**| IRS No.: **630522700** | State of Incorp.:**AL** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-107** | Film No.: **241221880**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B, INC

CIK:**1312316**| IRS No.: **510346254** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-92** | Film No.: **241221866**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Alabama CORP

CIK:**1312318**| IRS No.: **721011085** | State of Incorp.:**AL** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-106** | Film No.: **241221879**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Louisiana CORP

CIK:**1312319**| IRS No.: **721043860** | State of Incorp.:**LA** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-77** | Film No.: **241221851**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Mississippi CORP

CIK:**1312320**| IRS No.: **720983482** | State of Incorp.:**MS** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-69** | Film No.: **241221843**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Services, INC

CIK:**1312321**| IRS No.: **721245171** | State of Incorp.:**LA** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-76** | Film No.: **241221850**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Tennessee CORP

CIK:**1312324**| IRS No.: **621444359** | State of Incorp.:**TN** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-58** | Film No.: **241221832**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

K&B Texas CORP

CIK:**1312325**| IRS No.: **721010327** | State of Incorp.:**TX** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-57** | Film No.: **241221831**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Lakehurst & Broadway CORP

CIK:**1312336**| IRS No.: **232937947** | State of Incorp.:**NJ** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-67** | Film No.: **241221841**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Munson & Andrews, LLC

CIK:**1312353**| IRS No.: **000000000** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-88** | Film No.: **241221862**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Name Rite, L.L.C.

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011

CIK:1312355| IRS No.: 000000000 | State of Incorp.:DE | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-87 | Film No.: 241221861

717-761-2633

PDS-1 Michigan, Inc.

CIK:1312360| IRS No.: 382935739 | State of Incorp.:MI | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-72 | Film No.: 241221846

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Perry Drug Stores, Inc.

CIK:1312377| IRS No.: 380947300 | State of Incorp.:MI | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-71 | Film No.: 241221845

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

RDS Detroit, Inc.

CIK:1312379| IRS No.: 351799950 | State of Incorp.:MI | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-41 | Film No.: 241221815

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

READs Inc.

CIK:1312381| IRS No.: 800052330 | State of Incorp.:MD | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-40 | Film No.: 241221814

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid Drug Palace, Inc.

CIK:1312382| IRS No.: 232325476 | State of Incorp.:DE | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-39 | Film No.: 241221813

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid Hdqtrs. Corp.

CIK:1312385| IRS No.: 232308342 | State of Incorp.:DE | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-38 | Film No.: 241221812

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Connecticut, Inc.

CIK:1312387| IRS No.: 231940645 | State of Incorp.:CT | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-35 | Film No.: 241221809

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Delaware, Inc.

CIK:1312389| IRS No.: 231940646 | State of Incorp.:DE | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-34 | Film No.: 241221808

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Georgia, Inc.

CIK:1312393| IRS No.: 232125551 | State of Incorp.:GA | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-33 | Film No.: 241221807

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Indiana, Inc.

CIK:1312397| IRS No.: 232048778 | State of Incorp.:IN | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-32 | Film No.: 241221806

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Kentucky, Inc.

CIK:1312398| IRS No.: 232039291 | State of Incorp.:KY | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-31 | Film No.: 241221805

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Maine, Inc.

CIK:1312403| IRS No.: 010324725 | State of Incorp.:ME | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-30 | Film No.: 241221804
SIC: 5912 Drug stores and proprietary stores

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Maryland, Inc.

CIK:1312405| IRS No.: 231940941 | State of Incorp.:MD | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-29 | Film No.: 241221803

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of Michigan, Inc.

CIK:1312407| IRS No.: 000000000 | State of Incorp.:MI | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-28 | Film No.: 241221802

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of New Hampshire, Inc.

CIK:1312408| IRS No.: 232008320 | State of Incorp.:NH | Fiscal Year End: 0228
Type: T-3 | Act: 39 | File No.: 022-29116-27 | Film No.: 241221801

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid of New Jersey, Inc. CIK:**1312409**| IRS No.: **231940648** | State of Incorp.:**NJ** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-26** | Film No.: **241221800**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of New York, Inc. CIK:**1312410**| IRS No.: **231940649** | State of Incorp.:**NY** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-25** | Film No.: **241221799**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of North Carolina, Inc. CIK:**1312411**| IRS No.: **231940650** | State of Incorp.:**NC** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-24** | Film No.: **241221798**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Ohio, Inc. CIK:**1312412**| IRS No.: **231940651** | State of Incorp.:**OH** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-23** | Film No.: **241221797**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Pennsylvania, LLC CIK:**1312413**| IRS No.: **231940652** | State of Incorp.:**PA** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-22** | Film No.: **241221796**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of South Carolina, Inc. CIK:**1312414**| IRS No.: **232047222** | State of Incorp.:**SC** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-21** | Film No.: **241221795**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Tennessee, Inc. CIK:**1312415**| IRS No.: **232047224** | State of Incorp.:**TN** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-20** | Film No.: **241221794**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Vermont, Inc. CIK:**1312416**| IRS No.: **231940942** | State of Incorp.:**VT** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-19** | Film No.: **241221793**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Virginia, Inc. CIK:**1312417**| IRS No.: **231940653** | State of Incorp.:**VA** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-18** | Film No.: **241221792**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of Washington, D.C., Inc. CIK:**1312418**| IRS No.: **232461466** | State of Incorp.:**DC** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-17** | Film No.: **241221791**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid of West Virginia, Inc. CIK:**1312419**| IRS No.: **231940654** | State of Incorp.:**WV** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-16** | Film No.: **241221790**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid Realty Corp. CIK:**1312420**| IRS No.: **231725347** | State of Incorp.:**DE** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-13** | Film No.: **241221787**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid Rome Distribution Center, Inc. CIK:**1312421**| IRS No.: **231887836** | State of Incorp.:**NY** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-12** | Film No.: **241221786**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Aid Transport, Inc. CIK:**1312423**| IRS No.: **251793102** | State of Incorp.:**DE** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-10** | Film No.: **241221784**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rite Investments Corp. CIK:**1312425**| IRS No.: **510273192** | State of Incorp.:**DE** | Fiscal Year End: **0228** Type: **T-3** | Act: **39** | File No.: **022-29116-09** | Film No.: **241221783**	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011* *717-761-2633*
Rx Choice, Inc.	Mailing Address *30 HUNTER LANE* *CAMP HILL PA 17011*	Business Address *30 HUNTER LANE* *CAMP HILL PA 17011*

CIK:**1312426**| IRS No.: **251598207** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-07** | Film No.: **241221781**

717-761-2633

Lane Drug CO

CIK:**1312432**| IRS No.: **530125212** | State of Incorp.:**OH** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-05** | Film No.: **241221779**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
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CAMP HILL PA 17011
717-761-2633

Thrifty CORP

CIK:**1312434**| IRS No.: **951297550** | State of Incorp.:**CA** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-105** | Film No.: **241221878**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Thrifty PayLess, Inc.

CIK:**1312435**| IRS No.: **954391249** | State of Incorp.:**CA** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-104** | Film No.: **241221877**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
717-761-2633

1515 West State Street Boise, Idaho, LLC

CIK:**1312442**| IRS No.: **000000000** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-103** | Film No.: **241221876**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

1740 Associates, L.L.C.

CIK:**1312443**| IRS No.: **000000000** | State of Incorp.:**MI** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-74** | Film No.: **241221848**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

4042 Warrensville Center Road-Warrensville Ohio, Inc.

CIK:**1312445**| IRS No.: **251820507** | State of Incorp.:**OH** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-65** | Film No.: **241221839**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

5277 Associates, Inc.

CIK:**1312446**| IRS No.: **232940919** | State of Incorp.:**WA** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-53** | Film No.: **241221827**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

5600 Superior Properties, Inc.

CIK:**1312447**| IRS No.: **800052337** | State of Incorp.:**OH** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-64** | Film No.: **241221838**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
717-761-2633

Rite Aid Hdqtrs. Funding, Inc.

CIK:**1314423**| IRS No.: **753167335** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-37** | Film No.: **241221811**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

RediClinic LLC

CIK:**1385407**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-82** | Film No.: **241221856**

Mailing Address
NINE GREENWAY PLAZA
STE 2950
HOUSTON TX 77046

Business Address
NINE GREENWAY PLAZA
STE 2950
HOUSTON TX 77046

JCG (PJC) USA, LLC

CIK:**1407723**| IRS No.: **000000000** | State of Incorp.:**DE** | Fiscal Year End: **0602**
Type: **T-3** | Act: **39** | File No.: **022-29116-94** | Film No.: **241221868**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid Payroll Management, Inc.

CIK:**1468098**| IRS No.: **010910097** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-14** | Film No.: **241221788**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid Online Store, Inc.

CIK:**1468382**| IRS No.: **010910090** | State of Incorp.:**DE** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-15** | Film No.: **241221789**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
717-761-2633

Rite Aid Specialty Pharmacy, LLC

CIK:**1547565**| IRS No.: **274202824** | State of Incorp.:**DE** | Fiscal Year End: **0302**
Type: **T-3** | Act: **39** | File No.: **022-29116-11** | Film No.: **241221785**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Rite Aid Lease Management Co

CIK:**1641783**| IRS No.: **952384577** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-36** | Film No.: **241221810**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Rite Investments Corp., LLC

CIK:**1641784**| IRS No.: **274359582** | Fiscal Year End: **0228**
Type: **T-3** | Act: **39** | File No.: **022-29116-08** | Film No.: **241221782**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Ex Software, LLC

CIK:**1647605**| IRS No.: **311924169** | State of Incorp.:**MN** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-70** | Film No.: **241221844**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Ex Solutions of NV, LLC

CIK:**1647607**| IRS No.: **880511398** | State of Incorp.:**NV** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-01** | Film No.: **241221775**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

First Florida Insurers of Tampa, LLC

CIK:**1647608**| IRS No.: **592798509** | State of Incorp.:**FL** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-78** | Film No.: **241221852**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
(717) 760-7803

Ex Benefits, LLC

CIK:**1647609**| IRS No.: **593760021** | State of Incorp.:**FL** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-80** | Film No.: **241221854**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
(717) 760-7803

Ex Design, LLC

CIK:**1647611**| IRS No.: **201369429** | State of Incorp.:**WY** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-51** | Film No.: **241221825**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
(717) 760-7803

Ex Rxclusives, LLC

CIK:**1647612**| IRS No.: **205166645** | State of Incorp.:**WY** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-50** | Film No.: **241221824**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
(717) 760-7803

Ex Initiatives, LLC

CIK:**1647613**| IRS No.: **203649446** | State of Incorp.:**UT** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-55** | Film No.: **241221829**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
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CAMP HILL PA 17011
(717) 760-7803

Ex Holdco, LLC

CIK:**1647614**| IRS No.: **260676699** | State of Incorp.:**DE** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-03** | Film No.: **241221777**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Ex Design Holdings, LLC

CIK:**1647615**| IRS No.: **274368094** | State of Incorp.:**DE** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-101** | Film No.: **241221874**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Ex Tech, LLC

CIK:**1647616**| IRS No.: **454806467** | State of Incorp.:**DE** | Fiscal Year End: **0215**
Type: **T-3** | Act: **39** | File No.: **022-29116-102** | Film No.: **241221875**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 760-7803

Bartell Drug Co

CIK:**1884964**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-52** | Film No.: **241221826**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Solutions of OH, LLC

CIK:**1884969**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-60** | Film No.: **241221834**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

RCMH LLC

CIK:**1884976**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-56** | Film No.: **241221830**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Solutions of MO, LLC

CIK:**1884986**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-68** | Film No.: **241221842**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Hunter Lane, LLC

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011

CIK:**1885007**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-95** | Film No.: **241221869**

(717) 761-2633

Ex PR, Inc.

CIK:**1885041**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-98** | Film No.: **241221872**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Options, LLC

CIK:**1885173**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-61** | Film No.: **241221835**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Pharmacy, LLC

CIK:**1885174**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-62** | Film No.: **241221836**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Savings, LLC

CIK:**1885176**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-79** | Film No.: **241221853**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

RediClinic of PA, LLC

CIK:**1885295**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-81** | Film No.: **241221855**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

RediClinic Associates, Inc.

CIK:**1885299**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-83** | Film No.: **241221857**

Mailing Address
30 HUNTER LANE
CAMP HILL PA 17011

Business Address
30 HUNTER LANE
CAMP HILL PA 17011
(717) 761-2633

Ex Procurement, LLC

CIK:**1889473**| IRS No.: **000000000**
Type: **T-3** | Act: **39** | File No.: **022-29116-02** | Film No.: **241221776**

Mailing Address
30 HUNTER LANE
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Business Address
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CAMP HILL PA 17011
(717) 761-2633

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-3

FOR APPLICATIONS FOR QUALIFICATION OF INDENTURES
UNDER THE TRUST INDENTURE ACT OF 1939

Rite Aid Corporation
(Issuer)

1515 West State Street Boise, Idaho, LLC
1740 Associates, L.L.C.
4042 Warrensville Center Road – Warrensville Ohio, Inc.
5277 ASSOCIATES, INC.
5600 Superior Properties, Inc.
Apex Drug Stores, Inc.
Broadview and Wallings–Broadview Heights Ohio, Inc.
Eckerd Corporation
EDC Drug Stores, Inc.
GDF, INC.
Genovese Drug Stores, Inc.
Gettysburg and Hoover-Dayton, Ohio, LLC
Harco, Inc.
Health Dialog Services Corporation
K & B ALABAMA CORPORATION
K & B Louisiana Corporation
K & B Mississippi Corporation
K & B SERVICES, INCORPORATED
K & B TENNESSEE CORPORATION
K&B TEXAS CORPORATION
K & B, Incorporated
LAKEHURST AND BROADWAY CORPORATION
Maxi Drug North, Inc.
Maxi Drug South, L.P.
Maxi Drug, Inc.
Maxi Green Inc.
Munson & Andrews, LLC
Name Rite, L.L.C.
P.J.C. Distribution, Inc.
P.J.C. Realty Co., Inc.
PDS-1 Michigan, Inc.
Perry Drug Stores, Inc.
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont Inc.
PJC Peterborough Realty LLC
PJC Realty MA, Inc.

PJC Revere Realty LLC
PJC Special Realty Holdings, Inc.
RDS Detroit, Inc.
READ's, Inc.
RITE AID DRUG PALACE, INC.
Rite Aid Hdqtrs. Corp.
RITE AID LEASE MANAGEMENT COMPANY
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.
RITE AID OF GEORGIA, INC.
RITE AID OF INDIANA, INC.
RITE AID OF KENTUCKY, INC.
Rite Aid of Maine, Inc.
RITE AID OF MARYLAND, INC.
RITE AID OF MICHIGAN, INC.
RITE AID OF NEW HAMPSHIRE, INC.
Rite Aid of New Jersey, Inc.
RITE AID OF NEW YORK, INC.
Rite Aid of North Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of Pennsylvania, LLC
RITE AID OF SOUTH CAROLINA, INC.
RITE AID OF TENNESSEE, INC.
RITE AID OF VERMONT, INC.
Rite Aid of Virginia, Inc.
Rite Aid of Washington, D.C., Inc.
RITE AID OF WEST VIRGINIA, INC.
Rite Aid Online Store, Inc.
Rite Aid Payroll Management, Inc.
RITE AID REALTY CORP.
RITE AID ROME DISTRIBUTION CENTER, INC.
RITE AID SPECIALTY PHARMACY LLC
Rite Aid Transport, Inc.
RX CHOICE, INC.
The Lane Drug Company
Thrift Drug, Inc.
THRIFTY CORPORATION
Thrifty PayLess, Inc.
The Bartell Drug Company
JCG Holdings (USA), Inc.
JCG (PJC) USA, LLC
Rite Aid Hdqtrs. Funding, Inc.
Rite Investments Corp.
Rite Investments Corp., LLC
The Jean Coutu Group (PJC) USA, Inc.
RediClinic LLC
RCMH LLC
RediClinic Associates, Inc.
RediClinic of PA, LLC
FIRST FLORIDA INSURERS OF TAMPA, LLC
Hunter Lane, LLC
Ex Pharmacy, LLC
Ex Holdco, LLC
Ex Procurement, LLC
Ex Tech, LLC
Ex Design Holdings, LLC
Ex Design, LLC
Ex Rxclusives, LLC
Ex Initiatives, LLC

Ex Savings, LLC
Ex Solutions of NV, LLC
Ex Solutions of OH, LLC
Ex PR, Inc.
Ex Benefits, LLC
Ex Software, LLC
Ex Solutions of MO, LLC
Ex Options, LLC
(Guarantors)

Rite Aid Corporation
(Name of Applicants)

P.O. Box 3165
Harrisburg, Pennsylvania 17105
(717) 761-2633
(Address of principal executive offices)

Securities to be Issued under the Indentures to be Qualified

Title of Class	Amount
Floating Rate Senior Secured PIK Notes due 2031	$76.5 million aggregate principal amount[(1)]
15.000% Third-Priority Series A Senior Secured PIK Notes due 2031	$225.0 million aggregate principal amount
15.000% Third-Priority Series B Senior Secured PIK Notes due 2031	$125.0 million aggregate principal amount

(1) The aggregate amount of Floating Rate Senior Secured PIK Notes due 2031 to be issued by Rite Aid Corporation shall equal the amount of Series A DIP Notes (as defined herein) outstanding on the Effective Date, which includes $76.5 million principal amount of initial Series A DIP Notes plus interest, fees and other amounts outstanding on the Effective Date.

Approximate date of proposed public offering: On or as soon as practicable after the Effective Date under the Plan (as defined herein).

Name and registered address of agent for service:

Matthew Schroeder
Executive Vice President and Chief Financial Officer
Rite Aid Corporation
P.O. Box 3165
Harrisburg, Pennsylvania 17105
Tel: (717) 761-2633

With a copy to:

Rachel Sheridan, P.C.
Shagufa Hossain, P.C.
Kirkland & Ellis LLP
1301 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Tel: (202) 389-3436

and

Aparna Yenamandra, P.C.
Kirkland & Ellis LLP
601 Lexington Ave.
New York, New York 10022
Tel: (212) 446 4903

The Applicants hereby amend this Application for Qualification on such date or dates as may be necessary to delay its effectiveness until (i) the 20th day after the filing of an amendment which specifically states that it shall supersede this Application for Qualification, or (ii) such date as the Securities and Exchange Commission, acting pursuant to Section 307(c) of the Trust Indenture Act of 1939 (the "Trust Indenture Act"), may determine upon the written request of the Applicants.

GENERAL

1. General Information.

Rite Aid Corporation is a corporation incorporated in the State of Delaware (the "Issuer"). The guarantors identified below (the "Guarantors" and, together with the Issuer, the "Applicants") have the following forms of organization or incorporation and jurisdictions of formation.

Guarantor	Form	Jurisdiction
1515 West State Street Boise, Idaho, LLC	Limited Liability Company	DE
1740 Associates, L.L.C.	Limited Liability Company	MI
4042 Warrensville Center Road – Warrensville Ohio, Inc.	Corporation	OH
5277 ASSOCIATES, INC.	Corporation	WA
5600 Superior Properties, Inc.	Corporation	OH
Apex Drug Stores, Inc.	Corporation	MI
Broadview and Wallings–Broadview Heights Ohio, Inc.	Corporation	OH
Eckerd Corporation	Corporation	DE
EDC Drug Stores, Inc.	Corporation	NC
GDF, INC.	Corporation	MD
Genovese Drug Stores, Inc.	Corporation	DE

Gettysburg and Hoover-Dayton, Ohio, LLC	Limited Liability Company	OH
Harco, Inc.	Corporation	AL
Health Dialog Services Corporation	Corporation	DE
K & B ALABAMA CORPORATION	Corporation	AL
K & B Louisiana Corporation	Corporation	LA
K & B Mississippi Corporation	Corporation	MS
K & B SERVICES, INCORPORATED	Corporation	LA
K & B TENNESSEE CORPORATION	Corporation	TN
K&B TEXAS CORPORATION	Corporation	TX

K & B, Incorporated	Corporation	DE
LAKEHURST AND BROADWAY CORPORATION	Corporation	NJ
Maxi Drug North, Inc.	Corporation	DE
Maxi Drug South, L.P.	Limited Partnership	DE
Maxi Drug, Inc.	Corporation	DE
Maxi Green Inc.	Corporation	VT
Munson & Andrews, LLC	Limited Liability Company	DE
Name Rite, L.L.C.	Limited Liability Company	DE
P.J.C. Distribution, Inc.	Corporation	DE
P.J.C. Realty Co., Inc.	Corporation	DE
PDS-1 Michigan, Inc.	Corporation	MI
Perry Drug Stores, Inc.	Corporation	MI
PJC Lease Holdings, Inc.	Corporation	DE
PJC Manchester Realty LLC	Limited Liability Company	DE
PJC of Massachusetts, Inc.	Corporation	MA
PJC of Rhode Island, Inc.	Corporation	RI

PJC of Vermont Inc.	Corporation	VT
PJC Peterborough Realty LLC	Limited Liability Company	DE
PJC Realty MA, Inc.	Corporation	MA
PJC Revere Realty LLC	Limited Liability Company	DE
PJC Special Realty Holdings, Inc.	Corporation	DE
RDS Detroit, Inc.	Corporation	MI
READ’s, Inc.	Corporation	MD
RITE AID DRUG PALACE, INC.	Corporation	DE
Rite Aid Hdqtrs. Corp.	Corporation	DE
RITE AID LEASE MANAGEMENT COMPANY	Company	CA

Rite Aid of Connecticut, Inc.	Corporation	CT
Rite Aid of Delaware, Inc.	Corporation	DE
RITE AID OF GEORGIA, INC.	Corporation	GA
RITE AID OF INDIANA, INC.	Corporation	IN
RITE AID OF KENTUCKY, INC.	Corporation	KY]
Rite Aid of Maine, Inc.	Corporation	ME
RITE AID OF MARYLAND, INC.	Corporation	MD
RITE AID OF MICHIGAN, INC.	Corporation	MI
RITE AID OF NEW HAMPSHIRE, INC.	Corporation	NH
Rite Aid of New Jersey, Inc.	Corporation	NJ
RITE AID OF NEW YORK, INC.	Corporation	NY
Rite Aid of North Carolina, Inc.	Corporation	NC
Rite Aid of Ohio, Inc.	Corporation	OH
Rite Aid of Pennsylvania, LLC	Limited Liability Company	PA
RITE AID OF SOUTH CAROLINA, INC.	Corporation	SC
RITE AID OF TENNESSEE, INC.	Corporation	TN
RITE AID OF VERMONT, INC.	Corporation	VT

Rite Aid of Virginia, Inc.	Corporation	VA
Rite Aid of Washington, D.C., Inc.	Corporation	DC
RITE AID OF WEST VIRGINIA, INC.	Corporation	WV
Rite Aid Online Store, Inc.	Corporation	DE
Rite Aid Payroll Management, Inc.	Corporation	DE
RITE AID REALTY CORP.	Corporation	DE
RITE AID ROME DISTRIBUTION CENTER, INC.	Corporation	NY
RITE AID SPECIALTY PHARMACY LLC	Limited Liability Company	DE
Rite Aid Transport, Inc.	Corporation	DE
RX CHOICE, INC.	Corporation	DE

The Lane Drug Company	Company	OH
Thrift Drug, Inc.	Corporation	DE
THRIFTY CORPORATION	Corporation	CA
Thrifty PayLess, Inc.	Corporation	CA
The Bartell Drug Company	Company	WA
JCG Holdings (USA), Inc.	Corporation	DE
JCG (PJC) USA, LLC	Limited Liability Company	DE
Rite Aid Hdqtrs. Funding, Inc.	Corporation	DE
Rite Investments Corp.	Corporation	DE
Rite Investments Corp., LLC	Limited Liability Company	DE
The Jean Coutu Group (PJC) USA, Inc.	Corporation	DE
RediClinic LLC	Limited Liability Company	DE
RCMH LLC	Limited Liability Company	TX
RediClinic Associates, Inc.	Corporation	DE
RediClinic of PA, LLC	Limited Liability Company	DE
FIRST FLORIDA INSURERS OF TAMPA, LLC	Limited Liability Company	FL
Hunter Lane, LLC	Limited Liability Company	DE

Ex Pharmacy, LLC	Limited Liability Company	OH
Ex Holdco, LLC	Limited Liability Company	DE
Ex Procurement, LLC	Limited Liability Company	OH
Ex Tech, LLC	Limited Liability Company	DE
Ex Design Holdings, LLC	Limited Liability Company	DE
Ex Design, LLC	Limited Liability Company	WY
Ex Rxclusives, LLC	Limited Liability Company	WY
Ex Initiatives, LLC	Limited Liability Company	UT
Ex Savings, LLC	Limited Liability Company	FL

Ex Solutions of NV, LLC	Limited Liability Company	NV
Ex Solutions of OH, LLC	Limited Liability Company	OH
Ex PR, Inc.	Corporation	DE
Ex Benefits, LLC	Limited Liability Company	FL
Ex Software, LLC	Limited Liability Company	MN
Ex Solutions of MO, LLC	Limited Liability Company	MO
Ex Options, LLC	Limited Liability Company	OH

The Second Amended Joint Chapter 11 Plan of Reorganization of the Issuer and its Debtor Affiliates (together, the "Debtor Subsidiaries") (With Further Modifications) (the "Plan") filed with the United States Bankruptcy Court for the District of New Jersey in the chapter 11 cases jointly administered under the case styled In re Rite Aid Corporation, et al., Case No. 23-18993 (MBK) (the "Chapter 11 Cases") in the Chapter 11 Cases, contemplates, among other things, the issuance of $76.5 million aggregate principal amount of the Issuer's Floating Rate Senior Secured PIK Notes due 2031 (plus interest, fees and other amounts outstanding on the Effective Date) (the "Exit 1.5L Notes"), $225.0 million aggregate principal amount of the Issuer's 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031 and $125.0 million aggregate principal amount of the Issuer's 15.000% Third-Priority Series B Senior Secured PIK Notes due 2031 (together, the "Exit 3L Notes", and collectively with the Exit 1.5L Notes, the "Exit Notes"), on a pro rata basis, to holders of the Issuer's existing 7.500% Senior Secured Notes due 2025 (the "Prepetition 7.5% Notes"), 8.000% Senior Secured Notes due 2026 (the "Prepetition 8.0% Notes" and, together with the Prepetition 7.5% Notes, the "Prepetition Senior Secured Notes"), the Series A Floating Rate Senior Secured PIK Notes due 2024 (the "Series A DIP Notes") and Series B 8.00% Senior Secured PIK Notes due 2024 (the "Series B DIP Notes" and, together with the Series A DIP Notes, the "DIP Notes;" and the DIP Notes together with the Prepetition Senior Secured Notes, the "Old Notes"), in each case, in accordance with the corresponding series of lien priority. The Old Notes will be cancelled upon effectiveness of the Plan.

On or immediately prior to the Effective Date, as defined below, the entity currently known as Rite Aid Corporation intends to merge with and into newly formed subsidiary of an existing subsidiary of Rite Aid Corporation, New Rite Aid, LLC (f/k/a [●] (referred to hereinafter as "New Rite Aid"), with Rite Aid Corporation becoming a subsidiary of New Rite Aid as the surviving entity. New Rite Aid will be a guarantor of the Exit Notes. The transactions described in this paragraph are referred to herein as the "Reorganization." Except as otherwise expressly provided herein, the "Issuer" or the "Company" refers to Rite Aid Corporation.

2. Securities Act Exemption Applicable.

The Applicants hereby acknowledge that under Section 306(c) of the Trust Indenture Act, it shall be unlawful for any person, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer or sell through the use or medium of any prospectus or otherwise any security which is not registered under the Securities Act of 1933, as amended (the "Securities Act"), and to which Section 306(c) is applicable notwithstanding the provisions of Section 304 of the Trust Indenture Act, unless such security has been or is to be issued under an indenture and an application for qualification has been filed as to such indenture, or while the application is the subject of a refusal order or stop order or (prior to qualification) any public proceeding or examination under Section 307(c) of the Trust Indenture Act. The failure to file an application for qualification of an indenture on a timely basis could result in an enforcement or other action by the Securities and Exchange Commission.

An application for qualification with respect to each of the indentures governing the Exit 1.5L Notes and Exit 3L Notes (together, the "Indentures") was not filed until after the solicitation of votes with respect to the Plan had commenced. It was not certain prior to solicitation what the parties would determine to be the terms of each of the Indentures governing the applicable series of Exit Notes, and whether such Exit Notes would ultimately be issued pursuant to the exemption provided under Section 1145 of the Bankruptcy Code (as defined below) or Section 4(a)(2) of the Securities Act. Therefore, the Issuer believes it would have been premature to file the Form T-3 prior to those details being determined. The Applicants believe that the purposes behind the requirement to file a Form T-3 (namely the provision of adequate disclosure to the persons being asked to make an investment decision in respect of

the securities in question through the qualification of the Indentures) was served prior to the filing of this Form T-3 with respect to the Exit Notes. The holders of the substantial majority of the Old Notes were at all times adequately represented by counsel during the offering of the Exit Notes. Moreover, these holders actively negotiated for the terms of the Exit Notes contained in the Plan. Furthermore, the holders of Old Notes had and continue to have access to a significant amount of information regarding the Applicants by virtue of having been creditors of the Issuer for an extensive period of time. The Applicants also believe that each of the Indentures governing the applicable series of Exit Notes contain terms and conditions that are in line with market standard terms and conditions to which investors have become accustomed for transactions of this type.

Pursuant to the terms of the Plan, under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), the Issuer will issue each series of the Exit Notes under the applicable Indenture to be qualified hereby, to Holders (as defined in the Plan) of Allowed Senior Secured Notes Claims, Allowed New Money DIP Notes Claims, and Allowed Roll-Up DIP Notes Claims, and Allowed Notes Claims (each as defined in the Plan), as applicable.

The Plan will become effective on the date on which all conditions to the effectiveness of the Plan have been satisfied or waived (the "Effective Date").

The issuance of the Exit Notes is exempt from registration under the Securities Act, pursuant to the exemption provided by Section 1145(a)(1) of the Bankruptcy Code. Section 1145(a)(1) of the Bankruptcy Code exempts an offer and sale of securities under a plan of reorganization from registration under the Securities Act and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, an affiliate participating in a joint plan with the debtor or a successor to the debtor under the plan of reorganization; (ii) the recipients of the securities must hold a prepetition or administrative expense claim against the debtor or an interest in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in such exchange and partly for cash or property. The Applicants believe that the issuance of the Exit Notes will satisfy the aforementioned requirements. See "Article IV Means For Implementation of This Plan – Q. Exemption from Registration Requirements" of the Plan.

AFFILIATIONS

3. Affiliates.

The following describes the Issuer's wholly-owned direct, or wholly-owned indirect, subsidiaries as of the date of this Application:

Name of Entity	Record Owner	Ownership Percentage
Rite Aid of Michigan, Inc.	Rite Aid Corporation	100%
1750 Associates, L.L.C.	Rite Aid of Michigan, Inc.	100%
Perry Drug Stores, Inc.	Rite Aid of Michigan, Inc.	100%
Richfield Road – Flint, Michigan, LLC	Rite Aid of Michigan, Inc.	100%
Apex Drug Stores, Inc.	Perry Drug Stores, Inc.	100%
PDS-1 Michigan, Inc.	Perry Drug Stores, Inc.	100%
RDS Detroit, Inc.	Perry Drug Stores, Inc.	100%
Rite Aid of Connecticut, Inc.	Rite Aid Corporation	100%
Rite Aid of Delaware, Inc.	Rite Aid Corporation	100%

Rite Aid of Georgia, Inc.	Rite Aid Corporation	100%
Rite Aid of Indiana, Inc.	Rite Aid Corporation	100%
Rite Aid of Kentucky, Inc.	Rite Aid Corporation	100%
Rite Aid of Maine, Inc.	Rite Aid Corporation	100%
Rite Aid of New Hampshire, Inc.	Rite Aid Corporation	100%
Rite Aid of Maryland, Inc.	Rite Aid Corporation	100%
Rite Aid of New Jersey, Inc.	Rite Aid Corporation	100%
Rite Aid of New York, Inc.	Rite Aid Corporation	100%
Rite Aid of North California, Inc.	Rite Aid Corporation	100%
Rite Aid of Ohio, Inc.	Rite Aid Corporation	100%
Rite Aid of South Carolina, Inc.	Rite Aid Corporation	100%
Rite Aid of Tennessee, Inc.	Rite Aid Corporation	100%
Rite Aid of Vermont, Inc.	Rite Aid Corporation	100%

Rite Aid of Virginia, Inc.	Rite Aid Corporation	100%
Rite Aid of Washington, D.C. Inc.	Rite Aid Corporation	100%
Rite Aid of West Virginia, Inc.	Rite Aid Corporation	100%
Rite Aid Rome Distribution Center, Inc.	Rite Aid of New York, Inc.	100%
Munson & Andrews, LLC	Rite Aid of Ohio, Inc.	100%
Gettysburg and Hoover-Dayton, Ohio, LLC	Rite Aid of Ohio, Inc.	100%
READ’s, Inc.	Rite Aid of Maryland, Inc.	99.9%
Rite Aid Drug Palace, Inc.	Rite Aid Corporation	100%
The Lane Drug Company	Rite Aid Corporation	100%
Rite Aid Online	Rite Aid Corporation	100%
Rite Aid Payroll Management, Inc.	Rite Aid Corporation	100%
Harco, Inc.	Rite Aid Corporation	100%
Health Dialog Services Corporation	Rite Aid Corporation	100%
K & B, Incorporated	Rite Aid Corporation	100%

K & B Alabama Corporation	K & B, Incorporated	100%
K & B Louisiana Corporation	K & B, Incorporated	100%
K & B Mississippi Corporation	K & B, Incorporated	100%
K & B Tennessee Corporation	K & B, Incorporated	100%
K & B Texas Corporation	K & B, Incorporated	100%
K & B Services, Incorporated	K & B, Incorporated	100%
Thirty Payless, Inc.	Rite Aid Corporation	100%
The Bartell Drug Company	Thirty Payless, Inc.	100%
Thrifty Corporation	Thirty Payless, Inc.	100%
1515 West State Street, Boise, Idaho	Thirty Payless, Inc.	100%
Name Rite, LLC	Thirty Payless, Inc.	100%
LMW – 90B Avenue Lake Oswego, Inc.	Thirty Payless, Inc.	100%
ILG – 90 B Avenue Lake Oswego, LLC	LMW – 90B Avenue Lake Oswego, Inc.	100%

Rite Aid Lease Management Company	Thrifty Corporation	100%
Rite Aid Realty Corp.	Rite Aid Lease Management Company	100%
Hunter Lane, LLC	Rite Aid Corporation	100%
Ex Holdco, LLC	Hunter Lane, LLC	100%
Ex Procurement, LLC	Ex Holdco, LLC	100%
Elixir Insurance Company	Ex Holdco, LLC	100%
Ex Tech, LLC	Ex Holdco, LLC	100%
Ex Design Holdings, LLC	Ex Holdco, LLC	100%
Ex Savings, LLC	Ex Holdco, LLC	100%
Ex Solutions of NV, LLC	Ex Holdco, LLC	100%
Ex Solutions of OH, LLC	Ex Holdco, LLC	100%
Ex PR, Inc.	Ex Holdco, LLC	100%
First Florida Insurers of Tampa, LLC	Ex Holdco, LLC	100%

Ex Software, LLC	Ex Holdco, LLC	100%
Ex Solutions of MO, LLC	Ex Holdco, LLC	100%
Ex Pharmacy, LLC	Ex Holdco, LLC	100%
Ex Options, LLC	Ex Holdco, LLC	100%
Ex Design, LLC	Ex Design Holdings, LLC	100%
Ex Rxclusives, LLC	Ex Design Holdings, LLC	100%
Ex Initiatives, LLC	Ex Design Holdings, LLC	100%
Ex Benefits, LLC	Rite Aid Corporation	100%
Rite Aid Hdqtrs. Corp.	Rite Aid Corporation	100%
Broadview and Wallings-Broadview Heights Ohio, Inc.	Rite Aid Corporation	100%
Drug Palace, Inc.	Rite Aid Corporation	100%
GDP, Inc.	Rite Aid Corporation	100%
Grand River & Fenkell, LLC	Rite Aid Corporation	100%

Lakehurst and Broadway Corporation	Rite Aid Corporation	100%
Rite Aid Hdqtrs. Funding, Inc.	Rite Aid Corporation	100%
Rite Investments Corp.	Rite Aid Corporation	100%
Rite Aid Transport, Inc.	Rite Aid Corporation	100%
Rx Choice, Inc.	Rite Aid Corporation	100%
Rx USA, Inc.	Rite Aid Corporation	80%
4042 Warrensville Center Road-Warrensville Ohio, Inc.	Rite Aid Corporation	100%
5277 Associates, Inc.	Rite Aid Corporation	100%
5600 Superior Properties, Inc.	Rite Aid Corporation	100%
JCG (PJC) USA, LLC	Rite Aid Corporation	100%
Rite Aid of Pennsylvania, LLC	Rite Aid Hdqtrs. Corp.	100%
Rite Aid Specialty Pharmacy, LLC	Rite Aid Hdqtrs. Corp.	100%
RediClinic LLC	Rite Aid Hdqtrs. Corp.	100%
Juniper Rx, LLC	Rite Aid Hdqtrs. Corp.	100%

Hackensack Meridian RediClinic, LLC	RediClinic LLC	100%
RediClinic Associates, Inc.	RediClinic LLC	100%
RCMH LLC	RediClinic LLC	100%
RediClinic Austin, LLC	RediClinic LLC	100%
RediClinic of Dallas-Fort Worth, LLC	RediClinic LLC	100%
RediClinic of DC, LLC	RediClinic LLC	100%
RediClinic of MD, LLC	RediClinic LLC	100%
RediClinic of PA, LLC	RediClinic LLC	100%
RediClinic of VA, LLC	RediClinic LLC	100%
RediClinic of WA, LLC	RediClinic LLC	100%
RediClinic US, LLC	RediClinic LLC	100%
RediClinic US, LLC	RediClinic LLC	100%
RediClinic of DE, LLC	RediClinic LLC	100%

Rite Investments Corp., LLC	Rite Investments Corp.	100%
The Jean Coutu Group (PJC) USA, Inc.	JCG (PJC) USA, LLC	100%
P.J.C. Distribution, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC of Vermont Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC of Rhode Island, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC Lease Holdings, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC of Massachusetts, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
P.J.C. Realty Co., Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC Special Realty Holdings, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
JCG Holdings (USA), Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
Maxi Drug, Inc.	The Jean Coutu Group (PJC) USA, Inc.	100%
PJC Realty MA, Inc.	P.J.C. Realty Co., Inc.	100%
PJC Manchester Realty LLC	PJC Special Realty Holdings, Inc.	100%

PJC Peterborough Realty LLC	PJC Special Realty Holdings, Inc.	100%
PJC Revere Realty LLC	PJC Special Realty Holdings, Inc.	100%
Eckerd Corporation	JCG Holdings (USA), Inc.	100%
Genovese Drug Stores, Inc.	JCG Holdings (USA), Inc.	100%
Thrift Drug, Inc.	JCP Holdings (USA), Inc. Eckerd Corporation Genovese Drug Stores, Inc.	100%
EDC Drug Stores, Inc.	Thrift Drug, Inc.	100%
Maxi Green Inc.	Maxi Drug, Inc.	100%
Maxi Drug North, Inc.	Maxi Drug, Inc.	100%
Maxi Drug South, L.P.	Maxi Drug, Inc. Maxi Drug North, Inc.	100%

As a result of the Reorganization and at the time of the Effective Date, Rite Aid Corporation will become a subsidiary of New Rite Aid, and New Rite Aid will be the record owner of each of the subsidiaries attributable to Rite Aid Corporation listed above.

Certain directors and officers of the Applicants may be deemed to be "affiliates" of the Applicants by virtue of their positions with the Applicants. See Item 4, "Directors and Executive Officers."

Certain persons may be deemed to be "affiliates" of the Applicants by virtue of their holdings of the voting securities of the Applicants. See Item 5, "Principal Owners of Voting Securities."

MANAGEMENT AND CONTROL

4. Directors and Executive Officers.

The names of the directors and executive officers of the Issuer, as of the date hereof, are set forth below. The mailing address for each director and executive officer is: P.O. Box 3165, Harrisburg, Pennsylvania 17105 and each person's telephone number is (717) 761-2633.

Name	Office
Rite Aid Corp.	
Jeffrey Stein	Director, Chief Executive Officer, and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Jessica Kazmaier	Exeucitve Vice President, Chief of Staff, Chief Human Resources Officer and Communications
Matthew Schroeder	Executive Vice President and Chief Financial Officer

Christin Basset	Acting General Counsel and Corporate Secretary
Steve Bixler	Senior Vice President and Chief Accounting Officer
Karen Staniforth	Senior Vice President and Chief Pharmacy Officer
JeannieyWalden	Senior Vice President, Enterprise Markerting
Pamela Kohn	Senior Vice President and Chief Merchandising Officer
William Miller	Senior Vice President and Chief of Store Operations
Dev Mukherjee	Senior Vice President, Transformation
Rob Kreft	Interim Chief Technology Officer
Bruce G. Bodaken	Director
Elizabeth Burr	Director
Bari Harlam	Director
Paul Keglevic	Director
Robert E. Knowling, Jr.	Director
Arun Nayar	Director
Kate B. Quinn	Director
Carrie Teffner	Director

Officers of Guarantors

All Direct and Indirect Subsidiary-Guarantors of Rite Aid Corp., Except as Otherwise Indicated Herein

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer[2]
Marc Liebman	Chief Transformation Officer[3]
Susan Lowell	President
Steve Bixler	Vice President and Treasurer
Byron Purcell	Vice President and Assistant Treasurer
Owen McMahon	Vice President and Secretary
Alyssa Parish	Vice President and Assistant Secretary
Andy Palmer	Vice President

Michigan Subsidiaries

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer[4]
Marc Liebman	Chief Transformation Officer[5]
Susan Lowell	President
Byron Purcell	Vice President and Assistant Treasurer
Owen McMahon	Vice President and Secretary
Andy Palmer	Vice President
Jermaine Smith	Vice President[6]

2 Excluding 39/41 Highstown Road, LLC; Abigail Acquisitions, LLC; Fiona One Corp.; G&N Monroe, LLC; Keystone Centers, Inc.; PJC Essex Realty LLC: Route 202 at Route 124-Jaffrey, New Hampshire LLC.

3 Ecluding: 39/41 Highstown Road, LLC; Abigail Acquisitions, LLC; Fiona One Corp.; G&N Monroe, LLC; Keystone Centers, Inc.; PJC Essex Realty LLC: Route 202 at Route 124-Jaffrey, New Hampshire LLC.

4 Excluding Perry Distributors, Inc.

5 Excluding Perry Distributors, Inc.

6 Excluding Perry Distributors, Inc.

Name Rite, LLC

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Susan Lowell	President
Owen McMahon	Vice President and Secretary
Alyssa Parish	Vice President and Assistant Secretary
Byron Purcell	Vice President and Assistant Treasurer
Steve Bixler	Vice President and Treasurer
Andy Palmer	Vice President
Francis Lane	Vice President

JCG Holdings (USA), Inc.; JCG (PJC) USA, LLC; Rite Aid Hdqtrs. Funding, Inc.; Rite Investments Corp.; Rite Investments Corp., LLC; The Jean Coutu Group (PJC) USA, Inc.

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer

Jonathan D. Moll	President
Alyssa Parish	Vice President
Maria T. Hurd	Vice President and Secretary
Steve Bixler	Vice President and Treasurer

RediClinic LLC

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Karen Staniforth	President
Susan Lowell	Executive Vice President
Alyssa Parish	Vice President and Secretary
Steve Bixler	Vice President and Controller

RediClinic Associates, Inc.; RediClinic of Dallas-Fort Worth, LLC; RediClinic of DC, LLC; RediClinic of DE, LLC; RediClinic of MD, LLC; RediClinic of PA, LLC; RediClinic US, LLC; RediClinic of VA, LLC

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Karen Staniforth	President
Susan Lowell	Executive Vice President
Alyssa Parish	Vice President and Secretary
Steve Bixler	Vice President and Controller

RediClinic Austin, LLC

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Karen Staniforth	President
Kel Riley	Chief Medical Officer
Susan Lowell	Executive Vice President
Alyssa Parish	Vice President and Secretary
Steve Bixler	Vice President and Controller

Health Dialog Services Corporation

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Susan Lowell	President
Alyssa Parish	Vice President and Secretary

Ex Benefits, LLC; Ex Tech, LLC; Ex Design, LLC; Ex Design Holdings, LLC; Ex Rxclusives, LLC; Ex Savings, LLC; Ex Holdco, LLC; Ex Solutions of OH, LLC; Ex Solutions of MO, LLC; Ex Pharmacy, LLC; Ex Initiatives, LLC; Ex Options, LLC; Ex Solutions of NV, LLC; First Florida Insurers of Tampa, LLC; Ex Software, LLC; Ex Procurement, LLC; Ex PR, Inc.; Hunter Lane, LLC

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Anna Khais	Chief Financial Officer, Treasurer
Susan Lowell	Secretary

The Bartell Drug Company

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Matthew Schroeder	President
Susan Lowell	President and Chief Executive Officer
Byron Purcell	Vice President and Treasurer/Assistant Treasurer
Owen McMahon	Vice President and Secretary
Jermaine Smith	Vice President

Thrifty PayLess, Inc., Rite Aid of New Hampshire, Inc., Maxi Drug North, Inc., Genovese Drug Stores, Inc., Rite Aid Drug Palace, Inc., Rite Aid of New York, Inc., Eckerd Corporation

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Susan Lowell	President
Byron Purcell	Vice President and Treasurer/Assistant Treasurer
Owen McMahon	Vice President and Secretary
Andy Palmer	Vice President and Assistant Secretary

Maxi Drug, Inc., Rite Aid of Connecticut, Inc., Rite Aid of Delaware, Inc., Rite Aid of Maryland, Inc., Rite Aid of New Jersey, Inc., Rite Aid of Ohio, Inc., Rite Aid of Pennsylvania, LLC, Rite Aid of Virginia, Inc., The Lane Drug Company, Thrift Drug, Inc., Maxi Green, Inc., Harco, Inc.

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Susan Lowell	President
Byron Purcell	Vice President and Treasurer
Owen McMahon	Vice President and Secretary
Andy Palmer	Vice President
Jermaine Smith	Vice President

EDC Drug Stores, Inc.; READ's, Inc.

Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Susan Lowell	President
Byron Purcell	Vice President and Treasurer
Owen McMahon	Vice President and Secretary
Andy Palmer	Vice President
Jermaine Smith	Vice President

Directors of Guarantors

All Direct and Indirect Subsidiary-Guarantors of Rite Aid Corp., Except as Otherwise Indicated Herein

Dana Baughman	Directors
Steve Bixler	Directors
Alyssa Parish	Directors

JCG Holdings (USA) Inc.; JCG (PJC) USA, LLC; Rite Investments Corp.; Rite Aid Hdqtrs. Funding, Inc.; The Jean Coutu Group (PJC) USA, Inc.

Jonathan D. Moll	Director
Maria T. Hurd	Director
Susan Lowell	Director

Maxi Green, Inc.; PJC of Vermont, Inc.; Rite Aid of Vermont

Susan Lowell	Director
Steve Bixler	Director
Alyssa Parish	Director

Health Dialog Services Corporation

Susan Lowell	Director
Alyssa Parish	Director

Hunter Lane, LLC; Ex PR, Inc.

Matthew Schroeder	Director
Susan Lowell	Director
Steve Bixler	Director

The Bartell Drug Company

Susan Lowell	Director
Alyssa Parish	Director
Jermaine Smith	Director

The persons chosen to become directors and executive officers of the Issuer as of the Effective Date are set forth below. The mailing address for each director and executive officer is: P.O. Box 3165, Harrisburg, Pennsylvania 17105 and each person's telephone number is (717) 761-2633.

Name	Office
Jeffrey Stein	Chief Executive Officer and Chief Restructuring Officer
Marc Liebman	Chief Transformation Officer
Karen Staniforth	President
Susan Lowell	Executive Vice President
Alyssa Parish	Vice President and Secretary
Steve Bixler	Vice President and Controller
Dana Baughman	Director
Steve Bixler	Director
Alyssa Parish	Director

5. Principal Owners of Voting Securities.

(a) There are no persons known to the Issuer to own 10 percent or more of the voting securities of the Issuer as of the date of this Application.

(b) The following table sets forth certain information regarding each person known to the Issuer to own 10 percent or more of the voting securities of the Guarantors as of the date of this Application.

Guarantor Name	Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
N/A	N/A	N/A	N/A	N/A

As a result of the Reorganization and at the time of the Effective Date, equity in New Rite Aid will be issued to certain holders of Old Notes and the GUC Equity Trust (as defined in the Plan) pursuant to and in accordance with the Plan and the Restructuring Transactions Memorandum filed in the Chapter 11 Cases (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Restructuring Transactions Memorandum").

The following table sets forth certain information regarding each person that the Issuer expects will own 10 percent or more of the voting securities of the Issuer as of the Effective Date in accordance with the Restructuring Transactions Memorandum.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
New Rite Aid	Common stock	All	100%

The following table sets forth certain information regarding each person that the Issuer expects will own 10 percent or more of the voting securities of New Rite Aid as of the Effective Date in accordance with the Restructuring Transactions Memorandum.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned[7]	Percentage of Voting Securities Owned
J.P. Morgan Investment Management Inc. and JPMorgan Chase Bank, N.A., solely as an investment advisor and/or trustee on behalf of certain discretionary accounts and/or funds it manages	Limited liability company interests	TBD	18.21%
Sixth Street Partners, LLC, on behalf of certain entities, funds and/or accounts managed, advised, or controlled by affiliates of Sixth Street Partners, LLC	Limited liability company interests	TBD	16.51%

UNDERWRITERS

6. Underwriters.

(a) Within three years prior to the date of the filing of this Application, no person acted as an underwriter of any securities of the Applicants that are currently outstanding on the date of this Application.

(b) There is no proposed principal underwriter for the Exit Notes that are to be issued in connection with the Indentures that are to be qualified under this Application.

[7] The exact amount of the limited liability company interests to be issued by New Rite Aid is to be determined prior to the Effective Date.

CAPITAL SECURITIES

7. Capitalization.

(a) The following tables set forth certain information with respect to each authorized class of securities of the Issuer as of the date of this Application.

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, $1.000 par value per share	75,000,000	55,974,015 shares
7.500% Second Lien Notes Due July 2025	$600 million	$320 million aggregate principal amount
8.000% Second Lien Notes Due Nov. 2026	$850 million	$850 million aggregate principal amount

It is expected that, upon consummation of the Plan, the Issuer's capital structure shall be comprised of (i) certain equity interests held directly or indirectly by New Rite Aid and (ii) the Exit Notes. The Exit Notes will be guaranteed by each of the Guarantors.

Claims on account of the Old Notes will be released, cancelled, and discharged pursuant to the Plan.

INDENTURE SECURITIES

8. Analysis of Indenture Provisions.

The Exit 1.5L Notes and the Exit 3L Notes will be issued pursuant to the corresponding new Indenture (the "1.5L Indenture" and the "3L Indenture," respectively) each of which will be entered into among Issuer and the Guarantors and U.S. Bank Trust Company, National Association , as trustee (the "Trustee"). The following is a general description of certain provisions expected to be included in the Indentures, and the description is qualified in their entirety by reference to each form of Indenture filed as Exhibit T3C.1 and Exhibit T3C.2, herewith. The Issuer has not entered into either of the Indentures as of the date of this filing, and the terms of each of the Indentures are subject to change before they are executed. The expected terms of the Exit Notes are described in the Exit 1.5 Lien Notes Term Sheet and Takeback Notes Term Sheet, attached as Exhibit E-2 and F-2 to the Fourth Amended Plan Supplement [Docket No. 3790], respectively. Capitalized terms used below and not defined herein have the meanings ascribed to them in the applicable Indenture. References to articles and sections below are to the applicable articles and sections of the applicable Indenture, unless otherwise noted.

a. Exit 1.5L Notes

Amount of Securities; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. Securities may be issued in one or more tranches; provided, however, that any Securities issued with original issue discount ("OID") for Federal income tax purposes shall not be issued as part of the same tranche as any Securities that are issued with a different amount of OID or are not issued with OID. All Securities of any one series shall be substantially identical except as to denomination.

Subject to Section 2.03 of the 1.5L Indenture, the Trustee shall authenticate Securities as follows:

(a) for original issue on the Issue Date, $[•] in aggregate principal amount of Securities (the "Original Securities"). All Original Securities will be in the form of Unrestricted Global Securities;

(b) for issue on the Second Issue Date, $75,000,000 in aggregate principal amount of Securities provided, however, that, if on a Pro Forma Basis as of the date of the incurrence of any such incremental Securities, the Consolidated Fixed Charge Coverage Ratio, for the most recently ended Measurement Period, is less than 1.00 to 1.00, interest payable with respect to the such Securities shall be paid in kind rather than in cash (the "Second Tranche Securities") in accordance with, and pursuant to the terms of, an Authentication Order. The Second Tranche Securities shall have the same terms and conditions as the Original Securities of the respective series in all respects except for the issue date, and upon issuance, the Second Tranche Securities shall be consolidated with and form a single class with the previously outstanding Original Securities and vote together as one class on all matters with respect to the Securities, including, without limitation, waivers, amendments and offers to purchase; and

(c) PIK Securities from time to time in accordance with Section 2.02 of the 1.5L Indenture;

provided that no Opinion of Counsel shall be required with respect to the Original Securities on the Issue Date or any PIK Securities issued after the Issue Date. With respect to any Securities issued after the Issue Date (except for PIK Securities and any Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, Original Securities pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 of the 3L Indenture), there shall be established in or pursuant to a Board Resolution, and subject to Section 2.03, set forth, or determined in the manner provided in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of such Securities:

(1) whether such Securities shall be issued as part of a new or existing series of Securities and, if issued as part of a new series, the title of such Securities (which shall distinguish the Securities of the series from Securities of any other series);

(2) the aggregate principal amount of such Securities to be authenticated and delivered under the 1.5L Indenture, which may be issued for an unlimited aggregate principal amount (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the same tranche pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 and except for Securities which, pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Securities, including the date from which interest payable with respect to such Securities shall accrue; and

(4) if applicable, that such Securities shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective depositories for such Global Securities; the form of any legend or legends that shall be borne by any such Global Security in addition to or in lieu of that set forth in Exhibit A and any circumstances in addition to or in lieu of those set forth in Section 2.07 in which any such Global Security may be exchanged in whole or in part for Securities registered; and any transfer of such Global Security in whole or in part may be registered in the name or names of Persons other than the depositary for such Global Security or a nominee thereof.

The Original Securities, the Second Tranche Securities, any PIK Securities and any other Securities issued pursuant to the 1.5L Indenture shall be treated as a single class for all purposes under the 1.5L Indenture, including, without limitation, waivers, amendments and offers to purchase.

Securities issued in global form shall be substantially in the form of Exhibit A attached to the 1.5L Indenture (including the Global Security Legend thereon and the "Schedule of Exchanges of Interests in the Global Security" attached to the 1.5L Indenture). Securities issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Security Legend thereon and without the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Each Global Security shall represent such of the outstanding Securities as shall be specified in the "Schedule of Exchanges of Interests in the Global Security" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Securities from time to time endorsed thereon and that the aggregate principal amount of outstanding Securities represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions and the payment of interest through an increase in the

principal amount of the outstanding Securities ("PIK Interest"). Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Securities represented thereby shall be made by the Trustee or the Securities Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.07 or by the Company in connection with a PIK Payment.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Security will be exchanged for beneficial interests in the Regulation S Permanent Global Security pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Security, the Trustee will cancel the Regulation S Temporary Global Security. The aggregate principal amount of the Regulation S Temporary Global Security and the Regulation S Permanent Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

The Exit 1.5L Notes and the Guarantees will be secured by a lien on substantially all assets of the Issuer and each Guarantor (collectively, the "Collateral"), (a) junior only to the first-priority lien securing the Exit Facilities and (b) senior to (i) the second-priority lien securing McKesson's postemergence outstanding trade credit, (ii) the third-priority lien securing the Takeback Notes and (iii) any other liens securing any guaranteed or contingent cash obligations owed to any parties (other than customary permitted encumbrances consistent with the permitted encumbrances set forth in the Exit Facilities Credit Agreement.

Events of Default. The following events shall be "Events of Default":

(a) the Issuer fails to make the payment of any interest on any of the Securities when the same becomes due and payable, and such failure continues for a period of 30 days;

(b) the Issuer fails to make the payment of any principal of, or premium, if any, on any of the Securities when the same becomes due and payable at its Maturity Date or upon acceleration, redemption, optional redemption, required repurchase or otherwise;

(c) the Issuer fails to comply with Article V of the 1.5L Indenture;

(d) the Issuer fails to comply with any covenant or agreement in the Securities or in the 1.5L Indenture (other than a failure that is the subject of the foregoing clauses (a), (b) or (c)) and such failure continues for 15 days after written notice is given to the Issuer as provided below;

(e) (i) a default under the ABL Credit Agreement by the Issuer or any Subsidiary that (x) constitutes a payment default, including a failure to pay any such Debt at final maturity (in each case after giving effect to applicable grace periods) or (y) results in acceleration of the final maturity of such Debt, (ii) the Issuer or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Debt, including any obligation to reimburse letter of credit obligations or to post cash collateral with respect thereto, when and as the same shall become due and payable or within any applicable grace period, or (iii) any event or condition occurs that results in any Material Debt becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Material Debt or any trustee or agent on its or their behalf to cause any such Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (e) shall not apply to any such Material Debt that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Material Debt; provided, further that this clause (e) shall not apply to any mandatory repurchase offer or other mandatory repurchase, redemption or prepayment obligation of the Issuer that may arise under convertible debt to the extent that the making of such mandatory repurchase by the Issuer is otherwise permitted under the 1.5L Indenture;

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Issuer or any Subsidiary, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or any

Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) The Issuer or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely manner, any proceeding or petition described in Section 6.01(f) of the 1.5L Indenture, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) [reserved];

(i) any Subsidiary Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of the Securities Collateral Documents and the 1.5L Indenture) and such default continues for 20 days after notice as provided below or any Subsidiary Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Subsidiary Guarantee (the "guarantee provisions");

(j) The Issuer or any Subsidiary shall become unable to, or admits in writing its inability or fails to, generally pay its debts as they become due;

(k) One or more judgments for the payment of money in an aggregate amount in excess of $38,500,000 shall be rendered against the Issuer, any Subsidiary or any combination thereof (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) and the same shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Issuer or any Subsidiary to enforce any such judgment;

(l) Any ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted or could reasonably be expected to result in a Material Adverse Effect;

(m) (i) Any Lien purported to be created under any Securities Collateral Document shall cease to be a valid and perfected Lien on any material portion of the Collateral, with the priority required by the Securities or the Issuer or any Subsidiary shall so assert in writing, except as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Securities Collateral Documents and except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement (as defined in the ABL Credit Agreement) or results from the failure of the Securities Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Securities Collateral Documents or to file Uniform Commercial Code amendments relating to a Securities Party's change of name, entity type or jurisdiction of formation (solely to the extent that the Issuer provides the Trustee written notice thereof in accordance with the 1.5L Indenture) and continuation statements or to take any other action primarily within its control with respect to the Collateral, or (ii) any Securities Collateral Document shall become invalid, or the Issuer or any Subsidiary shall so assert in writing;

(n) The subordination provisions of the documents evidencing or governing any Subordinated Debt (such provisions, "Subordination Provisions") or the provisions of any Acceptable Intercreditor Agreement shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Debt or other Debt, as applicable, except in each case, to the extent permitted by the terms of the applicable Subordination Provisions or Acceptable Intercreditor Agreement, or any Securities Party or Subsidiary or any holder of the applicable Subordinated Debt or other Debt (or applicable agent or debt representative for such holders) shall disavow or contest in writing the effectiveness, validity or enforceability of any of such Subordination Provisions or any such Acceptable Intercreditor Agreement with respect to any applicable Subordinated Debt or other Debt;

(o) A Change of Control shall have occurred;

(p) (i) Any breach by the Issuer or any other Securities Party of its obligations under the Pharmacy Inventory Supply Agreement, which breach (x) would permit the Pharmacy Inventory Supplier to terminate the Pharmacy Inventory Supply Agreement upon delivery of notice by the Pharmacy Inventory Supplier, lapse of time or both and (y) remains uncured beyond any applicable notice, grace and cure periods or (ii) [reserved]; and

(q) The Bankruptcy Court shall have entered an order (i) reversing, rescinding, vacating or staying the Plan Confirmation Order, or (ii) modifying the Plan Confirmation Order any other Plan Document in a manner materially adverse to the Holders, in each case, without the prior written consent of the Trustee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

A Default under clause (d), (i) or (m) of Section 6.01 of the 1.5L Indenture is not an Event of Default until the Trustee notifies the Issuer of such Default or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding notify the Issuer and the Trustee of the Default and the Issuer does not cure such Default within the time specified after receipt of such notice; provided that a notice of Default may not be given with respect to any action taken, and reported publicly or to holders, more than two years prior to such notice of Default. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Issuer shall deliver to the Trustee, within 30 days after it becomes aware of the occurrence thereof, written notice in the form of an Officer's Certificate of any event that with the giving of notice or the lapse of time would become an Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

Release of Collateral.

Collateral may be released from the Liens and security interests created by the Securities Documents at any time or from time to time in accordance with the provisions of the Securities Documents and the Intercreditor Agreements. In addition, the Issuer and the Subsidiary Guarantors will be entitled to the release of assets included in the Collateral from the Liens and security interests securing the Securities. Such assets constituting Collateral shall be automatically released without further action by any party, and the Trustee shall (or, if the Trustee is not then the Securities Collateral Agent, shall direct the Securities Collateral Agent to) affirmatively release the same from such Liens and security interests at the Issuer's sole cost and expense, under any one or more of the following circumstances without the need for any further action by any Person:

(a) as to any property or assets to enable the Issuer or the Subsidiary Guarantors to consummate the disposition of such property or assets to the extent not prohibited and otherwise in accordance with Section 4.06; provided, however, that if such property or assets, immediately prior thereto, were subject to any Lien securing any Obligations of the Issuer or Subsidiary Guarantors and such property or assets continue after such disposition to be subject to a Lien securing any such Obligations, no such release shall occur with respect to such property or assets;

(b) in the case of the property and assets of a Subsidiary that is a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its Subsidiary Guarantee of the Securities;

(c) if such Collateral is released from the Liens securing the ABL Loan Obligations;

(d) as described under Article IX of the 1.5L Indenture.

(e) The security interests in all Collateral securing the Securities also will be released upon payment in full of the principal of, together with accrued and unpaid interest on, the Securities and all other Obligations under the 1.5L Indenture, the Securities, the Guarantees and the Security Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest are paid, including pursuant to the satisfaction and discharge of the 1.5L Indenture under Section 8.01 or upon the Issuer's exercise of a legal defeasance option or covenant defeasance option under the 1.5L Indenture as described under Article VIII.

Upon the written request of the Issuer pursuant to an Officer's Certificate and Opinion of Counsel stating that all conditions precedent hereunder and under the Securities Collateral Documents have been met, and upon receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Issuer or the Subsidiary Guarantors, as the case may be, the Securities Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Issuer or the Subsidiary Guarantors, shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to the 1.5L Indenture or the Securities Collateral Documents.

Satisfaction and Discharge.

(a) When (i) the Issuer delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.08 or Securities for whose payment money has theretofore been deposited in trust and thereafter repaid to the Issuer as provided in the second paragraph of Section 8.04) for cancelation or (ii) all outstanding Securities have become due and payable, whether at maturity or as a result of the delivery of a notice of redemption pursuant to Article III, or will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee, and the Issuer irrevocably deposits with the Trustee funds (comprised of cash to be held uninvested and/or U.S. Government Obligations) sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.08), and if in either case the Issuer pays all other sums payable hereunder by the Issuer, then the 1.5L Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of the 1.5L Indenture on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Issuer.

(b) Subject to Section 8.01(c) and Section 8.02, the Issuer at any time may terminate (i) all of its obligations under the Securities and the 1.5L Indenture ("legal defeasance option") or (ii) its obligations under Section 4.02, Section 4.03, Section 4.04, Section 4.05, Section 4.06, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.13, Section 4.14, Section 4.15, Section 4.16, Section 4.17, Section 4.18, Section 4.19, Section 4.20, Section 4.21, Section 4.22, Section 4.24 and the operation of Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(i), Section 6.01(j), Section 6.01(k), Section 6.01(l), Section 6.01(m) or Section 6.01(n) (but, in the case of Sections Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) and the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b) ("covenant defeasance option"). The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Issuer exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(i), Section 6.01(j), Section 6.01(k), Section 6.01(l), Section 6.01(m), or Section 6.01(n) (but, in the case of Sections Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) or because of the failure of the Issuer to comply with the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b). If the Issuer exercises its legal defeasance option or its covenant defeasance option, the Liens, as they pertain to the Securities, will be released and each Subsidiary Guarantor will be released from all its obligations under its Subsidiary Guarantee, as it pertains to the Securities.

Upon satisfaction of the conditions set forth in the 1.5L Indenture and upon written request of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections Section 2.04, Section 2.05, Section 2.06, Section 2.07, Section 2.08, Article VII, Section 8.05 and Section 8.06 shall survive until the Securities have been paid in full. Thereafter, the Issuer's obligations in Sections Section 7.07 and Section 8.05 shall survive such satisfaction and discharge.

b. Exit 3L Notes

Amount of Securities; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under the 3L Indenture is unlimited . Securities may be issued in one or more tranches; provided, however, that any Securities issued with original issue discount ("OID") for Federal income tax purposes shall not be issued as part of the same tranche as any Securities that are issued with a different amount of OID or are not issued with OID. All Securities of any one tranche shall be substantially identical except as to denomination.

Subject to Section 2.03 of the 3L Indenture, the Trustee shall authenticate Securities as follows:

(a) for original issue on the Issue Date (i) $225,000,000 in aggregate principal amount of Series A Securities and (ii) $125,000,000 in aggregate principal amount of Series B Securities (together, the "Original Securities"). All Original Securities will be in the form of Unrestricted Global Securities. Series A Securities shall have the same terms and conditions as the Series B Securities in all respects except with respect to payment priority and lien priority, and upon issuance, the Series A Securities and Series B Securities shall be consolidated with and form a single class and vote together as one class on all matters with respect to the Securities including, without limitation, waivers, amendments and offers to purchase; and

(b) PIK Securities from time to time in accordance with Section 2.02 of the 3L Indenture;

provided that no Opinion of Counsel shall be required with respect to the Original Securities on the Issue Date or any PIK Securities issued after the Issue Date. With respect to any Securities issued after the Issue Date (except for PIK Securities and any Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, Original Securities pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 of the 3L Indenture), there shall be established in or pursuant to a Board Resolution, and subject to Section 2.03 of the 3L Indenture, set forth, or determined in the manner provided in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of such Securities:

(1) whether such Securities shall be issued as part of a new or existing series of Securities and, if issued as part of a new series, the title of such Securities (which shall distinguish the Securities of the series from Securities of any other series);

(2) the aggregate principal amount of such Securities to be authenticated and delivered under the 3L Indenture, which may be issued for an unlimited aggregate principal amount (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the same tranche pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 and except for Securities which, pursuant to Section 2.03 of the 3L Indenture, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Securities, including the date from which interest payable with respect to such Securities shall accrue; and

(4) if applicable, that such Securities shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective depositories for such Global Securities; the form of any legend or legends that shall be borne by any such Global Security in addition to or in lieu of that set forth in Exhibit A-1 and Exhibit A-2 of the 3L Indenture, as applicable, and any circumstances in addition to or in lieu of those set forth in Section 2.07 of the 3L Indenture in which any such Global Security may be exchanged in whole or in part for Securities registered; and any transfer of such Global Security in whole or in part may be registered in the name or names of Persons other than the depositary for such Global Security or a nominee thereof.

The Original Securities, any PIK Securities and any other Securities issued pursuant to the 3L Indenture shall be treated as a single class for all purposes under the 3L Indenture, including, without limitation, waivers, amendments and offers to purchase.

Securities issued in global form shall be substantially in the form of Exhibit A-1 and Exhibit A-2 of the 3L Indenture, as applicable, attached hereto (including the Global Security Legend thereon and the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Securities issued in definitive form shall be substantially in the form of Exhibit A-1 and Exhibit A-2 of the 3L Indenture, as applicable, attached hereto (but without the Global Security Legend thereon and without the "Schedule of Exchanges

of Interests in the Global Security" attached thereto). Each Global Security shall represent such of the outstanding Securities as shall be specified in the "Schedule of Exchanges of Interests in the Global Security" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Securities from time to time endorsed thereon and that the aggregate principal amount of outstanding Securities represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions and the payment of interest through an increase in the principal amount of the outstanding Securities ("PIK Interest"). Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Securities represented thereby shall be made by the Trustee or the Securities Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.07 of the 3L Indenture or by the Issuer in connection with a PIK Payment.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Security will be exchanged for beneficial interests in the Regulation S Permanent Global Security pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Security, the Trustee will cancel the Regulation S Temporary Global Security. The aggregate principal amount of the Regulation S Temporary Global Security and the Regulation S Permanent Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

The Exit 3L Notes and the Guarantees will be secured by a lien on substantially all assets of the Issuer and each Guarantor (collectively, the "Collateral"), (a) junior only to (i) the first-priority lien securing the Exit Facilities, (ii) the "1.5"-priority lien securing the Exit 1.5L Notes and (iii) the second-priority lien securing McKesson's postemergence outstanding trade credit, but (b) senior to any other liens securing any guaranteed or contingent cash obligations owed to any parties (other than customary permitted encumbrances consistent with the permitted encumbrances set forth in the Exit Facilities Credit Agreement).

Events of Default. The following events shall be "Events of Default":

(a) the Issuer fails to make the payment of any interest on any of the Securities when the same becomes due and payable, and such failure continues for a period of 30 days;

(b) the Issuer fails to make the payment of any principal of, or premium, if any, on any of the Securities when the same becomes due and payable at its Maturity Date, or upon acceleration, redemption, optional redemption, required repurchase or otherwise (it being understood that Series B Securities shall not be accelerated, redeemed or otherwise repurchased prior to payment in full of Series A Securities);

(c) the Issuer fails to comply with Article V of the 3L Indenture;

(d) the Issuer fails to comply for 30 days after written notice is given by the Trustee or the Holders of not less than 30% in principal amount of the Securities (with a copy to the Trustee) with any covenant or agreement in the Securities or in the 3L Indenture (other than a failure that is the subject of the foregoing clauses (a), (b) or (c)) ;

(e) (i) a default under the ABL Credit Agreement by the Issuer or any Subsidiary that (x) constitutes a payment default, including a failure to pay any such Debt at final maturity (in each case after giving effect to applicable grace periods) or (y) results in acceleration of the final maturity of such Debt, (ii) the Issuer or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Debt, including any obligation to reimburse letter of credit obligations or to post cash collateral with respect thereto, when and as the same shall become due and payable or within any applicable grace period, or (iii) any event or condition occurs that results in any Material Debt becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Material Debt or any trustee or agent on its or their behalf to cause any such Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (e) shall not apply to any such Material Debt that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Material Debt; provided, further that this clause (e) shall not apply to any mandatory repurchase offer or other mandatory repurchase, redemption or prepayment obligation of the Issuer that may arise under convertible debt to the extent that the making of such mandatory repurchase by the Issuer is otherwise permitted under the 3L Indenture;

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Issuer or any Subsidiary, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) The Issuer or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely manner, any proceeding or petition described in Section 6.01(f) of the 3L Indenture, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) any Subsidiary Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of the Securities Collateral Documents and the 3L Indenture) and such default continues for 20 days after notice as provided below or any Subsidiary Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Subsidiary Guarantee (the "guarantee provisions");

(i) One or more judgments for the payment of money in an aggregate amount in excess of $38,500,000 shall be rendered against the Issuer, any Subsidiary or any combination thereof (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) and the same shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Issuer or any Subsidiary to enforce any such judgment;

(j) Any ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted or could reasonably be expected to result in a Material Adverse Effect;

(k) (i) Any Lien purported to be created under any Securities Collateral Document shall cease to be a valid and perfected Lien on any material portion of the Collateral, with the priority required by the Securities or the Issuer or any Subsidiary shall so assert in writing, except as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Securities Collateral Documents and except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Securities Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Securities Collateral Documents or to file Uniform Commercial Code amendments relating to a Securities Party's change of name, entity type or jurisdiction of formation (solely to the extent that the Issuer provides the Trustee written notice thereof in accordance with the 3L Indenture) and continuation statements or to take any other action primarily within its control with respect to the Collateral, or (ii) any Securities Collateral Document shall become invalid, or the Issuer or any Subsidiary shall so assert in writing; and

(l) the Issuer fails to make a Change of Control Offer in accordance with Section 4.12 of the 3L Indenture or the Issuer completes a Change of Control Offer with respect to fewer than all Securities then outstanding.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

A Default under clause (d), (i) or (m) of Section 6.01 of the 3L Indenture is not an Event of Default until the Trustee notifies the Issuer of such Default or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding notify the Issuer and the Trustee of the Default and the Issuer does not cure such Default within the time specified after receipt of such notice; provided that a notice of Default may not be given with respect to any action taken, and reported publicly or to holders, more than two

years prior to such notice of Default. Such notice must specify the Default, demand that it be remedied and state that such notice is a "notice of Default".

The Issuer shall deliver to the Trustee, within 30 days after it becomes aware of the occurrence thereof, written notice in the form of an Officer's Certificate of any event that with the giving of notice or the lapse of time would become an Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

Release of Collateral.

(a) Collateral may be released from the Liens and security interests created by the Securities Documents at any time or from time to time in accordance with the provisions of the Securities Documents and the Intercreditor Agreements. In addition, the Issuer and the Subsidiary Guarantors will be entitled to the release of assets included in the Collateral from the Liens and security interests securing the Securities. Such assets constituting Collateral shall be automatically released without further action by any party, and the Trustee shall (or, if the Trustee is not then the Securities Collateral Agent, shall direct the Securities Collateral Agent to) affirmatively release the same from such Liens and security interests at the Issuer's sole cost and expense, under any one or more of the following circumstances without the need for any further action by any Person:

(i) as to any property or assets to enable the Issuer or the Subsidiary Guarantors to consummate the disposition of such property or assets to the extent not prohibited and otherwise in accordance with Section 4.06; provided, however, that if such property or assets, immediately prior thereto, were subject to any Lien securing any Obligations of the Issuer or Subsidiary Guarantors and such property or assets continue after such disposition to be subject to a Lien securing any such Obligations, no such release shall occur with respect to such property or assets;

(ii) in the case of the property and assets of a Subsidiary that is a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its Subsidiary Guarantee of the Securities;

(iii) if such Collateral is released from the Liens securing the Senior Obligations;

(iv) as described under Article IX of the 3L Indenture.

(b) The security interests in all Collateral securing the Securities also will be released upon payment in full of the principal of, together with accrued and unpaid interest on, the Securities and all other Obligations under the 3L Indenture, the Securities, the Guarantees and the Security Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest are paid, including pursuant to the satisfaction and discharge of the 3L Indenture under Section 8.01 or upon the Issuer's exercise of a legal defeasance option or covenant defeasance option under the 3L Indenture as described under Article VIII.

Upon the written request of the Issuer pursuant to an Officer's Certificate and Opinion of Counsel stating that all conditions precedent hereunder and under the Securities Collateral Documents have been met, and upon receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Issuer or the Subsidiary Guarantors, as the case may be, the Securities Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Issuer or the Subsidiary Guarantors, shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to the 3L Indenture or the Securities Collateral Documents.

Satisfaction and Discharge.

(a) When (i) the Issuer delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.08 or Securities for whose payment money has theretofore been deposited in trust and thereafter repaid to the Issuer as provided in the second paragraph of Section 8.04) for cancelation or (ii) all outstanding Securities have become due and payable, whether at maturity or as a result of the delivery of a notice of redemption pursuant to Article III, or will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee, and the Issuer irrevocably deposits with the Trustee funds (comprised of cash to be held uninvested and/or U.S. Government Obligations) sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.08), and if in either case the Issuer pays all other sums payable hereunder by the Issuer, then

the 3L Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of the 3L Indenture on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Issuer.

(b) Subject to Section 8.01(c) and Section 8.02, the Issuer at any time may terminate (i) all of its obligations under the Securities and the 3L Indenture ("legal defeasance option") or (ii) its obligations under Section 4.02, Section 4.03, Section 4.04, Section 4.05, Section 4.06, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.13, Section 4.14, Section 4.15, Section 4.16, Section 4.17, Section 4.18, Section 4.19, Section 4.20, Section 4.21, Section 4.22, Section 4.24 and the operation of Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(h), Section 6.01(i), Section 6.01(j), Section 6.01(k) and Section 6.01(l) (but, in the case of Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) and the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b) ("covenant defeasance option"). The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Issuer exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(h), Section 6.01(i), Section 6.01(j), Section 6.01(k) and Section 6.01(l)(but, in the case of Sections Section 6.01(f) and Section (g), with respect only to Subsidiaries) or because of the failure of the Issuer to comply with the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b). If the Issuer exercises its legal defeasance option or its covenant defeasance option, the Liens, as they pertain to the Securities, will be released and each Subsidiary Guarantor will be released from all its obligations under its Subsidiary Guarantee, as it pertains to the Securities.

Upon satisfaction of the conditions set forth in the 3L Indenture and upon written request of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections Section 2.04, Section 2.05, Section 2.06, Section 2.07, Section 2.08, Article VII, Section 8.05 and Section 8.06 shall survive until the Securities have been paid in full. Thereafter, the Issuer's obligations in Sections Section 7.07 and Section 8.05 shall survive such satisfaction and discharge.

9. Other Obligors.

Other than the Applicants, no other person is an obligor with respect to the Exit Notes.

CONTENTS OF APPLICATION FOR QUALIFICATION

This Application for Qualification comprises:

(a) Pages numbered 1 to 33, consecutively.

(b) The Statement of Eligibility and Qualification on Form T-1 of the trustee under the Indentures to be qualified.

(c) The following exhibits in addition to those filed as part of the Statement of Eligibility and Qualification of the trustee:

Exhibit	Description
T3A.1.1	Amended and Restated Certificate of Incorporation of Rite Aid Corporation (incorporated by reference to Exhibit 3.2 to the Annual Report on Form 10-K/A of Rite Aid Corporation, for the fiscal year ended December 31, 2023).**
T3A.2	Certificate of Incorporation or correlative instruments of organization of the Guarantors.***
T3B.1	Amended and Restated By-Laws of Rite Aid Corporation (incorporated by reference to Exhibit 3.2 to the Annual Report on Form 10-K/A of Rite Aid Corporation, for the fiscal year ended December 31, 2023).**

T3B.2	By-Laws or instruments corresponding thereto of the Guarantors.***
T3E.1	Disclosure Statement for Amended Joint Chapter 11 Plan of Reorganization of Rite Aid Corporation and its Debtor Subsidiaries.*
T3C.1	Form of Indenture of Rite Aid Corporation, the subsidiary guarantors executing the signature pages thereto, and U.S. Bank Trust Company, National Association, as trustee, for the Exit 1.5L Notes.*
T3C.2	Form of Indenture of Rite Aid Corporation, the subsidiary guarantors executing the signature pages thereto, and U.S. Bank Trust Company, National Association, as trustee, for the Exit 3L Notes.*
T3F.1	Cross-reference sheet showing the location in each of the Indentures of the provisions inserted therein pursuant to Section 310 through 318(a), inclusive, of the Trust Indenture Act of 1939 (included in Exhibit T3C.1 and Exhibit T3C.2, respectively, hereto).*
T3D.1	Not Applicable.
25.1	Statement of eligibility and qualification of the trustee on Form T-1.*

* Filed herewith.

** Incorporated by reference.

*** To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Trust Indenture Act of 1939, Rite Aid Corporation, a corporation organized and existing under the laws of the State of Delaware, has duly caused this Application to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the city of Philadelphia and State of Pennsylvania, on August 19, 2024.

Rite Aid Corporation

By: /s/ Matthew Schroeder
Name: Matthew Schroeder
Title: Authorized Signatory

Pursuant to the requirements of the Trust Indenture Act of 1939, the applicants below, organized and existing under the laws of the states set forth in Item 1 herein, have duly caused this Application to be signed on their behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the city of Philadelphia and State of Pennsylvania, on August 19, 2024.

1515 West State Street Boise, Idaho, LLC
1740 Associates, L.L.C.
4042 Warrensville Center Road – Warrensville Ohio, Inc.
5277 ASSOCIATES, INC.
5600 Superior Properties, Inc.
Apex Drug Stores, Inc.
Broadview and Wallings–Broadview Heights Ohio, Inc.
Eckerd Corporation
EDC Drug Stores, Inc.
GDF, INC.
Genovese Drug Stores, Inc.
Gettysburg and Hoover-Dayton, Ohio, LLC

Harco, Inc.
Health Dialog Services Corporation
K & B ALABAMA CORPORATION
K & B Louisiana Corporation
K & B Mississippi Corporation
K & B SERVICES, INCORPORATED
K & B TENNESSEE CORPORATION
K&B TEXAS CORPORATION
K & B, Incorporated
LAKEHURST AND BROADWAY CORPORATION
Maxi Drug North, Inc.
Maxi Drug South, L.P.
Maxi Drug, Inc.
Maxi Green Inc.
Munson & Andrews, LLC
Name Rite, L.L.C.

P.J.C. Distribution, Inc.
P.J.C. Realty Co., Inc.
PDS-1 Michigan, Inc.
Perry Drug Stores, Inc.
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont Inc.
PJC Peterborough Realty LLC
PJC Realty MA, Inc.
PJC Revere Realty LLC
PJC Special Realty Holdings, Inc.
RDS Detroit, Inc.
READ's, Inc.
RITE AID DRUG PALACE, INC.
Rite Aid Hdqtrs. Corp.
RITE AID LEASE MANAGEMENT COMPANY
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.
RITE AID OF GEORGIA, INC.
RITE AID OF INDIANA, INC.
RITE AID OF KENTUCKY, INC.
Rite Aid of Maine, Inc.
RITE AID OF MARYLAND, INC.
RITE AID OF MICHIGAN, INC.
RITE AID OF NEW HAMPSHIRE, INC.
Rite Aid of New Jersey, Inc.
RITE AID OF NEW YORK, INC.
Rite Aid of North Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of Pennsylvania, LLC
RITE AID OF SOUTH CAROLINA, INC.
RITE AID OF TENNESSEE, INC.
RITE AID OF VERMONT, INC.
Rite Aid of Virginia, Inc.

Rite Aid of Washington, D.C., Inc.
RITE AID OF WEST VIRGINIA, INC.
Rite Aid Online Store, Inc.
Rite Aid Payroll Management, Inc.
RITE AID REALTY CORP.
RITE AID ROME DISTRIBUTION CENTER, INC.
RITE AID SPECIALTY PHARMACY LLC
Rite Aid Transport, Inc.
RX CHOICE, INC.
The Lane Drug Company
Thrift Drug, Inc.
THRIFTY CORPORATION
Thrifty PayLess, Inc.
The Bartell Drug Company
JCG Holdings (USA), Inc.
JCG (PJC) USA, LLC
Rite Aid Hdqtrs. Funding, Inc.
Rite Investments Corp.
Rite Investments Corp., LLC
The Jean Coutu Group (PJC) USA, Inc.

RediClinic LLC
RCMH LLC
RediClinic Associates, Inc.
RediClinic of PA, LLC
FIRST FLORIDA INSURERS OF TAMPA, LLC
Hunter Lane, LLC
Ex Pharmacy, LLC
Ex Holdco, LLC
Ex Procurement, LLC
Ex Tech, LLC
Ex Design Holdings, LLC
Ex Design, LLC
Ex Rxclusives, LLC
Ex Initiatives, LLC
Ex Savings, LLC
Ex Solutions of NV, LLC
Ex Solutions of OH, LLC
Ex PR, Inc.
Ex Benefits, LLC
Ex Software, LLC
Ex Solutions of MO, LLC
Ex Options, LLC

By: /s/ Matthew Schroeder
Name: Matthew Schroeder
Title: Authorized Signatory

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE
Check if an Application to Determine Eligibility of
a Trustee Pursuant to Section 305(b)(2) ☐

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

(Exact name of Trustee as specified in its charter)

91-1821036
I.R.S. Employer Identification No.

800 Nicollet Mall Minneapolis, Minnesota	55402
(Address of principal executive offices)	(Zip Code)

Benjamin J. Krueger
U.S. Bank Trust Company, National Association
60 Livingston Avenue
St. Paul, MN 55107
(651) 466-6299
(Name, address and telephone number of agent for service)

Rite Aid Corporation

(Issuer with respect to the Securities)

Delaware	23-1614034
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P.O. Box 3165 Harrisburg, Pennsylvania	17105
(Address of Principal Executive Offices)	(Zip Code)

Floating Rate Senior Secured PIK Notes due 2031
15.000% Third-Priority Series A Senior Secured PIK Notes due 2031
15.000% Third-Priority Series B Senior Secured PIK Notes due 2031
(Title of the Indenture Securities)

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*
Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*
Yes

Item 2. AFFILIATIONS WITH THE OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*
None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee, attached as Exhibit 1.
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the authorization of the Trustee to exercise corporate trust powers, included as Exhibit 2.
4. A copy of the existing bylaws of the Trustee, attached as Exhibit 4.
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of June 30, 2024, published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of St. Paul, State of Minnesota on the 19th of August, 2024.

By: /s/ Benjamin J. Krueger
Benjamin J. Krueger
Vice President

Exhibit 1

ARTICLES OF ASSOCIATION
OF
U. S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

For the purpose of organizing an association (the "Association") to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

FIRST. The title of this Association shall be U. S. Bank Trust Company, National Association.

SECOND. The main office of the Association shall be in the city of Portland, county of Multnomah, state of Oregon. The business of the Association will be limited to fiduciary powers and the support of activities incidental to the exercise of those powers. The Association may not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.

THIRD. The board of directors of the Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the Association or of a holding company owning the Association, with an aggregate par, fair market, or equity value of not less than $1,000, as of either (i) the date of purchase, (ii) the date the person became a director, or (iii) the date of that person's most recent election to the board of directors, whichever is more recent. Any combination of common or preferred stock of the Association or holding company may be used.

Any vacancy in the board of directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The board of directors may increase the number of directors up to the maximum permitted by law. Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless the directors resign or are removed from office. Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualified or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the board of directors, without voting power or power of final decision in matters concerning the business of the Association, may be appointed by resolution of a majority of the full board of directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determined the number of directors of the Association or the presence of a quorum in connection with any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year specified therefor in the Bylaws, or if that day falls on a legal holiday in the state in which the Association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding. In all cases, at least 10 days' advance notice of the meeting shall be given to the shareholders by first-class mail.

In all elections of directors, the number of votes each common shareholder may cast will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her.

A director may resign at any time by delivering written notice to the board of directors, its chairperson, or to the Association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by the shareholders at a meeting called to remove him or her, when notice of the meeting stating that the purpose or one of the purposes is to remove him or her is provided, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause; provided, however, that a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of the Association shall be 1,000,000 shares of common stock of the par value of ten dollars ($10) each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States. The Association shall have only one class of capital stock.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any obligations convertible into stock of the Association, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the board of directors, in its discretion, may from time to time determine and at such price as the board of directors may from time to time fix.

Transfers of the Association's stock are subject to the prior written approval of a federal depository institution regulatory agency. If no other agency approval is required, the approval of the Comptroller of the Currency must be obtained prior to any such transfers.

Unless otherwise specified in the Articles of Association or required by law, (1) all matters requiring shareholder action, including amendments to the Articles of Association must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether subordinated, without the approval of the shareholders. Obligations classified as debt, whether subordinated, which may be issued by the Association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The board of directors shall appoint one of its members president of this Association and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the Association, and such other officers and employees as may be required to transact the business of this Association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors in accordance with the Bylaws.

The board of directors shall have the power to:

(1) Define the duties of the officers, employees, and agents of the Association.

(2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Association.

(3) Fix the compensation and enter employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.

(4) Dismiss officers and employees.

(5) Require bonds from officers and employees and to fix the penalty thereof.

(6) Ratify written policies authorized by the Association's management or committees of the board.

(7) Regulate the manner any increase or decrease of the capital of the Association shall be made; provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the Association in accordance with law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital.

(8) Manage and administer the business and affairs of the Association.

(9) Adopt initial Bylaws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the Association.

(10) Amend or repeal Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to the shareholders.

(11) Make contracts.

(12) Generally perform all acts that are legal for a board of directors to perform.

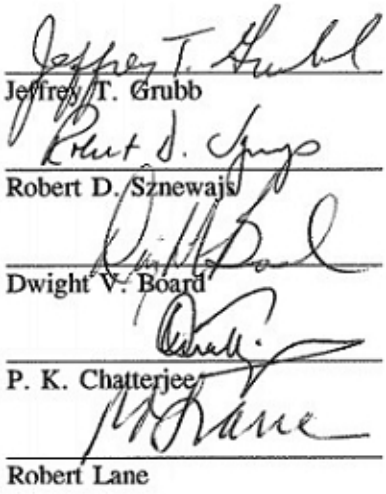
SEVENTH. The board of directors shall have the power to change the location of the main office to any authorized branch within the limits of the city of Portland, Oregon, without the approval of the shareholders, or with a vote of shareholders owning two-thirds of the stock of the Association for a location outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of the city of Portland, Oregon, but not more than thirty miles beyond such limits. The board of directors shall have the power to establish or change the location of any office or offices of the Association to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until termination according to the laws of the United States.

NINTH. The board of directors of the Association, or any shareholder owning, in the aggregate, not less than 25 percent of the stock of the Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the Bylaws or the laws of the United States, or waived by shareholders, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least 10, and no more than 60, days prior to the date of the meeting to each shareholder of record at his/her address as shown upon the books of the Association. Unless otherwise provided by the Bylaws, any action requiring approval of shareholders must be effected at a duly called annual or special meeting.

TENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of the Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount; provided, that the scope of the Association's activities and services may not be expanded without the prior written approval of the Comptroller of the Currency. The Association's board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

In witness whereof, we have hereunto set our hands this 11th of June, 1997.



Jeffrey T. Grubb

Robert D. Sznewajs

Dwight V. Board

P. K. Chatterjee

Robert Lane

Exhibit 2

Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE AND FIDUCIARY POWERS

I, Michael J. Hsu, Acting Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank Trust Company National Association," Portland, Oregon (Charter No. 23412), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise fiduciary powers on the date of this certificate.

IN TESTIMONY WHEREOF, today, July 12, 2024, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington, District of Columbia.

Acting Comptroller of the Currency

CURRENCY BUREAU SEAL OF THE Comptroller OF THE CURRENCY TREASURY DEPARTMENT

2024-01137-C

Exhibit 4

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

AMENDED AND RESTATED BYLAWS

ARTICLE I
Meetings of Shareholders

Section 1.1. Annual Meeting. The annual meeting of the shareholders, for the election of directors and the transaction of any other proper business, shall be held at a time and place as the Chairman or President may designate. Notice of such meeting shall be given not less than ten (10) days or more than sixty (60) days prior to the date thereof, to each shareholder of the Association, unless the Office of the Comptroller of the Currency (the "OCC") determines that an emergency circumstance exists. In accordance with applicable law, the sole shareholder of the Association is permitted to waive notice of the meeting. If, for any reason, an election of directors is not made on the designated day, the election shall be held on some subsequent day, as soon thereafter as practicable, with prior notice thereof. Failure to hold an annual meeting as required by these Bylaws shall not affect the validity of any corporate action or work a forfeiture or dissolution of the Association.

Section 1.2. Special Meetings. Except as otherwise specially provided by law, special meetings of the shareholders may be called for any purpose, at any time by a majority of the board of directors (the "Board"), or by any shareholder or group of shareholders owning at least ten percent of the outstanding stock.

Every such special meeting, unless otherwise provided by law, shall be called upon not less than ten (10) days nor more than sixty (60) days prior notice stating the purpose of the meeting.

Section 1.3. Nominations for Directors. Nominations for election to the Board may be made by the Board or by any shareholder.

Section 1.4. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing. Proxies shall be valid only for one meeting and any adjournments of such meeting and shall be filed with the records of the meeting.

Section 1.5. Record Date. The record date for determining shareholders entitled to notice and to vote at any meeting will be thirty days before the date of such meeting, unless otherwise determined by the Board.

Section 1.6. Quorum and Voting. A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

Section 1.7. Inspectors. The Board may, and in the event of its failure so to do, the Chairman of the Board may appoint Inspectors of Election who shall determine the presence of quorum, the validity of proxies, and the results of all elections and all other matters voted upon by shareholders at all annual and special meetings of shareholders.

Section 1.8. Waiver and Consent. The shareholders may act without notice or a meeting by a unanimous written consent by all shareholders.

Section 1.9. Remote Meetings. The Board shall have the right to determine that a shareholder meeting not be held at a place, but instead be held solely by means of remote communication in the manner and to the extent permitted by the General Corporation Law of the State of Delaware.

ARTICLE II
Directors

Section 2.1. Board of Directors. The Board shall have the power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by the Board.

Section 2.2. Term of Office. The directors of this Association shall hold office for one year and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 2.3. Powers. In addition to the foregoing, the Board shall have and may exercise all of the powers granted to or conferred upon it by the Articles of Association, the Bylaws and by law.

Section 2.4. Number. As provided in the Articles of Association, the Board of this Association shall consist of no less than five nor more than twenty-five members, unless the OCC has exempted the Association from the twenty-five- member limit. The Board shall consist of a number of members to be fixed and determined from time to time by resolution of the Board or the shareholders at any meeting thereof, in accordance with the Articles of Association. Between meetings of the shareholders held for the purpose of electing directors, the Board by a majority vote of the full Board may increase the size of the Board but not to more than a total of twenty-five directors, and fill any vacancy so created in the Board; provided that the Board may increase the number of directors only by up to two directors, when the number of directors last elected by shareholders was fifteen or fewer, and by up to four directors, when the number of directors last elected by shareholders was sixteen or more. Each director shall own a qualifying equity interest in the Association or a company that has control of the Association in each case as required by applicable law. Each director shall own such qualifying equity interest in his or her own right and meet any minimum threshold ownership required by applicable law.

Section 2.5. Organization Meeting. The newly elected Board shall meet for the purpose of organizing the new Board and electing and appointing such officers of the Association as may be appropriate. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within thirty days thereafter, at such time and place as the Chairman or President may designate. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting until a quorum is obtained.

Section 2.6. Regular Meetings. The regular meetings of the Board shall be held, without notice, as the Chairman or President may designate and deem suitable.

Section 2.7. Special Meetings. Special meetings of the Board may be called at any time, at any place and for any purpose by the Chairman of the Board or the President of the Association, or upon the request of a majority of the entire Board. Notice of every special meeting of the Board shall be given to the directors at their usual places of business, or at such other addresses as shall have been furnished by them for the purpose. Such notice shall be given at least twelve hours (three hours if meeting is to be conducted by conference telephone) before the meeting by telephone or by being personally delivered, mailed, or electronically delivered. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

Section 2.8. Quorum and Necessary Vote. A majority of the directors shall constitute a quorum at any meeting of the Board, except when otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. Unless otherwise provided by law or the Articles or Bylaws of this Association, once a quorum is established, any act by a majority of those directors present and voting shall be the act of the Board.

Section 2.9. Written Consent. Except as otherwise required by applicable laws and regulations, the Board may act without a meeting by a unanimous written consent by all directors, to be filed with the Secretary of the Association as part of the corporate records.

Section 2.10. Remote Meetings. Members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 2.11. Vacancies. When any vacancy occurs among the directors, the remaining members of the Board may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

ARTICLE III
Committees

Section 3.1. Advisory Board of Directors. The Board may appoint persons, who need not be directors, to serve as advisory directors on an advisory board of directors established with respect to the business affairs of either this Association alone or the business affairs of a group of affiliated organizations of which this Association is one. Advisory directors shall have such powers and duties as may be determined by the Board, provided, that the Board's responsibility for the business and affairs of this Association shall in no respect be delegated or diminished.

Section 3.2. Trust Audit Committee. At least once during each calendar year, the Association shall arrange for a suitable audit (by internal or external auditors) of all significant fiduciary activities under the direction of its trust audit committee, a function that will be fulfilled by the Audit Committee of the financial holding company that is the ultimate parent of this Association. The Association shall note the results of the audit (including significant actions taken as a result of the audit) in the minutes of the Board. In lieu of annual audits, the Association may adopt a continuous audit system in accordance with 12 C.F.R. § 9.9(b).

The Audit Committee of the financial holding company that is the ultimate parent of this Association, fulfilling the function of the trust audit committee:

(1) Must not include any officers of the Association or an affiliate who participate significantly in the administration of the Association’s fiduciary activities; and

(2) Must consist of a majority of members who are not also members of any committee to which the Board has delegated power to manage and control the fiduciary activities of the Association.

Section 3.3. Executive Committee. The Board may appoint an Executive Committee which shall consist of at least three directors and which shall have, and may exercise, to the extent permitted by applicable law, all the powers of the Board between meetings of the Board or otherwise when the Board is not meeting.

Section 3.4. Trust Management Committee. The Board of this Association shall appoint a Trust Management Committee to provide oversight of the fiduciary activities of the Association. The Trust Management Committee shall determine policies governing fiduciary activities. The Trust Management Committee or such sub-committees, officers or others as may be duly designated by the Trust Management Committee shall oversee the processes related to fiduciary activities to assure conformity with fiduciary policies it establishes, including ratifying the acceptance and the closing out or relinquishment of all trusts. The Trust Management Committee will provide regular reports of its activities to the Board.

Section 3.5. Other Committees. The Board may appoint, from time to time, committees of one or more persons who need not be directors, for such purposes and with such powers as the Board may determine; however, the Board will not delegate to any committee any powers or responsibilities that it is prohibited from delegating under any law or regulation. In addition, either the Chairman or the President may appoint, from time to time, committees of one or more officers, employees, agents or other persons, for such purposes and with such powers as either the Chairman or the President deems appropriate and proper. Whether appointed by the Board, the Chairman, or the President, any such committee shall at all times be subject to the direction and control of the Board.

Section 3.6. Meetings, Minutes and Rules. An advisory board of directors and/or committee shall meet as necessary in consideration of the purpose of the advisory board of directors or committee, and shall maintain minutes in sufficient detail to indicate actions taken or recommendations made; unless required by the members, discussions, votes or other specific details need not be reported. An advisory board of directors or a committee may, in consideration of its purpose, adopt its own rules for the exercise of any of its functions or authority.

ARTICLE IV
Officers

Section 4.1. Chairman of the Board. The Board may appoint one of its members to be Chairman of the Board to serve at the pleasure of the Board. The Chairman shall supervise the carrying out of the policies adopted or approved by the Board; shall have general executive powers, as well as the specific powers conferred by these Bylaws; and shall also have and may exercise such powers and duties as from time to time may be conferred upon or assigned by the Board.

Section 4.2. President. The Board may appoint one of its members to be President of the Association. In the absence of the Chairman, the President shall preside at any meeting of the Board. The President shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the office of President, or imposed by these Bylaws. The President shall also have and may exercise such powers and duties as from time to time may be conferred or assigned by the Board.

Section 4.3. Vice President. The Board may appoint one or more Vice Presidents who shall have such powers and duties as may be assigned by the Board and to perform the duties of the President on those occasions when the President is absent, including presiding at any meeting of the Board in the absence of both the Chairman and President.

Section 4.4. Secretary. The Board shall appoint a Secretary, or other designated officer who shall be Secretary of the Board and of the Association, and shall keep accurate minutes of all meetings. The Secretary shall attend to the giving of all notices required by these Bylaws to be given; shall be custodian of the corporate seal, records, documents and papers of the Association; shall provide for the keeping of proper records of all transactions of the Association; shall, upon request, authenticate any records of the Association; shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the Secretary, or imposed by these Bylaws; and shall also perform such other duties as may be assigned from time to time by the Board. The Board may appoint one or more Assistant Secretaries with such powers and duties as the Board, the President or the Secretary shall from time to time determine.

Section 4.5. Other Officers. The Board may appoint, and may authorize the Chairman, the President or any other officer to appoint, any officer as from time to time may appear to the Board, the Chairman, the President or such other officer to be required or desirable to transact the business of the Association. Such officers shall exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon or assigned to them by these Bylaws, the Board, the Chairman, the President or such other authorized officer. Any person may hold two offices.

Section 4.6. Tenure of Office. The Chairman or the President and all other officers shall hold office until their respective successors are elected and qualified or until their earlier death, resignation, retirement, disqualification or removal from office, subject to the right of the Board or authorized officer to discharge any officer at any time.

ARTICLE V
Stock

Section 5.1. The Board may authorize the issuance of stock either in certificated or in uncertificated form. Certificates for shares of stock shall be in such form as the Board may from time to time prescribe. If the Board issues certificated stock, the certificate shall be signed by the President, Secretary or any other such officer as the Board so determines. Shares of stock shall be transferable on the books of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to such person's shares, succeed to all rights of the prior holder of such shares. Each certificate of stock shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed. The Board may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Association for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

ARTICLE VI
Corporate Seal

Section 6.1. The Association shall have no corporate seal; provided, however, that if the use of a seal is required by, or is otherwise convenient or advisable pursuant to, the laws or regulations of any jurisdiction, the following seal may be used, and the Chairman, the President, the Secretary and any Assistant Secretary shall have the authority to affix such seal:

ARTICLE VII
Miscellaneous Provisions

Section 7.1. Execution of Instruments. All agreements, checks, drafts, orders, indentures, notes, mortgages, deeds, conveyances, transfers, endorsements, assignments, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, guarantees, proxies and other instruments or documents may be signed, countersigned, executed, acknowledged, endorsed, verified, delivered or accepted on behalf of the Association, whether in a fiduciary capacity or otherwise, by any officer of the Association, or such employee or agent as may be designated from time to time by the Board by resolution, or by the Chairman or the President by written instrument, which resolution or instrument shall be certified as in effect by the Secretary or an Assistant Secretary of the Association. The provisions of this section are supplementary to any other provision of the Articles of Association or Bylaws.

Section 7.2. Records. The Articles of Association, the Bylaws as revised or amended from time to time and the proceedings of all meetings of the shareholders, the Board, and standing committees of the Board, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary, or other officer appointed to act as Secretary of the meeting.

Section 7.3. Trust Files. There shall be maintained in the Association files all fiduciary records necessary to assure that its fiduciary responsibilities have been properly undertaken and discharged.

Section 7.4. Trust Investments. Funds held in a fiduciary capacity shall be invested according to the instrument establishing the fiduciary relationship and according to law. Where such instrument does not specify the character and class of investments to be made and does not vest in the Association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under law.

Section 7.5. Notice. Whenever notice is required by the Articles of Association, the Bylaws or law, such notice shall be by mail, postage prepaid, e- mail, in person, or by any other means by which such notice can reasonably be expected to be received, using the address of the person to receive such notice, or such other personal data, as may appear on the records of the Association.

Except where specified otherwise in these Bylaws, prior notice shall be proper if given not more than 30 days nor less than 10 days prior to the event for which notice is given.

ARTICLE VIII
Indemnification

Section 8.1. The Association shall indemnify such persons for such liabilities in such manner under such circumstances and to such extent as permitted by Section 145 of the Delaware General Corporation Law, as now enacted or hereafter amended. The Board may authorize the purchase and maintenance of insurance and/or the execution of individual agreements for the purpose of such indemnification, and the Association shall advance all reasonable costs and expenses (including attorneys' fees) incurred in defending any action, suit or proceeding to all persons entitled to indemnification under this Section 8.1. Such insurance shall be consistent with the requirements of 12 C.F.R. § 7.2014 and shall exclude coverage of liability for a formal order assessing civil money penalties against an institution-affiliated party, as defined at 12 U.S.C. § 1813(u).

Section 8.2. Notwithstanding Section 8.1, however, (a) any indemnification payments to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for an administrative proceeding or civil action initiated by a federal banking agency, shall be reasonable and consistent with the requirements of 12 U.S.C. § 1828(k) and the implementing regulations thereunder; and (b) any indemnification payments and advancement of costs and expenses to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, shall be in accordance with Delaware General Corporation Law and consistent with safe and sound banking practices.

ARTICLE IX
Bylaws: Interpretation and Amendment

Section 9.1. These Bylaws shall be interpreted in accordance with and subject to appropriate provisions of law, and may be added to, altered, amended, or repealed, at any regular or special meeting of the Board.

Section 9.2. A copy of the Bylaws and all amendments shall at all times be kept in a convenient place at the principal office of the Association, and shall be open for inspection to all shareholders during Association hours.

ARTICLE X
Miscellaneous Provisions

Section 10.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

Section 10.2. Governing Law. This Association designates the Delaware General Corporation Law, as amended from time to time, as the governing law for its corporate governance procedures, to the extent not inconsistent with Federal banking statutes and regulations or bank safety and soundness.

***

(February 8, 2021)

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: August 19, 2024

By: /s/ Benjamin J. Krueger
Benjamin J. Krueger
Vice President

Exhibit 7

U.S. Bank Trust Company, National Association
Statement of Financial Condition
as of 6/30/2024

($000's)

		6/30/2024
Assets		
Cash and Balances Due From Depository Institutions	$	1,420,557
Securities		4,393
Federal Funds		0

Loans & Lease Financing Receivables		0
Fixed Assets		1,164
Intangible Assets		577,338
Other Assets		153,812
Total Assets	**$**	**2,157,264**
Liabilities		
Deposits	$	0
Fed Funds		0
Treasury Demand Notes		0
Trading Liabilities		0
Other Borrowed Money		0
Acceptances		0
Subordinated Notes and Debentures		0
Other Liabilities		215,138
Total Liabilities	**$**	**215,138**
Equity		
Common and Preferred Stock		200
Surplus		1,171,635
Undivided Profits		770,291
Minority Interest in Subsidiaries		0
Total Equity Capital	**$**	**1,942,126**
Total Liabilities and Equity Capital	**$**	**2,157,264**

Exhibit T3C.1

[THIS DRAFT OF THE ROLLOVER NOTES INDENTURE REMAINS SUBJECT TO CONTINUING NEGOTIATIONS WITH ALL PARTIES IN INTEREST AND THE FINAL VERSION MAY CONTAIN MATERIAL DIFFERENCES. FOR THE AVOIDANCE OF DOUBT, NO PARTY HAS CONSENTED TO THIS VERSION AS THE FINAL FORM, AND ALL PARTIES RESERVE THEIR RESPECTIVE RIGHTS WITH RESPECT TO THIS DOCUMENT AND ANY RELATED DOCUMENTS.]

THIS INDENTURE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN, AND ARE OTHERWISE SUBJECT TO THE TERMS AND PROVISIONS OF, THE ABL INTERCREDITOR AGREEMENT AND THE SECURITIES / TAKEBACK NOTES INTERCREDITOR AGREEMENT (EACH AS DEFINED HEREIN, AND COLLECTIVELY, THE "INTERCREDITOR AGREEMENTS"). IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS AND PROVISIONS OF THE INTERCREDITOR AGREEMENTS AND THIS INDENTURE, THE TERMS AND PROVISIONS OF THE INTERCREDITOR AGREEMENTS SHALL GOVERN AND CONTROL. EACH HOLDER (AS DEFINED HEREIN) (A) CONSENTS TO THE SUBORDINATION OF LIENS (AS DEFINED HEREIN) PROVIDED FOR IN THE INTERCREDITOR AGREEMENTS, (B) AGREES THAT IT WILL BE BOUND BY AND WILL TAKE NO ACTIONS CONTRARY TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENTS AND (C) AUTHORIZES AND INSTRUCTS THE SECURITIES COLLATERAL AGENT (AS DEFINED HEREIN) TO ENTER INTO THE INTERCREDITOR AGREEMENTS AS THE APPLICABLE JUNIOR AGENT OR SENIOR AGENT ON BEHALF OF SUCH HOLDER.

[NEW RITE AID]

Floating Rate Senior Secured PIK Notes due 2031

INDENTURE

Dated as of [•], 2024

U.S. Bank Trust Company, National Association,

as Trustee and as Securities Collateral Agent

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	Section 7.10
(a)(2)	Section 7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	Section 7.10
(b)	Section 7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	Section 2.06
(b)	Section 12.01; 11.17
(c)	Section 12.01; 11.17
313(a)	7.06
(b)(1)	Section 7.06

(b)(2)	Section 7.06; Section 7.06
(c)	Section 7.05; Section 7.06; Section 12.01
(d)	7.06
314(a)	Section 4.02; Section 4.25
(b)	Section 13.07
(c)(1)	Section 12.02
(c)(2)	Section 12.02
(c)(3)	N.A.
(d)	Section 13.07
(e)	Section 12.03
(f)	N.A.
315(a)	Section 7.01
(b)	Section 7.05; Section 12.01
(c)	Section 7.01
(d)	Section 7.01
(e)	Section 6.11
316(a)	N.A.
(b)	Section 6.07
(c)	Section 1.05; Section 2.13; Section 9.04
317(a)(1)	Section 6.08
(a)(2)	Section 6.09
(b)	Section 2.05
318(a)	Section 12.16
(b)	N.A.
(c)	Section 12.16

N.A. means not applicable and expressly excluded from this Indenture.

* This Cross-Reference Table is not part of the Indenture.

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INDENTURE dated as of [•], 2024, among [NEW RITE AID], a Delaware limited liability company (the "Company"), each of the SUBSIDIARY GUARANTORS named in Schedule A hereto and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, the "Trustee") and as Securities Collateral agent (in such capacity, the "Securities Collateral Agent").

WHEREAS, the Company desires to issue $[•] million aggregate principal amount of Floating Rate Senior Secured PIK Notes due 2031;

NOW THEREFORE, each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's Floating Rate Senior Secured PIK Notes due 2031 to be issued, from time to time, in one or more tranches as provided in this Indenture (the "Securities"):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

"144A Global Security" means a Global Security substantially in the form of Exhibit A attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Securities sold in reliance on Rule 144A.

"2023 CMS Receivable" means the Medicare Part D final reconciliation payment that is or may become owing to Elixir Insurance Company by CMS, together with any related obligations of CMS owing to Elixir Insurance Company, in each case, for the 2023 plan year.

"ABL / McKesson Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between [McKesson],[1] the ABL Administrative Agent and the ABL Collateral Agent, and acknowledged by the Securities Parties, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"ABL Administrative Agent" means Bank of America, N.A. and any successor thereto named in accordance with the terms of the ABL Credit Agreement.

"ABL Borrowing Base Amount" has the meaning ascribed to it in the ABL Credit Agreement.

"ABL Collateral Agent" means Bank of America, N.A., in its capacity as collateral agent under the ABL Collateral Documents, and any successor thereof or replacement collateral agent appointed in accordance with the terms of the ABL Facility Documents.

"ABL Collateral Documents" means the ABL Security Agreement, and each of the security agreements and other instruments and documents executed and delivered by the Company or any Subsidiary Guarantor pursuant to any of the foregoing or pursuant to the ABL Credit Agreement for purposes of providing collateral security or credit support for any ABL Loan Obligations (including, in each case, any schedules, exhibits or annexes thereto), as the same may be amended, restated, supplemented or otherwise modified from time to time.

"ABL Credit Agreement" means the Credit Agreement, dated as of the Issue Date, among the Company, as borrower, the lenders from time to time party thereto, the ABL Administrative Agent, the ABL Collateral Agent, and the other parties thereto as

amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

[1] Note to Draft – To be determined whether there will be a collateral agent entity or specific entity formed to hold collateral.

"ABL Facility" means (a) the credit facilities provided under the ABL Loan Documents, including one or more debt facilities or other financing arrangements providing for revolving credit loans, term loans, letters of credit, notes, debt securities or other indebtedness for borrowed money that replace or refinance such credit facility, including any such replacement or refinancing facility or indenture that increases or decreases the amount permitted to be borrowed thereunder or alters the maturity thereof and whether by the same or any other agent, lender or group of lenders, and any amendments, supplements, modifications, extensions, renewals, restatements, amendments and restatements or refundings thereof or any such indentures or credit facilities that replace or refinance such credit facility and (b) whether or not the ABL Credit Agreement referred to in clause (a) remains outstanding, if designated by the Issuer to be included in the definition of "ABL Facility," one or more (i) debt facilities or commercial paper facilities providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (ii) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (iii) instruments or agreements evidencing any other Debt, in each case, with the same or different arrangements, agents, lenders, borrowers or issuers, and, in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time. .

"ABL Facility Documents" means the ABL Credit Agreement, the ABL Collateral Documents, the ABL Intercreditor Agreement, and any other agreement now or hereafter executed and delivered in connection with the ABL Credit Agreement in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

"ABL Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between the Securities Collateral Agent and the ABL Administrative Agent and acknowledged by the Company and the Subsidiary Guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"ABL Loan Documents" has the meaning ascribed to the term "Loan Documents" in the ABL Credit Agreement.

"ABL Loan Obligations" means (a) the principal of each loan made under the ABL Credit Agreement, (b) all reimbursement and cash collateralization obligations in respect of letters of credit issued under the ABL Credit Agreement, (c) all Bank Product Liabilities (as defined in the ABL Credit Agreement), (d) all interest on the loans, letter of credit reimbursement, fees, indemnification and other obligations under the ABL Credit Agreement, or with respect to such Bank Product Liabilities (as defined in the ABL Credit Agreement) (including, without limitation, any interest, fees and other amounts which accrue after the commencement of any case, proceeding or other action relating to a Bankruptcy Proceeding (as defined in the ABL Credit Agreement) of the Company or any Subsidiary Guarantor (as defined in the ABL Credit Agreement), whether or not allowed or allowable, in whole or in part, as a claim in such Bankruptcy Proceeding (as defined in the ABL Credit Agreement)), (e) all other amounts payable by the Company or any Subsidiary under the ABL Loan Documents or in respect of Bank Product Liabilities (as defined in the ABL Credit Agreement) and (f) all increases, renewals, extensions and refinancings of the foregoing.

"ABL Security Agreement" means the Security Agreement, dated as of the Issue Date, made by the Company and the Subsidiary Guarantors in favor of the ABL Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"ABL / Takeback Notes Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between the ABL Administrative Agent and the Takeback Notes Trustee, and acknowledged by the Company and the Subsidiary Guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"Acceptable Intercreditor Agreement" means (a) with respect to the McKesson Trade Obligations, the McKesson Agreement, (b) with respect to the Takeback Notes Obligations, the Securities / Takeback Notes Intercreditor Agreement, and (c) with respect to any other Debt secured by any Liens on any Collateral, an intercreditor agreement among the Securities Parties, the ABL Administrative Agent, the Securities Collateral Agent and the trustee, agent or other representative for holders of any such Debt secured by assets constituting Collateral, which intercreditor agreement shall be in form and substance satisfactory to the ABL Administrative Agent and the Securities Collateral Agent (to the extent instructed by holders of the Securities).]

"Additional Assets" means:

(a) any Property (other than cash, Temporary Cash Investments and securities) to be owned by the Company or any Subsidiary and used in a Related Business; or

(b) Equity Interests of (i) a Subsidiary held by a Person other than the Company or a Subsidiary or (ii) a Person that becomes a Subsidiary as a result of the acquisition of such Equity Interests by the Company or another Subsidiary from any Person other than the Company or an Affiliate of the Company, *provided*, *however*, that, in the case of this clause (b), such Subsidiary is primarily engaged in a Related Business.

"Affiliate" of any specified Person means:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or

(b) any other Person who is a director or executive officer of:

(1) such specified Person;

(2) any Subsidiary of such specified Person; or

(3) any Person described in clause (a) above.

For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Margin" means 7.00% per annum.

"Applicable Premium" means, with respect to any Security on any date on which Applicable Premium Event occurs, the present value at such date of all required interest payments due on such Security through the then-applicable Maturity Date (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate on such date plus 50 basis points.

"Applicable Premium Event" means (a) the acceleration of all of the Securities for any reason, including, but not limited to, acceleration following or pursuant to an Event of Default, including as a result of the commencement of a proceeding under any debtor relief law, including the Bankruptcy Code, and (b) the satisfaction, release, payment, restructuring, reorganization, replacement, reinstatement, defeasance or compromise of any of the Securities in any proceeding under any debtor relief law, including the Bankruptcy Code, foreclosure (whether by power of judicial proceeding or otherwise) or deed in lieu of foreclosure or the making of a distribution of any kind in any proceeding under any debtor relief law, including the Bankruptcy Code, to the holders (whether directly or indirectly, including through the Trustee or any other distribution agent), in full or partial satisfaction of the Securities. If an Applicable Premium Event occurs, the entire amount outstanding shall be deemed to be subject to the Applicable Premium Event on the date on which such Applicable Premium Event occurs.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Security, the rules and procedures of the Depositary, Euroclear and/or Clearstream that apply to such transfer or exchange.

"Asset Sale" means any sale, lease, assignment, transfer or other disposition (including pursuant to a Sale and Leaseback Transaction) of any property or asset (whether now owned or hereafter acquired, whether in one transaction or a series of related transactions and whether by way of merger or otherwise) of the Company or any Subsidiary (including of any Equity Interest in a Subsidiary).

"Attributable Debt" means, as to any particular Capital Lease or Sale and Leaseback Transaction under which the Company or any Subsidiary is at the time liable, as of any date as of which the amount thereof is to be determined (a) in the case of a transaction involving a Capital Lease, the amount as of such date of Capital Lease Obligations with respect thereto and (b) in the case of a Sale and Leaseback Transaction not involving a Capital Lease, the then present value of the minimum rental obligations under such Sale and Leaseback Transaction during the remaining term thereof (after giving effect to any extensions at the option of the lessor) computed by discounting the rental payments at the actual interest factor included in such payments or, if such interest factor cannot be readily determined, at the rate per annum that would be applicable to a Capital Lease of the Company having similar payment terms. The amount of any rental payment required to be made under any such Sale and Leaseback Transaction not involving a Capital Lease may exclude amounts required to be paid by the lessee on account of maintenance and repairs, insurance, taxes, assessments, utilities, operating and labor costs and similar charges, whether or not characterized as rent. Any determination of any rate implicit in the terms of a Capital Lease or a lease in a Sale and Leaseback Transaction not involving a Capital Lease made in accordance with generally accepted financial practices by the Company shall be binding and conclusive absent manifest error.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. Section 101 *et seq*.), as now or hereafter in effect, or any successor thereto.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of New Jersey.

"Bankruptcy Law" means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

"Benchmark" means, initially, Term SOFR; provided that if the Company or its designee determine on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR (or the published daily Term SOFR Screen Rate used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Company or its designee as of the Benchmark Replacement Date:

(i) the sum of (a) the alternate rate of interest that has been selected or recommended by the relevant governmental body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(ii) the sum of (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(iii) the sum of (a) the alternate rate of interest that has been selected by the Company or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Company or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the relevant governmental body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Company or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the Interest Period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors and other administrative matters) that the Company or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Company or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Company or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Company or its designee determines is reasonably practicable).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(iii) public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(iv) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(v) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"Board of Directors" means the board of directors (or equivalent governing body) of the Company or any duly authorized and constituted committee thereof, or, if the Company does not have such a board of directors (or equivalent governing body) and is owned or managed by another entity or entities, the board of directors (or equivalent governing body) of such entity or entities.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Acquisition" means (a) an Investment by the Company or any of the Subsidiaries in any other Person (including an Investment by way of acquisition of debt or equity securities of any other Person) pursuant to which such Person shall become a Subsidiary or shall be merged into or consolidated with the Company or any of the Subsidiaries or (b) an acquisition by the Company or any of the Subsidiaries of the property and assets of any Person (other than the Company or any of the Subsidiaries) that constitute substantially all of the assets of such Person or any division or other business unit of such Person; provided that, from and after the first anniversary of the Issue Date, the acquisition of Prescription Files and Stores and the acquisition of Persons substantially all of whose assets consist of fewer than ten (10) Stores, in each case in the ordinary course of business shall not constitute a Business Acquisition.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York, New York are authorized or obligated by law, regulation, executive order or governmental decree to close.

"Calculation Agent" means initially the Trustee, acting as the calculation agent for the Securities, or any successor calculation agent appointed by the Company.

"Capital Lease" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which, in accordance with GAAP, should be capitalized on the lessee's balance sheet; provided that, notwithstanding the foregoing, only those leases (assuming for purposes hereof that such leases were in existence prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)") that would have constituted Capital Leases or financing leases in conformity with GAAP as in effect prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)", shall be considered Capital Leases or financing leases hereunder and all calculations and deliverables under this Indenture or any other Securities Document shall be made or delivered, as applicable, in accordance therewith (other than the financial statements pursuant to Section 4.02).

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any Capital Lease, which obligations should be classified and accounted for as Capital Leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CFC" means a Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

["Change of Control" means the occurrence of any of the following after the Issue Date:

(a) at any time prior to the consummation of a Qualifying IPO after the Issue Date, the Permitted Holders ceasing to beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), in the aggregate, directly or indirectly, at least a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company (calculated on a fully diluted basis);

(b) at any time following the consummation of a Qualifying IPO after the Issue Date,

(i) (A) any Person (other than a Permitted Holder) or (B) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of Equity Interests of the Company representing more than [thirty-five percent (35.00%)] of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of the Company, as applicable, beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders; or

(ii) at the end of any period of twelve (12) consecutive calendar months, the occupation of a majority of the seats on the Board of Directors by Persons who were not members of the Board of Directors on the first day of such period (other than any new directors whose election or appointment by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of not less than three-fourths of the members of the Board of Directors then still in office who were either members of the Board of Directors at the beginning of such period or whose election or nomination for election was previously so approved); or

(c) [the Company ceases to be a direct wholly owned Subsidiary of [Holdings] (or any successor of Holdings that (x) becomes the direct parent of the Company and owns no other direct Subsidiaries and (y) has expressly assumed (and is in compliance with) all the obligations of Holdings under this Indenture and the other loan documents to which [Holdings] is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the [Trustee])];

(d) the Company shall cease to own, directly or indirectly, one hundred percent (100%) of the Equity Interests of each Subsidiary Guarantor except where such failure is as a result of a transaction permitted by the Securities Documents; or

(e) any "Change of Control" (or any comparable term) in any documentation governing Material Debt occurs.]

"Chapter 11 Case" means the administratively consolidated Chapter 11 Case No. 23-18993 commenced with the United States Bankruptcy Court for the District of New Jersey by Rite Aid Corporation and its debtor affiliates.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means all of the [Collateral] (as defined in the Security Agreement).

"Combined Borrowing Base Amount" has the meaning ascribed to it in the ABL Credit Agreement.

"CME" means CME Group Benchmark Administration Limited.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Consolidated EBITDA" means, for any period, without duplication,

(a) Consolidated Net Income for such period; plus

(b) to the extent deducted (or excluded) in determining Consolidated Net Income for such period, the aggregate amount of the following:

(i) consolidated interest expenses, whether cash or non-cash;

(ii) provision for income taxes;

(iii) depreciation and amortization;

(iv) LIFO Adjustments which reduced such Consolidated Net Income;

(v) non-cash store closing and other non-cash impairment charges and expenses;

(vi) any other non-cash expenses, charges, expenses, losses or items (including any write-offs or write-downs (other than of Inventory)) reducing Consolidated Net Income for such period (provided that, if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Company may determine not to add back such non-cash charge in the current period and (B) to the extent the Company does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent);

(vii) non-cash compensation expenses related to stock option and restricted stock employee benefit plans;

(viii) the non-cash interest component, as adjusted from time to time, in respect of reserves;

(ix) all Transaction Expenses, to the extent paid on the Issue Date or incurred and paid during the six (6) month period after the Issue Date; provided that (A) the aggregate amount added back to Consolidated EBITDA pursuant to clause (ix) shall not exceed [●] percent ([●]%) of Consolidated EBITDA for such period (prior to giving effect to such addback) and (B) the Company has delivered to the Securities Collateral Agent an Officer's Certificate of the Company certifying, in good faith, as to such Transaction Expenses, in such detail, and together with such supporting documentation therefor, as may be reasonably requested by the Securities Collateral Agent;

(x) all non-recurring costs, fees, premiums, charges and expenses incurred in connection with any Investment, Business Acquisition, Asset Sale, Restricted Payment, incurrences of Debt or issuances of Equity Interests (A) occurring after the Issue Date (but excluding any Specified Regional Sale Transaction) and (B) permitted by the terms of this Indenture, whether or not consummated;

(xi) (A) all Expected Cost Savings related to the Transactions and any Specified Regional Sale Transaction that are, in the reasonable, good faith judgment of an Officer of the Company, reasonably identifiable and quantifiable and determined or projected, as the case may be, to result from actions that have either been taken, with respect to which substantial steps have been taken or that are expected to be taken (in the reasonable, good faith determination of an Officer of the Company) within twelve (12) months after the Issue Date, calculated net of actual amounts realized during such period from such actions, (B) all Expected Cost Savings related to acquisitions or Asset Sales occurring after the Issue Date that are, in the reasonable, good faith judgment of an Officer of the Company, reasonably identifiable and quantifiable and determined or projected, as the case may be, to result from actions that have either been taken, with respect to which substantial steps have been taken or that are expected to be taken (in the reasonable, good faith determination of the Company) within twelve (12) months after the consummation of such acquisition or Asset Sale, calculated net of actual amounts realized during such period from such actions, (C) all non-recurring restructuring costs, charges (including in respect of cost-savings initiatives, restructuring costs and charges related to acquisitions or Asset Sales occurring after the Issue Date and including severance, relocation costs, facilities or Store closing costs, surrender expenses, signing costs, retention or completion bonuses, transition costs and curtailments or modifications to pension and post-retirement employee benefits (including settlement of pension liabilities)), (D) all Integration Expenses, and (E) any non-recurring charges related to litigation settlements; provided that the aggregate amount added back to Consolidated EBITDA pursuant to clause (xi) shall not exceed ten percent (10%) of Consolidated EBITDA for such period (calculated prior to giving effect to such addbacks); and minus

(c) to the extent not deducted in determining Consolidated Net Income for such period, the aggregate amount of LIFO Adjustments which increased such Consolidated Net Income.

For the avoidance of doubt, Consolidated EBITDA shall be calculated (whether pursuant to the immediately preceding sentence or otherwise) including pro forma adjustments (provided that any such adjustments, when taken together with any such similar adjustments made in accordance with clause (b)(xi) above, shall not exceed twenty percent (20%) of Consolidated EBITDA for such Measurement Period (calculated prior to giving effect to such addbacks).

"Consolidated Fixed Charge Coverage Ratio" has the meaning ascribed to it in the ABL Credit Agreement.

"Consolidated Funded Debt" means, as of any date of determination, for the Company and its Consolidated Subsidiaries on a consolidated basis, the aggregate of (a) all obligations of such Person for borrowed money (including purchase money Debt, the Securities, the ABL Loan Obligations and the Takeback Notes Debt) and all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (b) unreimbursed obligations of such Person with respect to drawn amounts under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments, (c) all Capital Lease Obligations of such Person, (d) Guarantees in respect of the foregoing, and (e) all Plan Payments.

"Consolidated Net Income" means for any period, the net income (or loss) of the Company and its Consolidated Subsidiaries (exclusive of (a) extraordinary items of gain or loss during such period or gains or losses from Debt modifications during such period,

(b) any gain or loss in connection with any Asset Sale during such period, other than sales of Inventory in the ordinary course of business, but in the case of any loss only to the extent that such loss does not involve any current or future cash expenditure, (c) the cumulative effect of accounting changes during such period and (d) net income or loss attributable to any Investments in Persons other than Affiliates of the Company), determined on a consolidated basis for such period in accordance with GAAP.

"Consolidated Subsidiary" means, with respect to any Person, at any date, any Subsidiary or other entity the accounts of which would, in accordance with GAAP, be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date.

"Consolidated Total Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Funded Debt as of the last day of such Measurement Period, to (b) Consolidated EBITDA for such Measurement Period.

"corporation" means a corporation, association, company, limited liability company, joint-stock company, partnership or business trust.

"Debt" means, with respect to any Person on any date of determination (without duplication):

(a) the principal of and premium (if any) in respect of:

(1) debt of such Person for money borrowed; and

(2) debt evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale and Leaseback Transactions entered into by such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of Property, all conditional sale obligations of such Person, all obligations of such Person under any title retention agreement (but excluding trade accounts payable, accrued expenses arising in the ordinary course of business and any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) the amount of all obligations of such Person with respect to the repayment of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such Property or the amount of the obligation so secured; and

(h) to the extent not otherwise included in this definition, hedging obligations of such Person.

The amount of Debt of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

"Customary Mandatory Prepayment Terms" means, in respect of any Debt, terms requiring any obligor in respect of such Debt to (or to offer to) pay, prepay, purchase, repurchase, redeem, retire, cancel or terminate such Debt (a) in the event of a "change in control" (or similar event), (b) in the event of an "asset sale" (or similar event, including condemnation or casualty), (c) in the event of a "fundamental change" (or similar event) that is customary at the time of issuance (a "Fundamental Change"); provided that such mandatory payment, prepayment, purchase, repurchase, redemption, retirement, cancellation or termination (or offer to do the same) (i) can be avoided pursuant to customary reinvestment rights (it being understood that the terms of such Debt may include additional customary means of avoiding the applicable payment, prepayment, purchase, repurchase, redemption, retirement, cancellation or termination) and (ii) shall not apply to any Asset Sale (or other disposition) of Collateral, except on the same terms as those in the ABL Loan Documents (subject to the relevant Intercreditor Agreement or Subordination Provisions). The Company shall provide an Officer's Certificate to the Trustee to the effect that the terms of (x) any reinvestment rights or other means of avoiding the applicable payment referred to in clause (i) above or (y) any Fundamental Change are customary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Definitive Security" means a certificated Security registered in the name of the Holder thereof and issued in accordance with Section 2.01, Section 2.07 or Section 2.08, substantially in the form of Exhibit A attached hereto, except that such Security shall not bear the Global Security Legend and shall not have the "Schedule of Exchanges of Interests in the Global Security" attached thereto.

"Depositary" means, with respect to any Securities, a clearing agency that is registered as such under the Exchange Act and is designated by the Company to act as Depositary for such Securities (or any successor securities clearing agency so registered).

"DIP Credit Agreement" means that certain Debtor-In-Possession Credit Agreement, dated as of October 18, 2023, among [the Issuer][Rite Aid Corporation], the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent thereunder, as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"DIP Term Loan Agreement" means that certain Debtor-In-Possession Term Loan Agreement, dated as of October 18, 2023, among [the Issuer][Rite Aid Corporation], the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent thereunder, as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Disqualified Stock" means, with respect to any Person, any Equity Interests that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part; or

(c) is convertible or exchangeable at the option of the holder thereof for Debt or Disqualified Stock;

prior to, in the case of clause (a), (b) or (c), the date that is 91 days after the earlier of the Stated Maturity of the Securities or the date the Securities are no longer outstanding.

Notwithstanding the preceding sentence, any Equity Interests that would constitute Disqualified Stock solely because the holders of the Equity Interests have the right to require the Company to repurchase such Equity Interests upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Equity Interests provide that the Company may not repurchase or redeem any such Equity Interests pursuant to such provisions unless such repurchase or redemption complies with Section 4.04.

"DTC" means The Depository Trust Company.

"EIC" means Elixir Insurance Company, Subsidiary of the Company.

"Eligible Accounts Receivable" has the meaning ascribed to it in the ABL Credit Agreement.

"Elixir Escrow Account" means that certain deposit account of [Ex Options, LLC] established and maintained with the Elixir Escrow Account Bank pursuant to the Elixir Escrow Agreement. As of the Issue Date, the Elixir Escrow Account shall be Account No. -[●] maintained with the Elixir Escrow Account Bank, subject to the Elixir Escrow Agreement.

"Elixir Escrow Account Bank" means a bank or financial institution that is satisfactory to the ABL Administrative Agent and the Trustee (acting at the direction of Holders of a majority in principal amount of the Securities) that maintains Elixir Escrow Account. As of the Issue Date, the Elixir Escrow Account Bank is [●].

"Elixir Escrow Agreement" means that certain escrow agreement or similar arrangement by and among Ex Options, LLC, a Subsidiary of the Company, the ABL Administrative Agent, and the SCD Trust, which shall be consistent with, and subject to the terms, conditions and consent rights set forth in the Plan of Reorganization.

"Elixir Rx Distributions Schedule" has the meaning set forth in the Plan of Reorganization.

"Elixir Rx Intercompany Claim" means that certain intercompany claim payable by EIC to Ex Options, LLC, a Subsidiary of the Company.

"Equity Interests" means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including Preferred Stock, but excluding any debt security convertible or exchangeable into such equity interest (regardless of such convertible debt security's treatment under GAAP).

"Equity Offering" means (a) an underwritten offering of common stock of the Company by the Company pursuant to an effective registration statement under the Securities Act or (b) so long as the Company's common stock is, at the time, listed or quoted on a national securities exchange (as such term is defined in the Exchange Act), an offering of common stock by the Company in a transaction exempt from or not subject to the registration requirements of the Securities Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) or (o) of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to its withdrawal or partial withdrawal from any Multiemployer Plan; (g) the receipt by the Company or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability on it or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA; or (h) the existence of any event or condition that could reasonably be expected to constitute grounds under ERISA for the termination by the PBGC of, or the appointment of a trustee to administer, any Plan.

"Events of Default" has the meaning set forth under Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

["Excluded Subsidiary" means (a) any Subsidiary listed on Schedule 1.01(b) hereto; (b) any CFC; (c) any FSHCO, (d) any Subsidiary formed or acquired after the Issue Date that is prohibited from providing a Guarantee of the Securities Obligations by any contractual obligation so long as such prohibition was not incurred in contemplation of such Subsidiary being required to provide a Guarantee of the Securities Obligations; and (e) any Subsidiary formed or acquired after the Issue Date, to the extent such Subsidiary (together with its Subsidiaries) has (x) less than $1,000,000 in assets and (y) less than $500,000 in revenue per annum as reflected in the financial statements of the Company delivered hereto for the most recently ended Measurement Period; provided that (i) any Subsidiary of the Company that Guarantees any other Material Debt of the Company shall not be deemed to be an "Excluded Subsidiary" and (ii) any Subsidiary that incurs Material Debt (other than Debt owing to the Company or any of its Subsidiaries) shall not be deemed to be an "Excluded Subsidiary", to the extent any such Material Debt is guaranteed by the Company or any Securities Party.]

"Existing Letters of Credit" has the meaning ascribed to it in the ABL Credit Agreement.

"Expected Cost Savings" means pro forma "run rate" expected cost synergies, cost savings, operating expense reductions and operational improvements.

"Expansion Capital Expenditure" means any capital expenditure incurred by the Company or any Subsidiary (other than ordinary course maintenance) for carrying on the business of the Company and its Subsidiaries that an Officer of the Company determines in good faith will enhance the income generating ability of the warehouse, distribution center, store or other facility.

"Fair Market Value" means, with respect to any Property, the price that could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Pressure or compulsion shall not include sales of Property conducted in compliance with the requirements of a regulatory authority in connection with an acquisition or merger permitted by this Indenture. Fair Market Value shall be determined, by senior management of the Company or by a majority of the Board of Directors and evidenced by a Board Resolution, dated within 30 days of the relevant transaction.

"Financial Officer" means with respect to any Person, the chief financial officer, principal accounting officer, treasurer, vice president of financial accounting, vice president (or more senior level officer) of finance or accounting, senior director of treasury or controller of such Person. Any document delivered hereunder that is signed by a Financial Officer of a Securities Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Securities Party and such Financial Officer, shall be conclusively presumed to have acted on behalf of such Securities Party.

"FSHCO" means any Subsidiary of the Company that owns no material assets (directly or through one or more entities treated as flow-through entities for U.S. federal income tax purposes) other than Equity Interests (or Equity Interests treated as Debt) of one or more CFCs.

"GAAP" means United States generally accepted accounting principles, including those set forth:

(a) in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants;

(b) in the statements and pronouncements of the Financial Accounting Standards Board;

(c) in such other statements by such other entity as approved by a significant segment of the accounting profession; and

(d) the rules and regulations of the Commission governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the Commission.

If there occurs a change in generally accepted accounting principles and such change would cause a change in the method of calculation of any term or measure used in a covenant under Article IV (an "Accounting Change"), then the Company may elect, as evidenced by a written notice of the Company to the Trustee, that such term or measure shall be calculated as if such Accounting Change had not occurred.

"Global Securities" means, individually and collectively, each of the Restricted Global Securities and the Unrestricted Global Securities, substantially in the form of Exhibit A attached hereto, issued in accordance with Section 2.01, Section 2.07, Section 2.08, or Section 2.11.

"Global Security Legend" means the legend set forth in Section 2.07(g)(ii), which is required to be placed on all Global Securities issued under this Indenture.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

"Ground-Leased Real Estate" has the meaning ascribed to it in the ABL Credit Agreement

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include:

(1) endorsements for collection or deposit in the ordinary course of business; or

(2) a contractual commitment by one Person to invest in another Person for so long as such Investment is reasonably expected to constitute a Permitted Investment under clause (b) of the definition of "Permitted Investment".

The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Agreement" means any interest rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Holder" means a Person in whose name a Security is registered in the Security Register.

["Holdings" means [•].]

"IAI Global Security" means a Global Security substantially in the form of Exhibit A attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of,

the Depositary or its nominee that may be issued in a denomination equal to the outstanding principal amount of the Securities sold to Institutional Accredited Investors.

"Incur" means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by merger, conversion, exchange or otherwise), extend, assume, Guarantee or become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and "Incurrence" and "Incurred" shall have meanings correlative to the foregoing); provided, however, that a change in GAAP that results in an obligation of such Person that exists at such time, and is not theretofore classified as Debt, becoming Debt shall not be deemed an Incurrence of such Debt; provided further, however, that any Debt or other obligations of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary; and provided further, however, that solely for purposes of determining compliance with Section 4.03, amortization of Debt discount shall not be deemed to be the Incurrence of Debt, provided that in the case of Debt sold at a discount, the amount of such Debt Incurred shall at all times be the aggregate principal amount at Stated Maturity.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Security through a Participant.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (7), (8), (9), (12) or (13) under the Securities Act, who is not also a QIB.

"Integration Expenses" means, for any period, the amount of expenses (including facilities or Store opening costs) that are directly or indirectly attributable to the integration of any acquisition by the Company or any Consolidated Subsidiary consummated during such period and is not reasonably expected to recur once the integration of such acquisition is complete.

"Intellectual Property" means [●].

"Intercreditor Agreement" means each of (i) the ABL Intercreditor Agreement, (ii) McKesson Intercreditor Agreement, (iii) the ABL / Takeback Notes Intercreditor Agreement and (iv) the Securities / Takeback Notes Intercreditor Agreement.

"Interest Determination Date" means the date that is the second U.S. Government Securities Business Day preceding the commencement of the Interest Period in respect of which the interest rate is being determined.

"Interest Payment Date" means the scheduled date that an installment of interest on the Securities is due and payable.

"Interest Period" means the period commencing on and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Inventory" means "Inventory" as defined in Article 9 of the UCC.

"Investment" by any Person in any other Person means (a) any direct or indirect loan, advance or other extension of credit, assumption of debt, or capital contribution to or for the account of such other Person (by means of any transfer of cash or other property to any Person or any payment for property or services for the account or use of any Person, or otherwise), (b) any direct or indirect purchase or other acquisition of any Equity Interests, bond, note, debenture or other debt or equity security or evidence of Debt, or any other ownership interest (including, any option, warrant or any other right to acquire any of the foregoing), issued by such other Person, whether or not such acquisition is from such or any other Person, (c) any direct or indirect payment by such Person on a Guarantee of or for the account of such other Person or any direct or indirect issuance by such Person of such a Guarantee (provided, however, that, for purposes of Section 4.10, payments under Guarantees not exceeding the amount of the Investment attributable to the issuance of such Guarantee will not be deemed to result in an increase in the amount of such Investment), or (d) any Business Acquisition. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the Fair Market Value of such property at the time of such transfer or exchange.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, without regard to outlook. "Issue Date" means the date on which the Original Securities are initially issued.

"Joint Venture" means, with respect to any Person, at any date, any other Person in whom such Person directly or indirectly holds an Investment consisting of an Equity Interest, and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person, if such statements were prepared in accordance with GAAP as of such date.

"Latest Maturity Date" has the meaning ascribed to it in the ABL Credit Agreement.

"Lien" means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any Capital Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing or any Sale and Leaseback Transaction).

"LIFO Adjustments" means, for any period, the net adjustment to costs of goods sold for such period required by the Company's last in, first out inventory method, determined in accordance with GAAP.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, (b) the ability of any Securities Party to perform any of its material obligations under any Securities Document to which it is a party or (c) the legality, validity or enforceability of the Securities Documents (including the validity, enforceability or priority of security interests granted thereunder) or the rights of or benefits or remedies available to the Holders under any Securities Document.

"Material Debt" means (a) the McKesson Obligations, (b) the Takeback Notes Debt, (c) ABL Loan Obligations, (d) the Securities and (e) Debt, including obligations in respect of one or more Hedging Agreements, of any one or more of the Company or the Subsidiaries in an aggregate principal amount exceeding $42,000,000. For purposes of this definition, the "principal amount" of the obligations of the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Maturity Date" means either the Initial Maturity Date or the Shifting Maturity Date, as applicable.

"McKesson" means McKesson Corporation, a Delaware corporation.

"McKesson Contingent Deferred Cash Obligations" means [●].[6]

"McKesson Documents" means [●].

"McKesson Guaranteed Cash Obligations" means [●].

"McKesson Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between [McKesson][7] and the Trustee, and acknowledged by the Loan Parties (as defined in the ABL Credit Agreement), as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"McKesson Obligations" means, collectively, the McKesson Trade Obligations, the McKesson Guaranteed Cash Obligations and the McKesson Contingent Deferred Cash Obligations.

"McKesson Pharmacy Inventory Supply Agreement" has the meaning ascribed to it in the ABL Credit Agreement.

"McKesson Trade Obligations" means [●].

"Measurement Period" means, at any time, the most recent period of twelve (12) consecutive fiscal months ended on or prior to such time (taken as one accounting period) for which financial statements have been (or were required to be) delivered pursuant to Section 4.02(a) or (b).

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Cash" from any Asset Sale means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Debt or other obligations relating to the Property that is the subject of such Asset Sale or received in any other non-cash form), in each case net of:

(a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale;

(b) all payments made on any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such Property, or Debt which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale;

(c) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale;

(d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the Property disposed in such Asset Sale and retained by the Company or any Subsidiary after such Asset Sale; and

[6] Note to Draft – McKesson related definitions be confirmed upon final review of McKesson documents.

[7] Note to Draft – To be determined whether there will be a collateral agent entity or specific entity formed to hold collateral.

(e) while the ABL Facility remains outstanding, any amounts required to be applied toward the repayment of the ABL Facility.

"Net Cash Proceeds" has the meaning ascribed to it in the ABL Credit Agreement.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Debt.

"Officer" means the Chief Executive Officer, President, Chief Financial Officer, Treasurer or any Executive Vice President, Senior Vice President, Vice President or Secretary of the Company.[8]

"Officer's Certificate" means a certificate signed by the principal executive officer, principal financial officer, treasurer or principal accounting officer of the Company, and delivered to the Trustee.

"OID Legend" means the legend set forth in Section 2.07(g)(iv) to be placed on a Securities under this Indenture that have more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

"Opinion of Counsel" means a written opinion from legal counsel and delivered to the Trustee. The counsel may be an employee of or counsel to the Company.

"Optional Debt Repurchase" means any optional or voluntary prepayment, repurchase, redemption, retirement or defeasance of any Debt permitted under this Indenture, including the Securities, made for cash, by the Company or any Subsidiary.

"Participant" means a Person who has an account with the Depositary.

"Payment Conditions" has the meaning ascribed to it in the ABL Credit Agreement and the Company shall provide to the Trustee an Officer's Certificate confirming whether the Payment Conditions are satisfied at any particular time.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 6.01(k);

(f) easements, zoning restrictions, rights-of-way, encroachments and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not (i) materially detract from the value of the affected property or (ii) materially interfere with the ordinary conduct of business of the Company or any Subsidiary;

(g) licenses, sublicenses, leases or subleases granted in the ordinary course of business with respect to Real Estate and, to the extent constituting a Lien, the Real Estate Leases for Ground-Leased Real Estate;

(h) landlord Liens arising by law securing obligations that are not overdue by more than thirty (30) days or that are being contested in good faith by appropriate proceedings;

(i) Liens arising from precautionary UCC filings regarding operating leases or the consignment of goods to the Company or any Subsidiary;

(j) Liens arising by virtue of statutory or common law provisions relating to banker's Liens, Liens in favor of securities intermediaries, rights of set off or similar rights and remedies with respect to deposit accounts or securities accounts or other funds or assets maintained with depository institutions and securities intermediaries;

(k) Liens in favor of a credit card or debit card processor arising in the ordinary course of business under any processor agreement and relating solely to the amounts paid or payable by, or customary deposits or reserves held by, such credit card or debit card processor;

(l) Liens in favor of customs and revenues authorities imposed by applicable laws arising in the ordinary course of business in connection with the importation of goods and securing obligations (i) that are not overdue by more than thirty (30) days, or (ii)(A) that are being contested in good faith by appropriate proceedings, (B) the applicable Securities Party or Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (C) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation;

(m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(n) any interest or title of a lessor, sublessor, licensor or sublicensor under leases, subleases, licenses or sublicenses (including software and other technology licenses) entered into by the Company or any of its Subsidiaries in the ordinary course of business;

(o) Liens on cash deposits, securities or other property in deposits or securities accounts in connection with the redemption, defeasance, repurchase or other discharge of any notes issued by the Company or any of its Subsidiaries to the extent payments are made in accordance with Section 4.04(b) and to the extent such Debt is permitted by Section 4.03;

(p) any encumbrance or restriction (including put and call arrangements) contained in the applicable organizational documents with respect to Equity Interests of any Joint Venture or similar arrangement pursuant to any Joint Venture or similar arrangement; and

(q) any zoning, land use, environmental or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not (i) materially detract from the value of the affected property or (ii) materially interfere with the ordinary conduct of the business of the Company or any of the Subsidiaries;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Debt.

"Permitted Holders" means (a) the Persons listed on Schedule 1.01, their Affiliates, any funds or accounts that such Person manages or advises and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; provided, that, in the case of such group and without giving effect to the existence of such group or any other group, such Persons listed on Schedule 1.01, together with their Affiliates and any funds or accounts that such Person manages or advises, collectively, have beneficial ownership of more than fifty percent (50.00%) of the total voting power of the voting Equity Interests of the Company, and (b) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Equity Interests of the Company.

"Permitted Investment" means any investment by any Person in (a) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, (b) any Person if as a result of such Investment such Person is merged or consolidated with or into, or transfers or conveys all or substantially all its Property to, the Company or a Subsidiary; and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in

contemplation of such acquisition, merger, consolidation, transfer, conveyance or liquidation; (c) cash and Temporary Cash Investments; (d) receivables owing to the Company or a Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or such Subsidiary deems reasonable under the circumstances; (e) payroll, travel, moving, tax and similar advances that are made in the ordinary course of business; (f) stock, obligations or other securities received in settlement of debts created in the ordinary course of business and owing to the Company or a Subsidiary or in satisfaction of judgments; (f) Hedging Agreements permitted under clause (e) of Section 4.03; (h) commercial paper rated at least A-1 by S&P and P-1 by Moody's at the time of acquisition thereof, (i) time deposits with, including certificates of deposit issued by, any office located in the United States of any bank or trust company which is organized or licensed under the laws of the United States or any state thereof and at the time such deposit is made or certificate of deposit issued, has capital, surplus and undivided profits aggregating at least $550,000,000, (j) repurchase agreements with respect to securities described in clause (a) above entered into with an office of a bank or trust company meeting the criteria specified in clause (i) above at the time such repurchase agreement is entered into; provided in each case that such investment matures within one year from the date of acquisition thereof by such Person or (k) money market mutual funds at least 80% of the assets of which are held in investments referred to in clauses (a) through (j) above determined at the time of such investment (except that the maturities of certain investments held by any such money market funds may exceed one year so long as the dollar-weighted average life of the investments of such money market mutual fund is less than one year).

"Permitted Negative Four-Wall EBITDA Asset Sale" has the meaning ascribed to it in the ABL Credit Agreement.

"Permitted Real Estate Disposition" has the meaning ascribed to it in the ABL Credit Agreement.

"Permitted Real Estate Sale and Leaseback Transactions" has the meaning ascribed to it in the ABL Credit Agreement.

"Person" means any individual, corporation, company (including any limited liability company), association, partnership, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate has any liability or is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Confirmation Order" means the order entered on [●], 2024 by the Bankruptcy Court in the Chapter 11 Case confirming the Plan of Reorganization.

"Plan Documents" has the meaning ascribed to it in the ABL Credit Agreement.

"Plan of Reorganization" means the [Third Amended Joint Chapter 11 Plan of Reorganization of Rite Aid Corporation and its debtor affiliates, dated [●], 2024 (Docket No. [[●]]),amended, modified or supplemented.]

"Plan Payments" has the meaning ascribed to it in the ABL Credit Agreement.

"Pharmaceutical Inventory" means all Inventory consisting of products that can be dispensed only on order of a licensed professional.

"Pharmacy Inventory Supplier" means (a) initially, McKesson, and (b) any other supplier of Pharmaceutical Inventory that may replace McKesson.

"Pharmacy Inventory Supply Agreement" means (a) initially, the McKesson Pharmacy Inventory Supply Agreement and (b) any other supply agreement, in form and substance reasonably satisfactory to the [ABL Administrative Agent], among any one or more Securities Parties and a Pharmacy Inventory Supplier, relating to the purchase of Pharmaceutical Inventory by the Securities Parties.

"Preferred Equity Interests" means, with respect to any Person, any Equity Interests of such Person that are entitled to a preference or priority, in respect of dividends or distributions upon liquidation, over some other class of Equity Interests issued by such Person.

"Preferred Stock" means any Equity Interests of a Person, however designated, which entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of any other class of Equity Interests issued by such Person.

"Pre-Petition Credit Agreement" means that certain Credit Agreement, dated as of December 20, 2018, among [the Issuer][Rite Aid Corporation], the lenders party thereto, Bank of America, as the agent thereunder, and the other agents and arrangers party thereto, as amended, restated, supplemented or otherwise modified prior to the October 15, 2023.

"Prescription File" means, as to any Securities Party, all right, title and interest of such Securities Party in and to all prescription files maintained by it or on its behalf, including all patient profiles, customer lists, customer information and other records of prescriptions filled by such Securities Party, in whatever form and wherever maintained by such Securities Party or on such Securities Party's behalf, and all goodwill and other intangible assets arising from the maintenance of such records and the possession of information contained therein.

"Private Placement Legend" means the legend set forth in Section 2.07(g)(i) to be placed on all Securities issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

"Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance with any ratio, test, covenant or calculation hereunder (including the calculation of Consolidated EBITDA hereunder), the determination or calculation of such ratio, test, covenant, or Consolidated EBITDA (including in connection with Specified Transactions) in accordance with Section 1.06.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Equity Interests in, and other securities of, any other Person, and which for the avoidance of doubt includes inventory. For purposes of any calculation required pursuant to this Indenture, the value of any Property shall be its Fair Market Value.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Preferred Equity Interests" means Preferred Equity Interests of the Company that do not require any cash payment (including in respect of redemptions or repurchases), other than in respect of cash dividends, before the date that is six months after the Latest Maturity Date.

"Qualifying IPO" means the issuance by the Company of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the Commission in accordance with the Securities Act (whether alone or in connection with a secondary public offering).

"Real Estate" means all interests in real property now or hereafter owned or held by any Securities Party or Subsidiary, including all leasehold interests held pursuant to Real Estate Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Securities Party or Subsidiary, including all easements, rights-of-way, appurtenances and other rights relating thereto and all leases, tenancies, and occupancies thereof.

"Real Estate Lease" means any agreement, whether written or oral, and all amendments, guaranties and other agreements relating thereto, pursuant to which a Securities Party is party for the purpose of using or occupying any Real Estate for any period of time.

"Redemption Date" means, when used with respect to any Security to be redeemed, the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" means, when used with respect to any Security to be redeemed, the price at which it is to be redeemed pursuant to this Indenture.

"Reference Time" means, with respect to any determination of the Benchmark (1) if the Benchmark is Term SOFR, 3:00 p.m. (New York time) on a Business Day, at which time Term SOFR is published, and (2) if the Benchmark is not Term SOFR, the time determined by the Company or its designee after giving effect to the Benchmark Replacement Conforming Changes.

"Refinance" means, in respect of any Debt, to refinance, extend, renew, refund, repay, prepay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or replacement for, such Debt. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinanced Debt" has the meaning set forth in the definition of the term "Refinancing Indebtedness".

"Refinancing Indebtedness" means Debt (which shall be deemed to include Attributable Debt, Revolving Commitments and any other revolving commitments solely for the purposes of this definition), including any successive Refinancing Indebtedness, (a) issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Debt) in exchange for, or to extend, renew, replace or refinance, in whole or part, existing Debt (provided that, if such existing Debt is revolving Debt, there is a corresponding reduction in the applicable lending commitments under the applicable agreements), Attributable Debt, Revolving Commitments or other revolving commitments (including any successive Refinancing Indebtedness) ("Refinanced Debt") or (b) incurred pursuant to any Revolving Commitments that constitute Refinancing Indebtedness pursuant to clause (a) above; provided that (i) the terms of any such Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the ABL Loan Documents and the Securities Documents, (ii) such extending, renewing or refinancing Debt (including, if such Debt includes any Revolving Commitments, the unused portion of such Revolving Commitments) is in an original aggregate principal amount not greater than the aggregate principal amount of, and unpaid interest on, the Refinanced Debt (and, in the case of Refinanced Debt consisting, in whole or in part, of unused Revolving Commitments, the amount thereof) plus the amount of any premiums paid thereon, fees and expenses associated therewith and original issue discount related to such extending, renewing or refinancing Debt, (iii) such Debt has a maturity that is no earlier than, and a weighted average life that is no shorter than, the Refinanced Debt, (iv) at the option of the Company, such Debt may contain call and make-whole provisions that are market with respect to such type of Debt as of the time of its issuance or incurrence, (v) if the Refinanced Debt or any Guarantees thereof are subordinated in right of payment to the ABL Loan Obligations, such Debt shall be subordinated in right of payment to the ABL Loan Obligations, on terms no less favorable, taken as a whole, to the holders of the ABL Loan Obligations than the subordination terms of such Refinanced Debt or Guarantees thereof, (vi) if the Refinanced Debt or any Guarantees thereof are subordinated in right of payment to the Securities Obligations, such Debt shall be subordinated in right of payment to the Securities Obligations, on terms no less favorable, taken as a whole, to the Holders than the subordination terms of such Refinanced Debt or Guarantees thereof, (vii) unless such Debt is incurred pursuant to this Indenture or the ABL Credit Agreement, such Debt contains covenants (including with respect to amortization and convertibility) and events of default on terms that are market with respect to such type of Debt, (viii) such Debt is benefited by Guarantees (if any) which, taken as a whole, are not materially less favorable to the Holders than the Guarantees (if any) in respect of such Refinanced Debt, (ix) if such Refinanced Debt or any Guarantees thereof are secured, such Debt and any Guarantees thereof are either unsecured or secured only by such property or assets as secured the Refinanced Debt and Guarantees thereof and not any additional property or assets of the Company or any Subsidiary (other than (A) property or assets acquired after the issuance or incurrence of such Refinancing Indebtedness that would have been subject to the Lien securing refinanced Debt if such Debt had not been refinanced, (B) additions to the property or assets subject to the Lien, and (C) the proceeds of the property or assets subject to the Lien), (x) if such Refinanced Debt and any Guarantees thereof are unsecured, such Debt and Guarantees thereof are also unsecured, (xi) any Net Cash Proceeds of such Debt (other than any such Debt that consists of unused Revolving Commitments) are used immediately to repay the Refinanced Debt and pay any accrued interest, fees, premiums (if any) and expenses in connection therewith, (xii) if such Refinanced Debt is Debt incurred under the ABL Credit Agreement and the Refinancing Indebtedness in respect thereof will be secured, then such Refinancing Indebtedness must be (A) incurred pursuant to the ABL Credit Agreement or (B) permitted pursuant to the ABL Credit Agreement, and in each case, subject to the applicable Acceptable Intercreditor Agreement, and (xiii) if such Refinanced Debt is Debt incurred under this Indenture and the Refinancing Indebtedness in respect thereof will be secured, then such Refinancing Indebtedness must be (A) incurred pursuant to this Indenture or (B) permitted pursuant to Section 4.03, and in each case, subject to the applicable Acceptable Intercreditor Agreement.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Security" means a Regulation S Temporary Global Security or a Regulation S Permanent Global Security, as appropriate.

"Regulation S Permanent Global Security" means a Global Security substantially in the form of Exhibit A attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Securities sold in reliance on Regulation S.

"Regulation S Temporary Global Security" means a temporary Global Security in the form of Exhibit A attached hereto, bearing the OID Legend, the Private Placement Legend and the Regulation S Temporary Global Security Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Securities initially sold in reliance on Rule 903 of Regulation S.

"Regulation S Temporary Global Security Legend" means the legend set forth in Section 2.07(g)(v) to be placed on the Regulation S Temporary Global Security.

"Related Business" means any business that is related, ancillary or complementary to the businesses of the Company and the Subsidiaries on the Issue Date or a natural extension thereof.

"Required Lenders" has the meaning ascribed to it in the ABL Credit Agreement.

"Restricted Definitive Security" means a Definitive Security bearing the Private Placement Legend and the OID Legend.

"Restricted Global Security" means a Global Security bearing the Private Placement Legend and the OID, if applicable and that has the "Schedule of Exchanges of Interests in the Global Security" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Securities that bear the Private Placement Legend.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property, except dividends payable solely in shares of the Company's common Equity Interests or Qualified Preferred Equity Interests) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property, except payments made solely with common equity), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Company or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Company or any Subsidiary; provided that in no event shall (a) any exchange of Qualified Preferred Equity Interests with other Qualified Preferred Equity Interests or (b) any payment or other distribution in respect of any Debt pursuant to Section 4.04(b) be deemed a Restricted Payment.

"Restricted Period" means the 40-day distribution compliance period as defined in Regulation S.

"Restructuring and Asset Transfer Transactions" has the meaning ascribed to it in the ABL Credit Agreement.

"Revolving Commitment" has the meaning ascribed to it in the ABL Credit Agreement.

"S&P" means Standard & Poor's Ratings Service or any successor to the rating agency business thereof.

"Sale and Leaseback Transaction" means any arrangement whereby the Company or a Subsidiary shall sell or transfer any office building (including its headquarters), distribution center, manufacturing plant, warehouse, Store, equipment or other property, real or personal, now or hereafter owned by the Company or a Subsidiary with the intention that the Company or any Subsidiary rent or lease the property sold or transferred (or other property of the buyer or transferee substantially similar thereto).

"SCD Trust" has the meaning set forth in the Plan of Reorganization.

"Second Issue Date" means the date or dates on which the Second Tranche Securities are issued.

"Secured Debt" means indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or encumbrance on property of the Company or any Subsidiary, but shall not include guarantees arising in connection with the sale, discount, guarantee or pledge of notes, chattel mortgages, leases, accounts receivable, trade acceptances and other paper arising, in the ordinary course of business, out of installment or conditional sales to or by, or transactions involving title retention with, distributors, dealers or other customers, of merchandise, equipment or services.

"Securities Act" means the Securities Act of 1933, as it may be amended and any successor act thereto.

"Securities Collateral Agent" has the meaning ascribed to it in the preamble.

"Securities Collateral Documents" means the Security Agreement and each of the security agreements and other instruments and documents executed and delivered by the Company and any Subsidiary Guarantor pursuant to any of the foregoing or pursuant to this Indenture for purposes of providing collateral security or credit support for any Securities Obligations or obligation under this Indenture (including, in each case, any schedules, exhibits or annexes thereto), as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Securities Custodian" means the custodian with respect to a Global Security (as appointed by the Depositary) or any successor person thereto, who shall initially be the Trustee.

"Securities Documents" means, collectively, this Indenture, the Securities, the Guarantees, if any, the Intercreditor Agreements, the Security Collateral Documents and all other documents and instruments executed and delivered in connection herewith, in each case as such agreements may be amended, restated, supplemented or otherwise modified from time to time.

"Securities Obligations" means the Obligations of the Company and the Subsidiary Guarantors under this Indenture and the Securities.

"Securities Party" or "Securities Parties" means any or all of the Company and the Subsidiary Guarantors.

"Security Agreement" means that certain Security Agreement, dated as of the Issue Date, made by the Company and the Subsidiary Guarantors party thereto in favor of U.S. Bank Trust Company, National Association, as Securities Collateral Agent.

"Security Register" means the register kept by the Registrar, which shall provide for the registration of ownership, exchange and transfer of the Securities.

"Senior Debt Documents" means the ABL Loan Documents and the McKesson Documents.

"Shifting Maturity Date" has the meaning set forth in Section 2.16(a).

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission.

"SOFR" means the Secured Overnight Financing Rate as administered by the SOFR Administrator.

"SOFR Adjustment" means 0.10% (10 basis points).

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of SOFR).

"Specified Regional Sale Transaction" has the meaning ascribed to it in the ABL Credit Agreement.

"Specified Transaction" means (a) any Investment, (b) any Asset Sale, (c) any Restricted Payment, (d) any incurrence or retirement, extinguishment or repayment of Debt, (e) any Plan Payment, or (f) any other transaction or event, in each case that, by the

terms of this Indenture, requires pro forma compliance with a ratio, test or covenant or requires such ratio, test or covenant to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

"Specified Transaction Certificate" has the meaning ascribed to it in the ABL Credit Agreement.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Store" means any retail store (which may include any Real Estate, fixtures, equipment, Inventory and Prescription Files related thereto) operated, or to be operated, by any Securities Party.

"Subordinated Debt" means any Debt which is expressly subordinated in right of payment to the prior payment in full of the Securities Obligations and ABL Loan Obligations and which is in form and on terms (including, but not limited to, terms restricting the exercise of rights by the holders of such Debt) approved by the ABL Administrative Agent while the ABL Facility remains outstanding.

"Subordinated Obligation" means any Debt of the Company or any Subsidiary Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Securities or the applicable Subsidiary Guarantee pursuant to a written agreement to that effect. For purposes of the foregoing, no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured, by virtue of being unguaranteed, by virtue of being secured by different collateral or by virtue of the fact that the holders of any Secured Debt have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them or with respect to control of remedies.

"Subordination Provisions" has the meaning specified in Section 6.01(n).

"Subsidiary" means, in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which a majority of the total voting power of the Voting Stock is at the time owned or controlled, directly or indirectly, by:

(a) such Person;

(b) such Person and one or more Subsidiaries of such Person; or

(c) one or more Subsidiaries of such Person.

"Subsidiary Guarantee" means a Guarantee by a Subsidiary Guarantor of the Company's Obligations with respect to the Securities on the terms set forth in this Indenture.

"Subsidiary Guarantor" means each Subsidiary that is a party to this Indenture as of the Issue Date and any other Person that Guarantees the Securities pursuant to Section 4.08.

"Takeback Noteholders" means the holders of the Takeback Notes issued pursuant to the Takeback Notes Indenture.

"Takeback Notes" means, collectively, the 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031 and the 15.000% Third-Priority Series B Senior Secured PIK Notes due 2031 issued pursuant to the Takeback Notes Indenture.

"Takeback Notes Debt" means the Debt, in the form of the Takeback Notes, issued by the Takeback Notes Issuer (and Guaranteed by the Subsidiary Guarantors) pursuant to the Takeback Notes Indenture.

"Takeback Notes Documents" means, collectively, the following: (a) the Takeback Notes Indenture, (b) the Takeback Notes and (c) all agreements, documents and instruments at any time executed and/or delivered in connection with the foregoing Takeback Notes

Indenture and Takeback Notes, each as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Takeback Notes Indenture" means the Indenture, dated as of the Issue Date, by and among Takeback Notes Trustee, the Takeback Notes Issuer and the Subsidiary Guarantors party thereto as guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Takeback Notes Issuer" means [New Rite Aid], a Delaware limited liability company.

"Takeback Notes Obligations" means the "Securities Obligations" as defined in the Takeback Notes Indenture, including, for the avoidance of doubt, the Takeback Notes Debt.

"Takeback Notes Trustee" means U.S. Bank Trust Company, National Association, in its capacity as trustee and collateral agent under the Takeback Notes Indenture and the other Takeback Notes Documents, together with its successors or assigns in such capacities.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges, assessments, fees or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Temporary Cash Investments" means any of the following:

(a) Investments in U.S. Government Obligations maturing within 24 months of the date of acquisition thereof;

(b) Investments in time deposit accounts, certificates of deposit, or money market deposits maturing within 24 months of the date of acquisition thereof issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating in excess of $[•] million;

(c) repurchase obligations with a term of not more than 24 months for underlying securities of the types described in clause (a) entered into with:

(1) a bank meeting the qualifications described in clause (b) above; or

(2) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York;

(d) Investments in commercial paper with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)) and in each case maturing within 24 months after the date of creation thereof;

(e) direct obligations (or certificates representing an ownership interest in such obligations) of any state of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such state is pledged and which are not callable or redeemable at the issuer's option, provided that:

(1) the long-term debt of such state is rated "A-3" or "A-" or higher according to Moody's or S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)); and

(2) such obligations mature within 24 months of the date of acquisition thereof;

(f) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated "AAA-" (or equivalent thereof) or better by S&P or Aaa3 (or equivalent thereof) or better by Moody's (or such similar

equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act));

(g) securities with maturities of 12 months or less from the date of acquisition backed by standby letters of credit issued by any financial institution or recognized securities dealer meeting the qualifications set forth in clause (b) above; and

(h) money market funds at least [•]% of the assets of which constitute Temporary Cash Investments of the kinds described in clauses (a) through (e) of this definition (except that the maturities of certain investments held by any such money market funds may exceed one year so long as the dollar-weighted average life of the investments of such money market mutual fund is less than one year).

"Term SOFR" means, for any Interest Period, the rate per annum equal to the Term SOFR Screen Rate two (2) U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to one month; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; provided that, if the Term SOFR determined in accordance with this definition would otherwise be less than one percent, the Term SOFR shall be deemed to be one percent for purposes of this Indenture.

"Term SOFR Screen Rate" means the forward-looking SOFR administered by CME and published on the applicable Reuters screen page. If the Term SOFR Screen Rate is not available at a determination time, then

(a) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then Term SOFR shall be the rate determined pursuant to Section 2.17 hereto; or

(b) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then Term SOFR shall be the rate determined pursuant to Section 2.18 hereto.

"Transaction Expenses" means any fees or expenses (including without limitation arrangement or underwriting or similar fees as well as upfront fees or original issue discount) incurred or paid by the Company or any of the Subsidiaries in connection with the Transactions (including in connection with this Indenture and the other Securities Documents).

"Transactions" means, collectively, [(a) the execution and delivery by the Company and the Subsidiary Guarantors of the ABL Loan Documents to which they are a party and the making of the loans and the issuance of letters of credit (if any) under the ABL Credit Agreement, in each case, on the Issue Date, (b)(i) the repayment in full in cash of all amounts due or outstanding under or in respect of, and the termination of the commitments under, (A) the Pre-Petition Credit Agreement (and the "Senior Loan Documents" as defined therein), (B) the DIP Credit Agreement (and the "Senior Loan Documents" as defined therein) and (C) the DIP Term Loan Agreement (and the "Loan Documents" as defined therein), in each case, on the Issue Date and (ii) the refinancing in full of the outstanding "Junior DIP Notes Obligations" as defined in the DIP Term Loan Agreement by issuance of the Takeback Notes Debt or the Securities, as applicable, on the Issue Date, (c) the execution and delivery by the Company and the Subsidiary Guarantors of the Takeback Notes Documents to which they are a party and the issuance or deemed issuance of the Takeback Notes Debt, in each case, on the Issue Date, (d) the execution and delivery by the Company and the Subsidiary Guarantors of the Securities Documents to which they are a party and the issuance or deemed issuance of the Securities, in each case, on the Issue Date, (e) the execution and delivery by Company and the Subsidiary Guarantors of the McKesson Documents to which they are a party and the making of the McKesson Emergence Payment (as defined in the ABL Credit Agreement), in each case, on the Issue Date, (f) the consummation of the other transactions contemplated by this Indenture to occur on the Issue Date, the Plan of Reorganization and the Plan Confirmation Order[, including for the avoidance of doubt, the Restructuring and Asset Transfer Transactions], and (g) the payment of the Transaction Expenses.]

"Treasury Rate" means, as of any date on which Applicable Premium Event occurs, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such date to then then applicable Maturity Date; provided, however, that if the period from the date on which Applicable Premium Event occurs to

the then applicable Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Trust Officer" means any officer within the corporate trust department of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"U.S. Government Securities Business Day" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business cause such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Definitive Security" means one or more Definitive Security that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Security" means a permanent Global Security that bears the Global Security Legend and the OID Legend, if applicable and that has the "Schedule of Exchanges of Interests in the Global Security" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Securities that do not bear the Private Placement Legend.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of any Person means all classes of Equity Interests or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means, at any time, a Subsidiary all the Voting Stock of which (except directors' qualifying shares) is at such time owned, directly or indirectly, by the Company and its other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Sections 4203 and 4205, respectively, of ERISA.

Section 1.02 Other Definitions

Term	Defined in:
Accounting Change	Section 1.01
Additional Amounts	Section 4.17(a)

Affiliate Transaction	Section 4.07
Allocable Proceeds	Section 4.06
Asset Sales Prepayment Offer	Section 4.06
Authentication Order	Section 2.03
Claiming Guarantor	Section 10.02
Contributing Party	Section 10.02
covenant defeasance option	Section 8.01(b)
Custodian	Section 6.01
Electronic Signatures	Section 12.15
Eligible Collateral Agent	Section 13.05
Events of Default	Section 6.01
Financed Prescription Files	Section 4.03(t)
guarantee provisions	Section 6.01(i)
Guaranteed Obligations	Section 10.01
Initial Maturity Date	Section 2.16(a)
legal defeasance option	Section 8.01(b)
Legal Holiday	Section 12.06
Offer Amount	Section 4.06
Offer Period	Section 4.06
OID	Section 2.01
Original Securities	Section 2.01
Paying Agent	Section 2.04
Permitted Debt	Section 4.03
Purchase Date	Section 4.06
PIK Interest	Section 2.01
PIK Payment	Section 2.02
PIK Security	Section 2.02
Purchase Date	Section 4.06
Registrar	Section 2.04
Reporting Entity	Section 4.02(b)
Second Tranche Securities	Section 2.01(b)
Securities	Preamble
Surviving Person	Section 5.01(a)(1)
Tax Jurisdiction	Section 4.17(a)

Section 1.03 Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Debt shall not be deemed to be subordinate or junior to secured Debt merely by virtue of its nature as unsecured Debt;

(7) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(8) for all purposes of this Indenture, references to Securities include any PIK Securities;

(9) for all purposes of this Indenture, references to "principal amounts" of the Securities includes any increase in the principal amount of the outstanding Securities as a result of a PIK Payment; and

(10) the principal amount of any Preferred Stock shall be the greater of (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock.

Section 1.04 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the Trust Indenture Act, the provision is incorporated by reference in and made a part of this Indenture.

The following Trust Indenture Act terms used in this Indenture have the following meanings:

"indenture securities" means the Securities;

"indenture security holder" means a Holder of a Security;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Securities and the Guarantees means the Company and the Subsidiary Guarantors, respectively, and any successor obligor upon the Securities and the Guarantees, respectively.

All other terms used in this Indenture that are defined by the Trust Indenture Act, defined by Trust Indenture Act reference to another statute or defined by SEC rule under the Trust Indenture Act have the meanings so assigned to them.

Section 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register. Notwithstanding the foregoing, solely for purposes of determining whether any action to be taken or consent to be given under this Indenture is authorized, an owner of a beneficial interest in a Global Security shall be treated as a Holder, to the extent the Company directs the Trustee to accept reasonable evidence of such beneficial interest provided by such owner.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer

thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, in the circumstances permitted by the Trust Indenture Act, set a record date for purposes of determining the identity of Holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or take any other act, or to vote or consent to any action by vote or consent authorized or permitted to be given or taken by Holders. Unless otherwise specified, if not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation.

(f) Without limiting the generality of the foregoing, a Holder entitled to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, a Holder, including DTC, that is the Holder of a Global Security may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and DTC, as the Holder of a Global Security, may provide its proxy or proxies to the beneficial owners of interests in any such Global Security through such depositary's standing instructions and customary practices.

(h) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Security held by DTC entitled under the procedures of such depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

Section 1.06 Pro Forma Calculations.

(a) Notwithstanding anything to the contrary herein, Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio (whether in connection with testing the satisfaction of the Payment Conditions or otherwise) and the Consolidated Total Leverage Ratio, shall be calculated in the manner prescribed by this Section 1.06.

(b) For purposes of calculating Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, Specified Transactions (and the incurrence or repayment of any Debt in connection therewith, subject to Section 1.06(c) that have been made (i) during the applicable Measurement Period or (ii) subsequent to such Measurement Period and prior to or simultaneously with the event for which the calculation of any such ratio or test is made shall be calculated on a Pro Forma Basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Measurement Period. If since the beginning of any applicable Measurement Period any Person that subsequently became a Subsidiary or was merged, amalgamated or consolidated with or into a Securities Party or any Subsidiary since the beginning of such Measurement Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.06, then the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio shall be calculated to give Pro Forma Effect thereto in accordance with this Section 1.06.

(c) In the event that any Securities Party or any Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Debt included in the calculations of the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as the case may be (in each case, other than Debt incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (i) during the applicable

Measurement Period or (ii) subsequent to the end of the applicable Measurement Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as applicable, shall be calculated giving Pro Forma Effect to such incurrence or repayment of Debt, to the extent required, as if the same had occurred on the last day of the applicable Measurement Period (with respect to any calculation of the Consolidated Total Leverage Ratio) or the first day of the applicable Measurement Period (with respect to any calculation of the Consolidated Fixed Charge Coverage Ratio).

(d) Whenever Pro Forma Effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Financial Officer of the Company and may include, for the avoidance of doubt, the amount of Expected Cost Savings projected by a Financial Officer of the Company in good faith to be realized as a result of action that is taken, committed to be taken or reasonably expected to be taken (calculated on a Pro Forma Basis as though such Expected Cost Savings had been realized on the first day of such Measurement Period and as if such Expected Cost Savings were realized during the entirety of such Measurement Period) in connection with such Specified Transaction, net of the amount of actual amounts realized during such Measurement Period from such actions; provided that (i) such Expected Cost Savings are reasonably identifiable and factually supportable (in the good faith determination of a Financial Officer of the Company), (ii) the relevant action resulting in (or substantial steps towards the relevant action that would result in) such Expected Costs Savings must either be taken or reasonably expected to be taken within twelve (12) months after the date of such Specified Transaction, (iii) no amounts shall be added pursuant to this Section 1.06(d) to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, with respect to such Measurement Period, and (iv) amounts added back pursuant to this Section 1.06(d), when taken together with any such similar adjustments made in accordance with clause (b)(xi) of the definition of "Consolidated EBITDA", shall not exceed twenty percent (20.0%) of Consolidated EBITDA for such Measurement Period (calculated prior to giving effect to such addbacks).

(e) If any Debt bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Debt shall be calculated as if the rate in effect on the date of the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as the case may be, is made had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Debt). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Company to be the rate of interest implicit in the applicable Capital Lease in accordance with GAAP. Interest on Debt that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, an interbank offered rate, a risk-free rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

ARTICLE II

THE SECURITIES

Section 2.01 Amount of Securities; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. Securities may be issued in one or more tranches; provided, however, that any Securities issued with original issue discount ("OID") for Federal income tax purposes shall not be issued as part of the same tranche as any Securities that are issued with a different amount of OID or are not issued with OID. All Securities of any one series shall be substantially identical except as to denomination.

Subject to Section 2.03, the Trustee shall authenticate Securities as follows:

(a) for original issue on the Issue Date, $[•] in aggregate principal amount of Securities (the "Original Securities"). All Original Securities will be in the form of Unrestricted Global Securities;

(b) for issue on the Second Issue Date, $75,000,000 in aggregate principal amount of Securities provided, however, that, if on a Pro Forma Basis as of the date of the incurrence of any such incremental Securities, the Consolidated Fixed Charge Coverage Ratio, for the most recently ended Measurement Period, is less than 1.00 to 1.00, interest payable with respect to the such Securities shall be paid in kind rather than in cash (the "Second Tranche Securities") in accordance with, and pursuant to the terms of, an Authentication Order. The Second Tranche Securities shall have the same terms and conditions as the Original Securities of the respective series in all respects except for the issue date, and upon issuance, the Second Tranche Securities shall be consolidated with

and form a single class with the previously outstanding Original Securities and vote together as one class on all matters with respect to the Securities, including, without limitation, waivers, amendments and offers to purchase; and

(c) PIK Securities from time to time in accordance with Section 2.02;

provided that no Opinion of Counsel shall be required with respect to the Original Securities on the Issue Date or any PIK Securities issued after the Issue Date. With respect to any Securities issued after the Issue Date (except for PIK Securities and any Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, Original Securities pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06), there shall be established in or pursuant to a Board Resolution, and subject to Section 2.03, set forth, or determined in the manner provided in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of such Securities:

(1) whether such Securities shall be issued as part of a new or existing series of Securities and, if issued as part of a new series, the title of such Securities (which shall distinguish the Securities of the series from Securities of any other series);

(2) the aggregate principal amount of such Securities to be authenticated and delivered under this Indenture, which may be issued for an unlimited aggregate principal amount (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the same tranche pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 and except for Securities which, pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Securities, including the date from which interest payable with respect to such Securities shall accrue; and

(4) if applicable, that such Securities shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective depositories for such Global Securities; the form of any legend or legends that shall be borne by any such Global Security in addition to or in lieu of that set forth in Exhibit A and any circumstances in addition to or in lieu of those set forth in Section 2.07 in which any such Global Security may be exchanged in whole or in part for Securities registered; and any transfer of such Global Security in whole or in part may be registered in the name or names of Persons other than the depositary for such Global Security or a nominee thereof.

The Original Securities, the Second Tranche Securities, any PIK Securities and any other Securities issued pursuant to this Indenture shall be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments and offers to purchase.

Securities issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Security Legend thereon and the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Securities issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Security Legend thereon and without the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Each Global Security shall represent such of the outstanding Securities as shall be specified in the "Schedule of Exchanges of Interests in the Global Security" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Securities from time to time endorsed thereon and that the aggregate principal amount of outstanding Securities represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions and the payment of interest through an increase in the principal amount of the outstanding Securities ("PIK Interest"). Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Securities represented thereby shall be made by the Trustee or the Securities Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.07 or by the Company in connection with a PIK Payment.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Security will be exchanged for beneficial interests in the Regulation S Permanent Global Security pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Security, the Trustee will cancel the Regulation S Temporary Global Security. The aggregate principal amount of the Regulation S Temporary Global Security and the Regulation S

Permanent Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

Section 2.02 Form and Dating; Denominations. The Securities of each tranche and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit A which is hereby incorporated in and expressly made a part of this Indenture. The Securities of each tranche may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company is subject, if any, or usage, provided that any such notation, legend or endorsement is in a form reasonably acceptable to the Company. Each Security shall be dated the date of its authentication. The terms of the Securities of each tranche set forth in Exhibit A are part of the terms of this Indenture. The Securities shall be issuable in denominations of $1.00 and integral multiples of $1.00 in excess thereof and shall be dated the date of their authentication.

On any Interest Payment Date on which the Company pays PIK Interest (a "PIK Payment") as provided under paragraph 1(b) of the form of Security with respect to a Global Security, the Trustee, or the Securities Custodian at the direction of the Trustee, shall increase the principal amount of such Global Security by an amount equal to the PIK Interest payable, rounded up to the nearest whole dollar, for the relevant interest period on the principal amount of such Global Security, to the credit of the Holders on the relevant record date and an adjustment shall be made on the books and records of the Trustee with respect to such Global Security to reflect such increase. On any Interest Payment Date on which the Company makes a PIK Payment by issuing an additional Security (a "PIK Security"), the principal amount of any such PIK Security issued to any Holder, for the relevant interest period as of the relevant record date for such Interest Payment Date, shall be rounded up to the nearest whole dollar.

Notwithstanding anything to the contrary herein, no Officer's Certificate or Opinion of Counsel shall be required to be delivered in connection with a payment of PIK Interest (whether by an issuance of PIK Securities or by an increase in Global Securities reflecting a PIK Payment).

Section 2.03 Execution and Authentication. An Officer shall sign the Securities for the Company by manual, facsimile or electronic image scan (e.g., Adobe PDF) signature.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

On the Issue Date, the Trustee shall, upon receipt of the Company's order (an "Authentication Order"), authenticate and deliver the Original Securities which Original Securities, being issued pursuant to Section 1145 of the Bankruptcy Code, shall be in the form of an Unrestricted Global Security. In addition, at any time, from time to time, the Trustee shall, upon an Authentication Order and Officer's Certificate, authenticate and deliver any additional Securities, including the Second Tranche Securities in accordance with Section 2.02. Such Authentication Order shall specify the amount of the Securities to be authenticated and, in the case of any issuance of additional Securities pursuant to Section 2.01 shall certify that such issuance is in compliance with Section 4.03 and Section 4.05. In addition, at any time, from time to time, the Trustee shall (a) authenticate and deliver PIK Securities that may be validly issued under this Indenture and (b) increase the principal amount of any Global Security as a result of a PIK Payment.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any tranche executed by the Company to the Trustee for authentication, together with a written order of the Company in the form of an Officer's Certificate for the authentication and delivery of such Securities, and the Trustee in accordance with such written order of the Company shall authenticate and deliver such Securities. No Opinion of Counsel shall be required to be delivered n connection with the issuance of the Second Tranche Securities.

A Security shall not be valid until an authorized signatory of the Trustee manually or electronically signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

Section 2.04 Registrar and Paying Agent. The Company shall maintain an office or agency in the City of New York where Securities may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency in the City of New York where Securities may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent in connection with the Securities.

Section 2.05 Paying Agent To Hold Money in Trust. Prior to each due date of the principal of, premium, if any, and interest on any Security, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal, premium, if any, and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, or interest on the Securities and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Wholly Owned Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section 2.05, the Paying Agent shall have no further liability for the money delivered to the Trustee.

Section 2.06 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with Trust Indenture Act Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders and the Company shall otherwise comply with Trust Indenture Act Section 312(a).

Section 2.07 Transfer and Exchange

(a) Transfer and Exchange of Global Securities. Except as otherwise set forth in this Section 2.07, a Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. A beneficial interest in a Global Security may not be exchanged by the Company for a Definitive Security unless (i) the Depositary (x) notifies the Company that it is unwilling or unable to continue to act as Depositary for such Global Security or (y) has ceased to be a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 90 days after the date of such notice from the Depositary, (ii) there shall have occurred and be continuing a Default or Event of Default with respect to the Securities or (iii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Securities (although Regulation S Temporary Global Securities at the Company's election pursuant to this clause may not be exchanged for Definitive Securities prior to (a) the expiration of the Restricted Period and (b) the receipt of any certificates required under the provisions of Regulation S). Upon the occurrence of any of the preceding events in clauses (i), (ii) or (iii) above, Definitive Securities delivered in exchange for any Global Security or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures). Global Securities also may be exchanged or replaced, in whole or in part, as provided in Section 2.08 and Section 2.11. Every Security authenticated and delivered in exchange for, or in lieu of, a Global Security or any portion thereof, pursuant to this Section 2.07, or Section 2.08 or Section 2.11, shall be authenticated and delivered in the form of, and shall be, a Global Security, except for Definitive Securities issued subsequent to any of the preceding events in clauses (i), (ii) or (iii) above and pursuant to Sections 2.07(c) or (e). A Global Security may not be exchanged for another Security other than as provided in this Section 2.07(a); provided, however, beneficial interests in a Global Security may be transferred and exchanged as provided in Sections 2.07(b), (c) and (j).

(b) Transfer and Exchange of Beneficial Interests in the Global Securities. The transfer and exchange of beneficial interests in the Global Securities shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Securities shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Securities also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Security. Beneficial interests in any Restricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Security in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Security may not be made to a U.S. Person or for the account or benefit of a U.S. Person. Beneficial interests in any Unrestricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.07(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Securities. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.07(b)(i), the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Security shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Securities be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Security prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903 of Regulation S. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Securities contained in this Indenture and the Securities or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Security(s) pursuant to Section 2.07(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Security. A beneficial interest in any Restricted Global Security may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Security if the transfer complies with the requirements of Section 2.07(b)(ii) and the Registrar receives the following:

(1) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(2) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Security or the Regulation S Permanent Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(3) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Security for Beneficial Interests in an Unrestricted Global Security. A beneficial interest in any Restricted Global Security may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security if the exchange or transfer complies with the requirements of Section 2.07(b)(ii) and:

(1) the Registrar receives the following:

(A) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(B) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (b)(iv), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

If any such transfer is effected pursuant to subparagraph (iv) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (iv) above.

Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Security.

(c) Transfer or Exchange of Beneficial Interests for Definitive Securities.

(i) Beneficial Interests in Restricted Global Securities to Restricted Definitive Securities. If any holder of a beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Security, then, upon the occurrence of any of the events in paragraph (i), (ii) or (iii) of Section 2.07(a) and receipt by the Registrar of the following documentation:

(1) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(2) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof;

(5) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof;

(6) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(c) thereof; or

(7) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(d) thereof, if applicable;

the Trustee shall cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 2.07(h), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Security in the applicable principal amount. Any Definitive Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 2.07(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Securities are so registered. Any Definitive Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 2.07(c)(i) shall bear the Private Placement Legend, the OID Legend and the Regulation S Temporary Global Security Legend, as applicable, and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Regulation S Temporary Global Security to Definitive Security. Notwithstanding Sections 2.07(c)(i)(1) and (3), a beneficial interest in the Regulation S Temporary Global Security may not be exchanged for a Definitive Security or transferred to a Person who takes delivery thereof in the form of a Definitive Security prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Securities to Unrestricted Definitive Securities. A holder of a beneficial interest in a Restricted Global Security may exchange such beneficial interest for an Unrestricted Definitive Security or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security only upon the occurrence of any of the events in subsection (i), (ii) or (iii) of Section 2.07(a) and if:

(1) the Registrar receives the following:

(A) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for an Unrestricted Definitive Security, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(B) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (c)(iii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

(iv) Beneficial Interests in Unrestricted Global Securities to Unrestricted Definitive Securities. If any holder of a beneficial interest in an Unrestricted Global Security proposes to exchange such beneficial interest for a Definitive Security

or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Security, then, upon the occurrence of any of the events in subsection (i), (ii) or (iii) of Section 2.07(a) and satisfaction of the conditions set forth in Section 2.07(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 2.07(h), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Security in the applicable principal amount. Any Definitive Security issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Securities are so registered. Any Definitive Security issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Securities for Beneficial Interests.

(i) Restricted Definitive Securities to Beneficial Interests in Restricted Global Securities. If any Holder of a Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security or to transfer such Restricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Security, then, upon receipt by the Registrar of the following documentation:

(1) if the Holder of such Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(2) if such Restricted Definitive Security is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such Restricted Definitive Security is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such Restricted Definitive Security is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof;

(5) if such Restricted Definitive Security is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (2) through (4) above, a certificate substantially in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(6) if such Restricted Definitive Security is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(7) if such Restricted Definitive Security is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Security, increase or cause to be increased the aggregate principal amount of, in the case of clause (1) above, the applicable Restricted Global Security, in the case of clause (2) above, the applicable 144A Global Security, in the case of clause (3) above, the applicable Regulation S Global Security and, in all other cases, the IAI Global Security.

(ii) Restricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of a Restricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Restricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security only if:

(1) the Registrar receives the following:

(A) if the Holder of such Definitive Securities proposes to exchange such Securities for a beneficial interest in the Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(B) if the Holder of such Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subsection (ii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.07(d)(ii), the Trustee shall cancel the Definitive Securities and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Security.

(iii) Unrestricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of an Unrestricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Definitive Securities to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Security and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Securities.

If any such exchange or transfer from a Definitive Security to a beneficial interest is effected pursuant to subparagraph (ii) or (iii) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the principal amount of Definitive Securities so transferred.

(e) Transfer and Exchange of Definitive Securities for Definitive Securities. Upon request by a Holder of Definitive Securities and such Holder's compliance with the provisions of this Section 2.07(e), the Registrar shall register the transfer or exchange of Definitive Securities. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(e):

(i) Restricted Definitive Securities to Restricted Definitive Securities. Any Restricted Definitive Security may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Security if the Registrar receives the following:

(1) if the transfer will be made to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(2) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(3) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Securities to Unrestricted Definitive Securities. Any Restricted Definitive Security may be exchanged by the Holder thereof for an Unrestricted Definitive Security or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Security if:

(1) the Registrar receives the following:

(A) if the Holder of such Restricted Definitive Securities proposes to exchange such Securities for an Unrestricted Definitive Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(B) if the Holder of such Restricted Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (e)(ii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

(iii) Unrestricted Definitive Securities to Unrestricted Definitive Securities. A Holder of Unrestricted Definitive Securities may transfer such Securities to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Securities pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends shall appear on the face of all Global Securities and Definitive Securities issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) Private Placement Legend.

(1) Except as permitted by subparagraph (B) below, each Global Security and each Definitive Security (and all Securities issued in exchange therefor or substitution therefor) shall bear the legend in substantially the following form:

"THIS SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. [EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 4 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.][12][BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.][13] THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT:

(A) SUCH SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY:

(i)(a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT, (d) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1),(2),(3) OR (7) OF THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR")) THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES LESS THAN $100,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, OR (e) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL AND OTHER CERTIFICATIONS AND DOCUMENTS IF THE COMPANY SO REQUESTS),

(ii) TO THE COMPANY, OR

(iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT

AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND IN EACH CASE SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THIS SECURITY BY THE HOLDER OR BY ANY INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL; AND

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[12] To be included in 144A Global Securities.

[13] To be included in Regulation S Global Securities.

(B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

(2) Notwithstanding the foregoing, any Global Security or Definitive Security issued pursuant to subparagraph (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (j) of this Section 2.07 (and all Securities issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Security Legend. Each Global Security shall bear a legend in substantially the following form:

"THIS GLOBAL SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07(h) OF THE INDENTURE, (II) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS

SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) IAI Security Legend. Each Definitive Security held by an Institutional Accredited Investor shall bear a legend in substantially the following form:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(iv) OID Legend. Each Security issued hereunder that has more than a *de minimis* amount of original issue discount for purposes of the Code shall bear a legend in substantially the following form:

"FOR THE PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS SECURITY IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR SUCH SECURITIES BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE COMPANY AT THE FOLLOWING ADDRESS: [NEW RITE AID], 30 HUNTER LANE, CAMP HILL, PENNSYLVANIA 17011, ATTENTION: [ ]."

(v) Regulation S Temporary Global Security Legend. Each temporary Security that is a Global Security issued pursuant to Regulation S shall bear a legend in substantially the following form:

"THIS GLOBAL SECURITY IS A TEMPORARY GLOBAL SECURITY FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY GLOBAL SECURITY NOR ANY INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL SECURITY SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL OR INTEREST HEREON UNLESS THE REQUIRED CERTIFICATIONS HAVE BEEN DELIVERED PURSUANT TO THE TERMS OF THE INDENTURE."

(h) Cancellation and/or Adjustment of Global Securities. At such time as all beneficial interests in a particular Global Security have been exchanged for Definitive Securities or a particular Global Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Definitive Securities, the principal amount of Securities represented by such Global Security shall be reduced accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction. If the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another

Global Security, such other Global Security shall be increased accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Securities and Definitive Securities upon receipt of an Authentication Order in accordance with Section 2.03 or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Security or to a Holder of a Definitive Security for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Section 2.07, Section 2.11, Section 3.06, Section 4.06, and Section 9.05).

(iii) Neither the Registrar nor the Company shall be required to register the transfer of or exchange any Security selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

(iv) All Global Securities and Definitive Securities issued upon any registration of transfer or exchange of Global Securities or Definitive Securities shall be the valid obligations of the Company, evidencing the same indebtedness and entitled to the same benefits under this Indenture, as the Global Securities or Definitive Securities surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Securities during a period beginning at the opening of business 10 days before the day of delivery of notice of redemption of Securities for redemption under Section 3.03 and ending at the close of business on the day of such delivery, (B) to register the transfer of or to exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (C) to register the transfer of or to exchange a Security between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Security, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and interest on such Securities and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 2.04, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Securities of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Securities to be exchanged at such office or agency. Whenever any Global Securities or Definitive Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the replacement Global Securities and Definitive Securities which the Holder making the exchange is entitled to in accordance with the provisions of this Section 2.07.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.07 to effect a registration of transfer or exchange may be submitted by facsimile.

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including transfers between or among Depositary participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when

expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(j) Automatic Exchange from Restricted Global Security to Unrestricted Global Security. At the option of the Company and upon compliance with the following procedures, beneficial interests in a Restricted Global Security shall be exchanged for beneficial interests in an Unrestricted Global Security. In order to effect such exchange, the Company shall (i) provide written notice to the Trustee instructing the Trustee to direct the Depositary to transfer the specified amount of the outstanding beneficial interests in a particular Restricted Global Security to an Unrestricted Global Security and provide the Depositary with all such information as is necessary for the Depositary to appropriately credit and debit the relevant Holder accounts and (ii) provide prior written notice to all Holders of such exchange, which notice must include the date such exchange is proposed to occur, the CUSIP number of the relevant Restricted Global Security and the CUSIP number of the Unrestricted Global Security into which such Holders' beneficial interests will be exchanged. As a condition to any such exchange pursuant to this Section 2.07(j), the Trustee shall be entitled to receive from the Company, and rely upon conclusively without any liability, an Officer's Certificate and an Opinion of Counsel, in form and in substance reasonably satisfactory to the Trustee, to the effect that such transfer of beneficial interests to the Unrestricted Global Security shall be effected in compliance with the Securities Act. The Company may request from Holders such information it reasonably determines is required in order to be able to deliver such Officer's Certificate and Opinion of Counsel. Upon such exchange of beneficial interests pursuant to this Section 2.07(j), the Registrar shall reflect on its books and records the date of such transfer and a decrease and increase, respectively, in the principal amount of the applicable Restricted Global Security and the Unrestricted Global Security, respectively, equal to the principal amount of beneficial interests transferred. Following any such transfer pursuant to this Section 2.07(j) of all of the beneficial interests in a Restricted Global Security, such Restricted Global Security shall be cancelled.

Section 2.08 Replacement Securities. If a mutilated Security is surrendered to the Registrar or if the Trustee receives evidence to its satisfaction that such Security has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Security. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Security is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Security.

Every replacement Security is an additional obligation of the Company.

Section 2.09 Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section 2.09 as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security. For the avoidance of doubt, the aggregate principal amount outstanding under any Security shall include any increase in the outstanding principal amount in Global Securities as the result of payment of PIK Interest.

If a Security is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Security is held by a bona fide purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal, premium, if any, and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

Section 2.10 Treasury Securities. Notwithstanding anything to the contrary in this Indenture, Section 316(a) of the Trust Indenture Act (including the last paragraph thereof), is expressly excluded from this Indenture.

Section 2.11 Temporary Securities. Until definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Securities and deliver them in exchange for temporary Securities.

Section 2.12 Cancellation. The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee, at the written direction of the Company, and no one else shall cancel and dispose of all Securities surrendered for registration of transfer, exchange, payment or cancellation and deliver a certificate of such disposal to the Company upon its request therefor unless the Company directs the Trustee to deliver canceled Securities to the Company. The Company may not issue new Securities to replace Securities it has redeemed, paid or delivered to the Trustee for cancellation.

Section 2.13 Defaulted Interest. If the Company defaults in a payment of interest on the Securities, the Company shall pay the defaulted interest (plus interest with respect to such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the persons who are Holders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail to each Holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

Section 2.14 CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption or repurchase as a convenience to Holders; provided, however, that neither the Company nor the Trustee shall have any responsibility for any defect in the "CUSIP" number that appears on any Security, check, advice of payment or redemption or repurchase notice, and any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or repurchase and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption or repurchase shall not be affected by any defect in or omission of such numbers.

Section 2.15 Tax Withholding. Notwithstanding anything to the contrary contained in this Indenture, the Company, the Trustee and any Paying Agent may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed from principal or interest payments hereunder. The Company, the Trustee and the Paying Agent shall reasonably cooperate with each other and shall provide each other with copies of documents or information reasonably necessary for the Company, the Trustee and the Paying Agent to comply with any withholding tax or tax information reporting obligations imposed on any of them, including any obligations, imposed pursuant to an agreement with a governmental authority.

Section 2.16 Shifting Maturity Date.

(a) Shifting Maturity Date. The Securities will mature on [•], 2031 (the "Initial Maturity Date"); *provided* that, if on the date that is 30 calendar days prior to the then stated maturity date of the Securities, the ABL Facility, as extended, renewed, replaced or refinanced, remains outstanding, then the then stated maturity shall be extended to the date that is 91 calendar days after the maturity date of the ABL Facility and each Holder consents to the entry by the Trustee and the Company into a supplemental indenture giving effect to such extension (the "Shifting Maturity Date"), with such supplemental indenture to provide that the Holders consent to the entry by the Trustee and the Company into an additional supplemental indenture to extend the Shifting Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility, as extended, renewed, replaced or refinanced, if such facility remains outstanding on such Shifting Maturity Date.

(b) Notice to Trustee and Securities Collateral Agent of Shifting Maturity. At least two (2) Business Days (unless a shorter notice shall be agreed to by the Trustee and/or Securities Collateral Agent) before notice of any anticipated Shifting Maturity Date is required to be delivered to Holders pursuant to Section 2.16(c) hereof, the Company shall furnish to the Trustee and Securities Collateral Agent the form of such notice together with an Officer's Certificate setting forth (x) the applicable Shifting Maturity Date and (y) the aggregate amount payable in respect of the Securities on such Shifting Maturity Date.

(c) Notice of Shifting Maturity Date. The Company shall send electronically, mail or cause to be mailed by first-class mail, postage prepaid, a notice of Shifting Maturity Date at least ten (10) days but not more than sixty (60) days before any anticipated Shifting Maturity Date to each Holder of Securities to be redeemed at such Holder's registered address stated in the Security Register (with a copy to the Trustee) or otherwise in accordance with the Applicable Procedures.

The notice shall state:

(1) the anticipated Shifting Maturity Date;

(2) the aggregate amount payable in respect of the Securities on the Shifting Maturity Date;

(3) the name and address of the Paying Agent; and

(4) that interest shall continue to accrue to but excluding the Shifting Maturity Date.

At the Company's request, the Trustee shall give the notice of Shifting Maturity Date in the Company's name and at its expense; provided that the Company shall have delivered to the Trustee, at least two (2) Business Days, in the case of Global Securities, or five (5) Business Days, in the case of Definitive Securities, before notice of a Shifting Maturity Date is required to be delivered electronically, mailed or caused to be mailed to Holders pursuant to this Section 2.16(c) (unless a shorter notice shall be agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

(d) Effect of Notice of Shifting Maturity. A notice of anticipated Shifting Maturity Date pursuant to this Section 2.16, if delivered electronically, mailed or caused to be mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to deliver such notice or any defect in the notice to the Holder of any Security shall not affect the validity of the proceedings for the payment of any other Security. Subject to compliance with Section 2.16(e) hereof, on and after the Shifting Maturity Date, the Securities shall cease to be outstanding and interest thereon shall cease to accrue on Securities.

(e) Trustee. The Trustee and Securities Collateral Agent shall have no duty to monitor the principal amount, or determine the maturity date, of the ABL Facility and shall be entitled to conclusively rely on the Officer's Certificate delivered to it under Section 2.16(b) or written notice delivered by the Holders. In the absence of receipt of an Officer's Certificate under this Section 2.16 or such written notice by the Holders, the Trustee and Securities Collateral Agent shall be entitled to treat [__], 2031 as the Initial Maturity Date of the Securities.

Section 2.17 SOFR or Term SOFR Screen Rate Not Available. If a SOFR or Term SOFR Screen Rate is not published on the associated Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Term SOFR" means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Federal Reserve's Website at https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information.

Section 2.18 Effect of a Benchmark Transition Event.

(a) Notwithstanding anything contained herein or in the Securities, if the Company or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Securities in respect of all determinations on such date and for all determinations on all subsequent dates.

(b) In connection with the implementation of a Benchmark Replacement, the Company or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(c) Any determination, decision or election that may be made by the Company or its designee pursuant to this section, including a determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) if made by the Company, will be made in the Company's sole discretion;

(iii) if made by the Company's designee, will be made after consultation with the Company, and such designee will not make any such determination, decision or election to which the Company objects; and

(iv) notwithstanding anything to the contrary in the documentation relating to the Securities, shall become effective without consent from the Holders or any other party.

(d) For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

(e) For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to Benchmark also include any reference rate underlying such Benchmark.

ARTICLE III

REDEMPTION

Section 3.01 Notices to Trustee. If the Company elects to redeem Securities pursuant to paragraph 5 of the Securities, it shall notify the Trustee in writing of the redemption date, the principal amount of Securities to be redeemed and that such redemption is being made pursuant to such paragraph 5 of the Securities.

The Company shall give each notice to the Trustee provided for in this Section 3.01 at least two Business Days prior to the date on which that notice is delivered to the Holders unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officer's Certificate from the Company to the effect that such redemption will comply with the conditions herein.

Section 3.02 Selection of Securities To Be Redeemed. If fewer than all the Securities are to be redeemed pursuant to paragraph 5 of the Securities, the Securities to be redeemed shall, in the case of Global Securities, be selected on a *pro rata* basis in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, shall be selected by lot or by such other method as the Trustee considers fair and appropriate. Selection of Securities shall be made from outstanding Securities not previously called for redemption and may include portions of the principal of Securities that have denominations larger than $1.00. Securities and portions of them that are selected shall be in amounts of $1.00 or a whole multiple in excess of $1.00. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed. Notwithstanding the foregoing, if the Securities are represented by Global Securities, beneficial interests therein will be selected for redemption by DTC in accordance with its standard procedures therefor.

Section 3.03 Notice of Redemption. At least 10 days but not more than 60 days before a date for redemption of Securities pursuant to paragraph 5 of the Securities, the Company shall cause to be delivered a notice of redemption to each Holder of Securities to be redeemed at such Holder's registered address.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price, or if not then ascertainable, the manner of calculation thereof;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Securities are to be redeemed, the identification and principal amounts of the particular Securities to be redeemed;

(6) that, unless the Company defaults in making such redemption payment, interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date, and the only remaining right of the Holders is to receive payment of the redemption price upon surrender to the Paying Agent; and

(7) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities.

At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section 3.03 at least two Business Days prior to the Trustee giving the notice of redemption (unless a shorter period shall be acceptable to the Trustee).

Section 3.04 Effect of Notice of Redemption.

(a) Once notice of redemption is delivered, subject to the satisfaction of any conditions specified in the applicable notice of redemption pursuant to paragraph (b) of this Section 3.04, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Securities shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of redemption). Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

(b) Any such redemption or notice may, at the Company's option and discretion, be subject to one or more conditions precedent. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company's discretion, such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Company and the Subsidiary Guarantors from their obligations with respect to such redemption).

Section 3.05 Deposit of Redemption Price. Prior to or on the redemption date, subject to the satisfaction of any conditions specified in the applicable notice of redemption pursuant to paragraph (b) of Section 3.04, the Company shall deposit with the Paying Agent (or, if the Company or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest, if any (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of redemption), on all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption that have been delivered by the Company to the Trustee for cancellation.

Section 3.06 Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder (at the Company's expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE IV

COVENANTS

Section 4.01 Payment of Securities. The Company shall promptly pay the principal of, premium, if any, and interest on the Securities on the dates and in the manner provided in the Securities and in this Indenture. Principal, premium and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal, premium and interest then due. Except as otherwise provided for in this Indenture, interest shall be payable as PIK Interest. PIK Interest shall be considered paid on the date due if on such date the Trustee has received (i) an Authentication Order to increase the balance of any Global Security to reflect such PIK Interests or (ii) PIK Securities duly executed by the Company together with an Authentication Order requesting the authentication of such PIK Securities by the Trustee.

The Company shall pay interest on overdue principal at the rate per annum specified therefor in the Securities, and it shall pay interest on overdue installments of interest at the rate borne by the Securities, to the extent lawful.

Section 4.02 Financial Statements and Other Information.

(a) The Company will furnish to the Trustee and (except in the case of Section 4.01(g)) each Holder:

(i) Concurrently with the earlier of the delivery thereof to the ABL Administrative Agent or the Takeback Notes Trustee, its audited consolidated balance sheet and related statements of income and cash flows as of the end of and for the most recently-ended fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by [Deloitte & Touche LLP] or another registered independent public accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any material qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial position, results of operations and cash flows of the Company and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(ii) Concurrently with the earlier of the delivery thereof to the ABL Administrative Agent or the Takeback Notes Trustee, (A) its consolidated balance sheet as of the end of such fiscal quarter and related statements of income for such fiscal quarter and of income and cash flows for the then elapsed portion of the most recently-ended fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year and (B) the Company's consolidated balance sheet as of the end of the most recently-ended fiscal month and related statements of income for such fiscal month and of income and cash flows for the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year;

(iii) promptly following delivery thereof to the applicable Person, to the extent not required to be delivered hereunder, copies of any notices, certificates or other information required to be delivered to (A) the Takeback Notes Trustee and/or the Takeback Noteholders pursuant to the Takeback Notes Indenture, (B) the ABL Collateral Agent pursuant to the ABL Credit Agreement, and (C) to any Person entitled to receive any Plan Payments pursuant to the Plan Documents;

(iv) not later than 30 days prior to the commencement of each fiscal year, an Officer's Certificate setting forth the end dates of each of the fiscal quarters in such fiscal year; and

(v) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Commission, or with any national securities exchange, or distributed by the Company to its shareholders generally, as the case may be; provided, however, that the filing of such reports and such other information and documents with the Commission through EDGAR (or any successor electronic reporting system of the Commission accessible to the public without charge) constitutes delivery to the Trustee and the Holders for purposes of this clause (a)(v).

(b) The financial statements, information and other documents required to be provided as described in this Section 4.02 may be those of (i) the Company or (ii) any direct or indirect parent of the Company (any such entity described in clause (i) or (ii) that provides such financial statements, information or other documents, a "Reporting Entity"), so long as in the case of clause (ii) either (1) such direct or indirect parent of the Company shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any material business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management of, the Company or (2) if otherwise, the financial information so delivered shall be accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Company and its Subsidiaries on a standalone basis, on the other hand.

(c) The Company will make such information available electronically to prospective investors and securities analysts upon request. The Company shall, for so long as any Securities remain outstanding during any period when neither it nor another Reporting Entity is subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the Commission with

certain information pursuant to Rule 12g3-2(b) of the Exchange Act, furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(d) The Company will be deemed to have delivered such reports and information referred to in this Section 4.02 to the holders, prospective investors, securities analysts and the Trustee for all purposes of this Indenture if the Company or another Reporting Entity has filed such reports with the Commission via the EDGAR filing system (or any successor system) and such reports are publicly available. In addition, the requirements of this Section 4.02 shall be deemed satisfied and the Company will be deemed to have delivered such reports and information referred to this Section 4.02 to the Trustee, holders, prospective investors, and securities analysts for all purposes of this Indenture by the posting of reports and information that would be required to be provided on the Company's website (or that of any of the Company's parent companies, including the Reporting Entity) or on IntraLinks or any comparable online data system or website.

(e) The Trustee shall have no obligation to monitor whether the Company posts such reports, information and documents on the Company's website (or that of any of the Company's parent companies, including the Reporting Entity) or the SEC's EDGAR service, or collect any such information from the Company's (or any of the Company's parent companies') website, IntraLinks or any comparable online data system or website or the SEC's EDGAR service. The Trustee shall have no liability or responsibility for the content, filing or timeliness of any report delivered or filed under or in connection with this Indenture or the transactions contemplated thereunder.

(f) The Company will also hold quarterly conference calls, beginning with the first full fiscal quarter ending after the Issue Date, for all Holders, prospective investors, market makers and securities analysts to discuss such financial information no later than ten Business Days after the distribution of such information required by clause (a) or clause (b) of Section 4.02 and, prior to the date of each such conference call, will announce the time and date of such conference call and either include all information necessary to access the call or inform Holders, prospective investors, and securities analysts how they can obtain such information, including, without limitation, the applicable password or login information (if applicable).

(g) [Reserved].

(h) Notwithstanding the foregoing, if at any time the Company or any direct or indirect parent of the Company has made a good faith determination to file a registration statement with the Commission with respect to an Equity Offering of such entity's Equity Interests, the Company will not be required to disclose any information or take any actions that, in the good faith view of the Company, would violate securities laws or the SEC's "gun jumping" rules or otherwise have an adverse effect on such Equity Offering.

Section 4.03 Limitation on Debt. The Company shall not, and shall not permit any Subsidiary to, Incur, directly or indirectly, any Debt unless such Debt is Permitted Debt.

The term "Permitted Debt" means:

(a) Debt of the Company evidenced by the Original Securities, the Second Tranche Securities and the PIK Securities and of Subsidiaries, including any future Subsidiaries, evidenced by Guarantees relating to the Original Securities, the Second Tranche Securities and the PIK Securities, and including any Refinancing Indebtedness with respect hereto;

(b) Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) under the ABL Facility as in effect on the Issue Date; provided that the aggregate principal amount of all such Debt at any one time outstanding shall not, after giving Pro Forma Effect to the Incurrence of such Debt and the application of the proceeds thereof, exceed $[3,060] million;

(c) To the extent constituting Debt, Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) in respect of (i) the McKesson Trade Obligations, to the extent subject to the ABL / McKesson Intercreditor Agreement and the McKesson Intercreditor Agreement, and (ii) the other McKesson Obligations;

(d) Debt of the Company owing to and held by any Subsidiary Guarantor and Debt of a Subsidiary Guarantor owing to and held by the Company or any Subsidiary Guarantor; provided, however, that any subsequent issue or transfer of Equity Interests or other event that results in any such Subsidiary Guarantor ceasing to be a Subsidiary Guarantor or any subsequent transfer of any such Debt (except to the Company or a Subsidiary Guarantor) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

(e) Debt under any Hedging Agreement that complies with this Indenture;

(f) Debt in connection with one or more standby letters of credit, banker's acceptance, performance or surety bonds or completion guarantees issued by the Company or a Subsidiary or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(g) Debt arising from agreements of the Company or any Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Debt incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; provided that the maximum assumable liability in respect of such Debt will at no time exceed the gross proceeds including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company or such Subsidiary in connection with such disposition;

(h) Debt of the Company or any of its Subsidiaries consisting of (i) the financing of insurance or similar premiums or (ii) take-or-pay or similar obligations contained in supply arrangements, in each case, incurred in the ordinary course of business;

(i) Debt of the Company and the Subsidiaries in respect of intercompany Investments permitted under Section 4.10; provided that any such Debt owing by the Company or a Subsidiary Guarantor to a Subsidiary that is not a Securities Party is subordinated to the Securities Obligations pursuant to terms substantially the same as those forth on Annex I hereto;

(j) Debt consisting of (A) the Takeback Notes Debt and (B) any Refinancing Indebtedness with respect thereto; provided that (1) in no event shall the aggregate principal amount of all such Debt under clause (A) and (B) of this Section 4.03(j) exceed the result of (w) $350,000,000, plus (y) the amount of all interest on the Takeback Notes Debt capitalized to principal as and when due in accordance with the Takeback Notes Documents, minus (z) the aggregate amount of all payments of principal in respect thereof and (2) all such Debt under clause (A) and (B) of this Section 4.03(j) shall be subject to the Securities / Takeback Notes Intercreditor Agreement;

(k) [reserved];

(l) Attributable Debt incurred in connection with Permitted Real Estate Sale and Leaseback Transactions; provided that the aggregate amount of Attributable Debt incurred pursuant to this Section 4.03(l) shall not exceed $[165,000,000] at any time outstanding;

(m) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(n) (A) purchase money Debt (including Capital Lease Obligations) and Attributable Debt in respect of Sale and Leaseback Transactions in each case incurred to finance the acquisition, development, construction or opening of any Store after the Issue Date (excluding purchase money Debt incurred to finance the acquisition of Prescription Files in connection with the opening of any such Store, which shall be permitted only to the extent set forth in Section 4.03(t)), and Debt (including Capital Lease Obligations) and Attributable Debt in respect to equipment or leasing in the ordinary course of business of the Company and the Subsidiaries consistent with past practices; provided that (x) the aggregate amount of Debt and Attributable Debt incurred pursuant to this Section 4.03(n) shall not exceed $[165,000,000] at any time outstanding and (y) such Debt or Attributable Debt (i) is incurred not later than one hundred and eighty (180) days following the completion of the acquisition, development, construction or opening of such Store or equipment, as applicable, and (ii) any Lien securing such Debt or Attributable Debt is limited to the Store or equipment financed with the proceeds thereof and (B) any Refinancing Indebtedness with respect thereto;

(o) Guarantees of any Debt under clause (b), (j), (k), (q) and (r) of this Section 4.03 (and Refinancing Indebtedness of any such Debt); provided that any Subsidiary that Guarantees any Debt under clause (j), (k), (q) and (r) of this Section 4.03 (or any Refinancing Indebtedness of any such Debt) also Guarantees the Securities Obligations; and

(p) Debt of a Person or Debt attaching to assets of a Person that, in either case, becomes a Subsidiary or Debt attaching to assets that are acquired by the Company or any of its Subsidiaries, in each case after the Issue Date as the result of a Business Acquisition; provided that (A) the aggregate principal amount of such Debt does not exceed $110,000,000 at any one time outstanding (excluding any Debt owing from a Person acquired in a Business Acquisition to another such Person), (B) such Debt existed at the time such Person became a Subsidiary or at the time such assets were acquired and, in each case, was not created in anticipation thereof, and (C) such Debt is not guaranteed in any respect by (or is otherwise recourse to) the Company or any Subsidiary (other than by any such Person that so becomes a Subsidiary) or their respective assets (other than by the assets of any Person so acquired in such Business Acquisition or by any Subsidiary of the Company which was merged into or with any such Person that is the subject of such Business Acquisition);

(q) unsecured Debt of any Securities Party or any Subsidiary; provided that (A) the aggregate principal amount of all Debt incurred in reliance on this Section 4.03(q) shall not exceed $165,000,000 at any time outstanding, (B) with respect to Debt of the type described in clause (a) of the defined term "Debt" that is incurred in reliance on this Section 4.03(q), such Debt shall only be permitted if at the time of the incurrence or issuance thereof, the Consolidated Total Leverage Ratio as of the last day of the most recently ended Measurement Period (and calculated giving Pro Forma Effect to such Debt and as if such Debt was incurred as the last day of the most recently ended Measurement Period) is equal to or greater than 4.95 to 1.00, (C) if such Debt is in an individual principal amount in excess of $16,500,000 (including all amounts owing to creditors under any combined or syndicated credit arrangement), then such Debt shall not have a scheduled maturity or any required scheduled repayment or prepayment of principal, amortization, mandatory redemption or sinking fund obligation, in each case, prior to the Latest Maturity Date (measured as of the time that such Debt is incurred) or if such Debt is at any time owing to any Permitted Holder (or any Affiliate thereof), ninety-one (91) days following the Latest Maturity Date (measured as of the time that such Debt is incurred), (D) if such Debt is owing to any Permitted Holder (or any Affiliate thereof), no payments of interest in cash or other property prior to the maturity of such Debt shall be required or be made, (E) such Debt shall not be subject to any terms requiring any obligor in respect of such Debt to (or to offer to) pay, prepay, purchase, repurchase, redeem, retire, cancel or terminate the aggregate amount of such Debt, other than, solely in the event such Debt is owing to a Person other than a Permitted Holder (or Affiliate thereof), pursuant to Customary Mandatory Prepayment Terms, (F) no additional direct or contingent obligors other than a Securities Party or a Subsidiary may become liable in respect of such Debt at any time, and (G) the aggregate amount of all such Debt incurred in reliance of this Section 4.03(q) which is (x) in excess of $55,000,000 or (y) provided by any Permitted Holder (or any Affiliate thereof), in each case, shall constitute Subordinated Debt;

(r) other Debt of any Securities Party or any Subsidiary; provided that, (A) the aggregate principal amount of all Debt incurred in reliance on this Section 4.03(r) shall not exceed $110,000,000 at any time; (B) with respect to Debt of the type described in clause (a) of the defined term "Debt" that is incurred in reliance on this Section 4.03(r), such Debt shall only be permitted if at the time of the incurrence or issuance thereof, the Consolidated Total Leverage Ratio as of the last day of the most recently ended Measurement Period (and calculated giving Pro Forma Effect to such Debt and as if such Debt was incurred as the last day of the most recently ended Measurement Period) is equal to or greater than 4.95 to 1.00, (C) if such Debt is owing to any Permitted Holder (or any Affiliate thereof), no payments of interest in cash or other property prior to the maturity of such Debt shall be required or be made, (D) with respect to Debt of the type described in clause (a) of the defined term "Debt" that is incurred in reliance on this Section 4.03(r), such Debt shall (x) have a maturity date or termination date, as the case may be, after the date that is at least ninety-one (91) days after the Latest Maturity Date (as in effect at the time such Debt is incurred or issued), (y) not have any required principal payments (including for this purpose amortization, mandatory redemption or sinking fund obligation), in each case, prior to the Latest Maturity Date (as in effect on the date of the incurrence of such Debt) in excess of five percent (5.00%) of the initial principal amount of such Debt in any twelve (12) consecutive month period, and (z) be on market terms, including with respect to covenants and events of default and interest, repayment and prepayment terms, (E) no additional direct or contingent obligors other than a Securities Party or a Subsidiary may become liable in respect of such Debt at any time, and (F) the aggregate amount of all such Debt incurred in reliance of this Section 4.03(r) which is (x) in excess of $55,000,000 or (y) provided by any Permitted Holder (or any Affiliate thereof), in each case, shall constitute Subordinated Debt; and

(s) [a letter of credit facility with 1970 Group (or another similar provider), providing for the issuance of letters of credit, in substitution of Existing Letters of Credit, in the aggregate face amount of up to $220,000,000; provided that such letter of credit facility shall (i) not be secured by any assets of the Securities Parties, (ii) not be Guaranteed by any Person other than a Securities Party, (iii) have a stated maturity or expiration date occurring no earlier than the Latest Maturity Date (as determined at the time such letter of credit facility becomes effective), and (iv) otherwise be on market terms as reasonably determined by the Company;]

(t) (A) purchase money Debt incurred to finance the acquisition of Prescription Files in connection with the opening of any Store (such Prescription Files, "Financed Prescription Files"); provided that (x) the aggregate amount of Debt incurred pursuant to this Section 4.03(t) shall not exceed $44,000,000 at any time outstanding, (y) such Debt (i) is incurred not later than ninety (90) days following the opening of such Store, and (ii) any Lien securing such Debt is limited to the Financed Prescription Files (but not the proceeds thereof), and (z) all Financed Prescription Files, and any Pharmacy Inventory at any Store location that maintained Financed Prescription Files, (i) are excluded from the determination of the Combined Borrowing Base Amount and (ii) are segregated from, and clearly identifiable from, other Prescriptions Files included in the determination of the Combined Borrowing Base Amount, and (B) any Refinancing Indebtedness with respect thereto.

Section 4.04 Limitation on Restricted Payments; Payment of Debt; Plan Payments.

(a) *Restricted Payments*. The Company will not, nor will it permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, except:

(i) the Company and the Subsidiaries may make Restricted Payments on or about the Issue Date to consummate the Restructuring and Asset Transfer Transactions;

(ii) the Company may declare and pay dividends with respect to its common Equity Interests or Qualified Preferred Equity Interests payable solely in additional shares of its common Equity Interests or Qualified Preferred Equity Interests;

(iii) Subsidiaries (other than those directly owned, in whole or part, by the Company) may declare and pay dividends ratably with respect to their common Equity Interests;

(iv) the Subsidiaries may make Restricted Payments to the Company; provided that the Company shall, within a reasonable time following receipt of any such Restricted Payment, use all of the proceeds thereof for general corporate ongoing working capital purposes (including the payment of dividends or distributions otherwise permitted pursuant to this Section 4.04(a));

(v) the Company may make additional Restricted Payments in cash; provided that, as of the date of the payment of such Restricted Payment, and after giving effect thereto, each of the Payment Conditions shall be satisfied;

(vi) the Company may make payments to holders of its Equity Interests in lieu of the issuance of fractional shares of its Equity Interests; provided, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(vii) repurchase Equity Interests of the Company deemed to be issued upon the exercise of stock options or warrants or similar rights (i) if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) for purposes of tax withholding by the Company in connection with such exercise or vesting; provided, however, that such repurchase shall be excluded in the calculation of the amount of Restricted Payments; and

(viii) the Company and the Subsidiaries may make Restricted Payments consisting of the repurchase or other acquisition of shares of, or options to purchase shares of, Equity Interests of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any Subsidiary (or their permitted transferees), in each case pursuant to stock option plans, stock plans, employment agreements or other employee benefit plans approved by

the [Board of Directors]; provided that no Default has occurred and is continuing; and provided, further that the aggregate amount of such Restricted Payments made in any fiscal year of the Company shall not exceed $5,500,000.

(b) *Payments of Debt*. The Company will not, nor will it permit any Subsidiary to, pay or make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Debt, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Debt (which, for purposes of this Section 4.04(b), shall include any Debt incurred pursuant to Section 4.03, except:

(i) payments or prepayments or exchanges of Debt created under the ABL Loan Documents;

(ii) payments of regularly scheduled interest and principal payments as and when due in respect of any Debt permitted pursuant to Section 4.03 (other than the Securities or the Takeback Notes Debt);

(iii) (A) payments or prepayments of the Securities and (B) payments solely in kind of regularly scheduled interest as and when due in respect of the Takeback Notes Debt;

(iv) prepayments of Debt permitted pursuant to clause (l), (q) or (r) of Section 4.03 with the proceeds of, or in exchange for, Debt permitted pursuant to clause (l), (q) or (r) of Section 4.03, respectively;

(v) (A) payments of secured Debt that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Debt and (B) payments of Debt that becomes due as a result of the voluntary sale or transfer of any property or assets (in each case of clause (A) and (B), other than the Securities or the Takeback Notes Debt); provided that, in each case, (A) any such payments are made pursuant to the Customary Mandatory Prepayment Terms and (B) as of the date of such payment, and after giving effect thereto, each of the Payment Conditions shall be satisfied;

(vi) repurchases, exchanges, redemptions or prepayments of Debt for consideration consisting solely of common Equity Interests of the Company or Qualified Preferred Equity Interests or with Net Cash Proceeds from the substantially contemporaneous issuance of common Equity Interests or Qualified Preferred Equity Interests of the Company or cash payments in lieu of fractional shares;

(vii) prepayments of Capital Lease Obligations in connection with the sale, closing or relocation of Stores;

(viii) prepayments, redemptions and exchanges of Debt in connection with the incurrence of Refinancing Indebtedness permitted pursuant to clause (a), (j), (n) or (o) of Section 4.03;

(ix) Optional Debt Repurchases; provided that (A) as of the date of any such Optional Debt Repurchase, and after giving effect thereto, each of the Payment Conditions shall be satisfied and (B) if the applicable Debt subject of such Optional Debt Repurchase is subject to any Subordination Provisions, such Optional Debt Repurchase shall be permitted pursuant to such Subordination Provisions; provided, further, that, to the extent the Securities and the Takeback Notes Debt are outstanding at the time any such Optional Debt Repurchase is proposed to be made with respect to the Securities, such Optional Debt Repurchase shall be made first with respect to the Securities until paid in full.

(c) *Plan Payments*. The Company will not, nor will it permit any Subsidiary to, pay or make or agree to pay or make, directly or indirectly, any Plan Payment, other than in accordance with the Plan Documents (as in effect on the Issue Date or as such Plan Documents may hereafter be modified with the prior written consent of the majority of the Holders); provided that, at least two (2) Business Days prior to the making of any Plan Payment, the Trustee shall have received a Specified Transaction Certificate, identifying the amount and type of Plan Payment to be made and the provision of Plan Documents pursuant to which such Plan Payment is to be made and certifying that the conditions in the Plan Document, if any, for such Plan Payment are satisfied.

(d) *Certain Equity Securities*. The Company will not, nor will it permit any Subsidiary to, issue any Preferred Equity Interests or other preferred Equity Interests, other than (i) Qualified Preferred Equity Interests of the Company and (ii) Preferred

Equity Interests of a Subsidiary issued to the Company or a Subsidiary Guarantor or, in the case of a Subsidiary that is not a Subsidiary Guarantor, to another Subsidiary that is not a Subsidiary Guarantor.

Section 4.05 Limitation on Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Liens created under the ABL Loan Documents;

(b) Permitted Encumbrances;

(c) Liens in favor of the Takeback Notes Trustee created under the Takeback Notes Documents to secure the Takeback Notes Obligations; provided that such Liens are subject to the Securities/ Takeback Notes Intercreditor Agreement and the ABL/Takeback Notes Intercreditor Agreement;

(d) Liens in favor of [McKesson] created under the McKesson Documents to secure the McKesson Trade Obligations; provided that such Liens are subject to the McKesson Intercreditor Agreement and the ABL / McKesson Intercreditor Agreement;

(e) any Lien securing Debt of a Subsidiary owing to a Subsidiary Guarantor, which Lien shall be collaterally assigned to the Securities Collateral Agent to secure the Securities Obligations;

(f) any Lien securing Debt, Attributable Debt and other payment obligations under leases, as applicable, incurred in connection with a Sale and Leaseback Transaction or any equipment financing or leasing, in any such case, to the extent permitted pursuant to (i) Section 4.03(l) or (n) and (ii) Section 4.09, as applicable; provided that any such Lien shall attach only to the equipment, Real Estate or other assets subject to such Sale and Leaseback Transaction, financing, or leasing, as applicable, and (ii) any Lien securing Debt permitted pursuant to Section 4.03(t); provided that any Lien securing such Debt is limited to the applicable Financed Prescription Files (but not the proceeds thereof);

(g) Liens on the Collateral (or on assets that, substantially concurrently with the creation of such Lien, become Collateral on which a Lien is granted to the Securities Collateral Agent pursuant to a Securities Collateral Document) securing Debt permitted by Section 4.03(r); provided that any such Liens rank junior to the Liens on the Collateral securing the Securities Obligations pursuant to an Acceptable Intercreditor Agreement;

(h) Liens existing on the Issue Date and identified on Schedule 6.02 of the ABL Credit Agreement; provided that such Liens do not attach to any property other than the property identified on Schedule 6.02 of the ABL Credit Agreement and secure only the obligations they secured on the Issue Date other than accessions to the property or assets subject to the Lien;

(i) (x) Liens on property or assets acquired pursuant to Section 4.10(l), provided that (A) such Liens apply only to the property or other assets subject to such Liens at the time of such acquisition and (B) such Liens existed at the time of such acquisition and were not created in contemplation thereof and (y) Liens securing Debt incurred pursuant to Section 4.03(p), provided that (A) such Liens are not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary and (B) such Liens shall not apply to any other Debt, property or assets of the Company or any Subsidiary;

(j) Liens (other than Liens securing Debt) that are not otherwise permitted under any other provision of this Section 4.05; provided that the Fair Market Value of the property and assets with respect to which such Liens are granted shall not at any time exceed $27,500,000;

(k) Liens in favor of the Trustee or the Securities Collateral Agent created under the Securities Documents to secure the Securities Obligations (including the PIK Securities); provided that such Liens are subject to the ABL Intercreditor Agreement;

(l) good faith deposits in connection with leases to which the Company or any Subsidiary is party Incurred in the ordinary course of business;

(m) [reserved];

(n) [reserved];

(o) Liens on specific items of inventory or other goods and proceeds of any person securing such Person's obligations to vendors or in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(p) deposits in the ordinary course of business to secure liability to insurance carriers;

(q) deposits, including into trust, to satisfy any redemption, defeasance (whether by covenant or legal defeasance) or discharge of Debt at the time of such deposit that is permitted to be paid under this Indenture;

(r) the Lien provided for in this Indenture securing the Trustee's compensation, reimbursement of expenses and indemnities hereunder;

(s) Liens securing the financing of insurance premiums in the ordinary course of the Company's or a Subsidiary's business; and

(t) Liens on the proceeds of one or more offerings of securities by the Company or any of its Subsidiaries deposited with an escrow agent (and any additional amounts required to be deposited with such escrow agent pursuant to an agreement with such escrow agent), or an account holding such amounts, in favor of such escrow agent for the benefit of holders of such securities; provided that any such Lien may not extend to any other Property of the Company or any Subsidiary;

Section 4.06 Limitation on Asset Sales. The Company will not, and will not permit any of its Subsidiaries to, conduct any Asset Sale, including any sale of any Equity Interest owned by it or any Subsidiary, nor will the Company permit any of the Subsidiaries to issue any additional Equity Interest in such Subsidiary, except:

(a) any disposition of (i)(A) Inventory at retail, (B) cash, cash equivalents and other cash management investments, and (C) obsolete, unused, uneconomic or unnecessary equipment, in each case of clause (A) through (C) above, in the ordinary course of business, and (ii) Intellectual Property that, in the reasonable judgment of the Company, is (A) no longer economically practicable to maintain, (B) not material (individually or in the aggregate) to the conduct of the Securities Parties' and Subsidiaries' business or (C) not useful in the conduct of the Securities Parties' and Subsidiaries' business;

(b) any disposition to a Subsidiary Guarantor; provided that if the property subject to such disposition constitutes Collateral immediately before giving effect to such disposition, such property continues to constitute Collateral subject to the Liens of the Securities Collateral Agent;

(c) any sale or discount, in each case without recourse and in the ordinary course of business, of overdue Accounts (as defined in the ABL Credit Agreement) arising in the ordinary course of business, but only to the extent such Accounts are no longer Eligible Accounts Receivable and such sale or discount is in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale);

(d) non-exclusive licenses of Intellectual Property of the Securities Parties or any Subsidiary in the ordinary course of business, which do not interfere, individually or in the aggregate in any material respect with the conduct of the business of the Securities Parties and their Subsidiaries, taken as a whole, and leases, assignments or subleases in the ordinary course of business;

(e) sale of non-core assets acquired in connection with a Business Acquisition;

(f) any issuance of Equity Interests of any Subsidiary by such Subsidiary to the Company or any other Subsidiary Guarantor;

(g) any Asset Sales which constitute permitted Restricted Payments, Investments or Liens (other than by reference to this Section 4.06(g);

(h) any sale, transfer or disposition to a third party of Stores, leases and Prescription Files closed at substantially the same time as, and entered into as part of a single related transaction with, the purchase or other acquisition from such third party of Stores, leases and Prescription Files of a substantially equivalent value;

(i) [any Specified Regional Sale Transaction];

(j) [reserved];

(k) any Sale and Leaseback Transaction permitted pursuant to (i) Section 4.03(l) or (n) and (ii) Section 4.09;

(l) (i) any Permitted Real Estate Disposition and (ii) any termination or expiration of any (or any portion of any) Real Estate Lease, sublease or other occupancy agreement (A) in accordance with its terms or (B) in connection with the discontinuance of the operations of any Real Estate (other than in connection with bulk sales or other dispositions of the Inventory and Prescriptions Files of a Securities Party not in the ordinary course of business in connection with Store closings, which shall be permitted only in accordance with Section 4.06(p) or if permitted by the Required Lenders under the ABL Credit Agreement, as certified by the Company in an Officer's Certificate to the Trustee; provided that the applicable the Real Estate is no longer deemed by the Company to be useful in the conduct of the Securities Parties' and Subsidiaries' business; and

(m) foreclosures or governmental condemnations on assets;

(n) any sale or other disposition deemed to occur with creating, granting or perfecting a Lien not otherwise prohibited by this Indenture;

(o) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business; and

(p) dispositions of assets that are not permitted by any other clause of this Section 4.06 (for avoidance of doubt, with dispositions of the type identified in Section 4.06(h) through (l) above being permitted only in accordance with such Sections or if permitted by the Required Lenders under the ABL Credit Agreement as certified by the Company in an Officer's Certificate to the Trustee) so long as (i) in the case of any such disposition consisting of assets of the type included in the determination of the ABL Borrowing Base Amount or the FILO Borrowing Base Amount, such disposition is made for Fair Market Value and either (A) results in the realization of Net Cash Proceeds payable in respect of such assets equal to at least the gross amount that such assets would contribute to the Combined Borrowing Base Amount (assuming, for this purpose, that all such assets are eligible to be included in the determination thereof) or (B) constitutes a Permitted Negative Four-Wall EBITDA Asset Sale and (ii) in the case of any such disposition consisting of assets of the type not included in the determination of the ABL Borrowing Base Amount or the FILO Borrowing Base Amount, such disposition is made for Fair Market Value;

provided that, (i) with respect to sales, transfers or dispositions under Sections Section 4.06(i) through (m) and Section 4.06(p)(ii) above, at least seventy-five percent (75.00%) of the consideration therefor shall consist of cash (provided, however, that with respect to (x) any Specified Regional Sale Transaction, one hundred percent (100.00%) of the consideration therefor shall be in cash and (y) any other sales, transfers or dispositions (including pursuant to the sale of Equity Interests, or a merger, liquidation, division, contribution of assets, Equity Interests or Debt or otherwise) that results in the transfer to any Person (other than to a Securities Party) of assets of the type included in the determination of ABL Borrowing Base Amount or the FILO Borrowing Base Amount (including pursuant to Section 4.06(p)(i), one hundred percent (100.00%) of the consideration therefor payable in respect of the assets of the type included in the determination of ABL Borrowing Base Amount or the FILO Borrowing Base Amount shall be in cash), (ii) [reserved], (iii) except with respect to sales of Inventory in connection with any series of related Store closings not exceeding 50 Stores, all sales of Inventory in connection with Store closings otherwise permitted pursuant to this Section 4.06 shall be conducted in accordance with liquidation agreements and with professional liquidators and (iv) in no event shall any Asset Sale include the disposition or other transfer of Intellectual Property, except as set forth in Section 4.06(a)(ii), (b), (d) or (e) above.

The Company or the applicable Subsidiary shall cause the Net Available Cash to be applied within 180 days after receipt thereof, at its option:

(i) to ABL Loan Obligations;

(ii) to reinvest in Additional Assets or Expansion Capital Expenditures (including by means of an Investment in Additional Assets or Expansion Capital Expenditures by a Subsidiary with Net Available Cash received by the Company or another Subsidiary); provided, however, that if the assets that were the subject of such Asset Sale constituted Collateral, then such Net Available Cash must be reinvested in Additional Assets that are pledged at the time as Collateral to secure the Securities or the Subsidiary Guarantees of the Securities, subject to the Securities Collateral Documents, or in Expansion Capital Expenditures to improve assets that constitute Collateral securing the Securities or the Subsidiary Guarantees of the Securities at the time; or

(iii) any combination of the foregoing.

When the aggregate amount of Net Available Cash remaining following its application in accordance with this Section 4.06 exceeds $[25.0] million (taking into account income earned on such Net Available Cash, if any), to the extent permitted by the terms of the ABL Credit Agreement and the ABL Intercreditor Agreement, the Company will be required to make an offer to purchase (the "Asset Sales Prepayment Offer") the Securities which offer shall be in the amount of the Allocable Proceeds, on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth herein. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentences and provided that all Holders have been given the opportunity to tender their Securities for purchase in accordance with this Indenture, the Company or such Subsidiary may use such remaining amount for any purpose permitted by this Indenture and the amount of Net Available Cash will be reset to zero.

The term "Allocable Proceeds" will mean the product of:

(a) the remaining Net Available Cash following its application in accordance with this Section 4.06; and

(b) a fraction,

(1) the numerator of which is the aggregate principal amount of the Securities outstanding on the date of the Asset Sales Prepayment Offer; and

(2) the denominator of which is the sum of the aggregate principal amount of the Securities outstanding on the date of the Asset Sales Prepayment Offer and the aggregate principal amount of other Debt of the Company outstanding on the date of the Asset Sales Prepayment Offer that is pari passu in right of payment (without regard to security) with the Securities and subject to terms and conditions in respect of Asset Sales similar in all material respects to this Section 4.06 and requiring the Company to make an offer to purchase such Debt or otherwise repay such Debt at substantially the same time as the Asset Sales Prepayment Offer.

Within five Business Days after the Company is obligated to make an Asset Sales Prepayment Offer as described in the preceding paragraph, the Company shall send a written notice, by first-class mail or electronically, to the Holders, accompanied by such information regarding the Company and its Subsidiaries as the Company in good faith believes will enable such Holders to make an informed decision with respect to such Asset Sales Prepayment Offer. Such notice shall state, among other things, the purchase price and the purchase date (the "Purchase Date"), which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 20 Business Days nor later than 60 days from the date such notice is sent. Nothing shall prevent the Company from conducting an Asset Sales Prepayment Offer earlier than as set forth in this paragraph.

Not later than the date upon which written notice of an Asset Sales Prepayment Offer is delivered to the Trustee as provided above, the Company shall deliver to the Trustee an Officer's Certificate as to (a) the amount of the Asset Sales Prepayment Offer (the "Offer Amount"), (b) the allocation of the Net Available Cash from the Asset Sales pursuant to which such Asset Sales Prepayment

Offer is being made and (c) the compliance of such allocation with the provisions of this Section 4.06. On or before the Purchase Date, the Company shall also irrevocably deposit with the Trustee or with the Paying Agent (or, if the Company or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) in cash an amount equal to the Offer Amount to be held for payment in accordance with the provisions of this Section 4.06. Upon the expiration of the period for which the Asset Sales Prepayment Offer remains open (the "Offer Period"), the Company shall deliver to the Trustee for cancellation the Securities or portions thereof that have been properly tendered to and are to be accepted by the Company. The Trustee or the Paying Agent shall, on the Purchase Date, mail or deliver payment to each tendering Holder in the amount of the purchase price. In the event that the aggregate purchase price of the Securities delivered by the Company to the Trustee is less than the Offer Amount, the Trustee or the Paying Agent shall deliver the excess to the Company immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

Holders electing to have a Security purchased shall be required to surrender the Security, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Purchase Date, or in the case of a Security represented by a Global Security, comply with the Depositary's policies and procedures related to the surrender of Securities. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Security purchased. If at the expiration of the Offer Period the aggregate principal amount of Securities surrendered by Holders exceeds the Offer Amount, in the case of Global Securities, Securities shall be settled in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, the Company shall select the Securities to be purchased on a pro rata basis for all Securities (with such adjustments as may be deemed appropriate by the Company so that only Securities in denominations of $1.00 or integral multiples of $1.00 in excess thereof shall be purchased, provided that the unpurchased portion of any Security will be in a principal amount of $1.00 or an integral multiple of $1.00 in excess thereof). Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the Securities surrendered.

At the time the Company delivers Securities to the Trustee that are to be accepted for purchase, the Company shall also deliver an Officer's Certificate stating that such Securities are to be accepted by the Company pursuant to and in accordance with the terms of this Section 4.06. A Security shall be deemed to have been accepted for purchase at the time the Trustee or the Paying Agent mails or delivers payment therefor to the surrendering Holder.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to this Section 4.06. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.06, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.06 by virtue thereof.

Section 4.07 Limitation on Transactions with Affiliates. (a) The Company will not, and will not permit any Subsidiary to, directly or indirectly, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (an "Affiliate Transaction"), except:

(i) payment of compensation to directors, officers, and employees of the Company or any of the Subsidiaries in the ordinary course of business;

(ii) payments in respect of transactions required to be made pursuant to agreements or arrangements in effect on the Issue Date and set forth on Schedule 6.09 of the ABL Credit Agreement;

(iii) transactions involving the acquisition of Inventory in the ordinary course of business; provided that (i) the terms of such transaction are (A) set forth in writing, (B) in the best interests of the Company or such Subsidiary, as the case may be, and (C) no less favorable to the Company or such Subsidiary, as the case may be, than those that could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company or a Subsidiary and (ii) if such transaction involves aggregate payments or value in excess of $5,500,000, the Board of Directors (including a majority of the disinterested members of the Board of Directors) approves such transaction and, in its good faith judgment, believes that such transaction complies with clauses (i)(B) and (C) of this Section 4.07(iii);

(iv) transactions between or among the Company and/or one or more Subsidiaries;

(v) the payment of any Transaction Expenses; and

(vi) any other Affiliate Transaction not otherwise permitted pursuant to this Section 4.07; provided that (i) the terms of such transaction are (A) set forth in writing, (B) in the best interests of the Company or such Subsidiary, as the case may be, and (C) no less favorable to the Company or such Subsidiary, as the case may be, than those that could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company or a Subsidiary, (ii) if such transaction involves aggregate payments or value in excess of $5,500,000 in any consecutive twelve (12) month period, the Board of Directors (including a majority of the disinterested members of the Board of Directors) approves such transaction and, in its good faith judgment, believes that such transaction complies with clauses (i)(B) and (C) of this Section 4.07(vi) and (iii) if such transaction involves aggregate payments or value in excess of $5,500,000 in any consecutive twelve (12) month period, the Company obtains a written opinion from an independent investment banking firm or appraiser of national prominence, as appropriate, to the effect that such transaction is fair to the Company or such Subsidiary, as the case may be, from a financial point of view.

(b) Notwithstanding the foregoing limitation, the Company or any Subsidiary may enter into or suffer to exist the following:

(i) any transaction or series of transactions between the Company and one or more Subsidiaries or between two or more Subsidiaries;

(ii) any Restricted Payment, Payment of Debt and Plan Payment permitted to be made pursuant to Section 4.04 or any Investments permitted to be made pursuant to Section 4.10;

(iii) any Affiliate Transaction, if such Affiliate Transaction is with any Person solely in its capacity as a holder of Debt or Equity Interests of the Company or any of its Subsidiaries, where (i) such Person is treated no more favorably than any other holder of such Debt or Equity Interests of the Company or any of its Subsidiaries or (ii) such Affiliate Transaction results in a repurchase, redemption, c ancellation or extinguishment of some or all of the Securities;

(iv) any agreement as in effect on the Issue Date or any amendment thereto (so long as such amendment is not disadvantageous to the Holders in any material respect as determined by the Company in good faith) or any transaction contemplated thereby;

(v) payments of indemnification obligations to officers, managers and directors of the Company or any Subsidiary to the extent required by the organizational documents of such entity or applicable law;

(vi) any Affiliate Transaction between the Company or any Subsidiary and any Person that is an Affiliate of the Company or any Subsidiary solely because a director of such Person is also a director of the Company; provided that such director abstains from voting as a director of the Company on any matter involving such other Person;

(vii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture which are fair to the Company and the Subsidiaries, in the reasonable determination of the Company or are on terms, taken as a whole, at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the majority of disinterested members of Board of Directors or senior management of the Company in good faith); and

(viii) transactions involving the acquisition of Inventory in the ordinary course of business.

Section 4.08 Guarantees by Subsidiaries.

(a) (i) The Company shall cause each of its Subsidiaries that guarantees any Material Debt or any series of debt securities of the Company to Guarantee the Securities.

(ii) The Company shall not permit any Subsidiary that is not a Subsidiary Guarantor to Guarantee the payment of any Debt or Equity Interests of the Company (other than Guarantees of Debt incurred under clause (a) of Section 4.03 or Guarantees permitted pursuant to clause (d) of Section 4.03, except that a Subsidiary that is not a Subsidiary Guarantor may Guarantee Debt of the Company; provided that:

(1) such Debt and the Debt represented by such Guarantee is permitted by Section 4.03;

(2) such Subsidiary executes and delivers a supplemental indenture to this Indenture within ten Business Days in the form of Exhibit D hereto providing for a Guarantee of payment of the Securities by such Subsidiary; and

(3) such Guarantee of Debt of the Company:

unless such Debt is a Subordinated Obligation, shall be pari passu (or subordinate) in right of payment to and on substantially the same terms as (or less favorable to such Debt than but without regards as to security interest) such Subsidiary's Guarantee with respect to the Securities; and

if such Debt is a Subordinated Obligation, shall be subordinated in right of payment to such Subsidiary's Guarantee with respect to the Securities to at least the same extent as such Debt is subordinated to the Securities.

(b) Upon any Subsidiary becoming a Subsidiary Guarantor as described above, such Subsidiary shall deliver to the Trustee an Opinion of Counsel to the effect that:

(1) such Guarantee of the Securities has been duly executed and authorized; and

(2) such Guarantee of the Securities constitutes a valid, binding and enforceable obligation of such Subsidiary, except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfers) and except insofar as enforcement thereof is subject to general principles of equity.

The failure of any Subsidiary to provide a Guarantee if then prohibited to do so by any Debt of the Company or a Subsidiary shall not constitute a violation of the covenant described above; provided, however, that at the time such prohibition no longer exists if a Guarantee would then be required to comply with such clauses, such Subsidiary provides such Guarantee.

Section 4.09 Limitation on Sale and Leaseback Transactions. The Company will not, and will not permit any of the Subsidiaries to, enter into any Sale and Leaseback Transaction, except (a) to the extent constituting a Permitted Real Estate Disposition and (b) for Sale and Leaseback Transactions permitted by and effected pursuant to Section 4.03(l) or (n), which do not result in the creation or existence of any Liens (other than Liens permitted pursuant to Section 4.05).

Section 4.10 Investments, Loans, Advances, Guarantees and Acquisitions. The Company will not, and will not permit any of the Subsidiaries to, make any Investment except:

(a) Permitted Investments;

(b) (i) Investments of the Company and the Subsidiary Guarantors that are set forth on Schedule 6.04 of the ABL Credit Agreement and (ii) Investments made on or about the Issue Date to consummate any of the Restructuring and Asset Transfer Transactions;

(c) Guarantees of Debt and/or Guarantees consisting of Debt permitted by Section 4.03;

(d) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(e) (i) Investments by the Company or any Subsidiary Guarantor in Subsidiary Guarantors; provided that the Company and such Subsidiary Guarantor, as the case may be, shall comply with the applicable provisions of Section 4.08 with respect

to any newly formed Subsidiary, (ii) Investments by the Subsidiaries in the Company; provided that the proceeds of such Investments are used for general corporate and ongoing working capital purposes, (iii) Investments by any Subsidiary that is not a Subsidiary Guarantor in any other Subsidiary that is not a Subsidiary Guarantor or in any Subsidiary Guarantor, and (iv) other Investments by the Company or any Subsidiary Guarantor in any Subsidiary that is not a Subsidiary Guarantor in an amount not to exceed $[5,500,000] in the aggregate at any one time ; provided that any Debt of the Company or any Subsidiary Guarantor in respect of such Investment (if any) is subordinated to the Securities Obligations pursuant to terms substantially the same as those forth on Annex I hereto;

(f) Investments consisting of non-cash consideration received in connection with any Asset Sale permitted by Section 4.06 (other than with respect to any sale of Inventory at retail in the ordinary course of business);

(g) usual and customary loans and advances to employees, officers and directors of the Company and the Subsidiaries, in the ordinary course of business; provided that the aggregate amount of such loans and advances outstanding at any time shall not exceed $11,000,000;

(h) Investments in charitable foundations organized under Section 501(c) of the Code in an amount not to exceed $3,300,000 in the aggregate in any calendar year;

(i) any Investment consisting of a Hedging Agreement permitted by Section 4.14;

(j) Investments held by any Person that becomes a Subsidiary at the time such Person becomes a Subsidiary; provided that no such Investment was made in contemplation of such Person becoming a Subsidiary;

(k) Investments consisting of Guarantees by the Company or any of its Subsidiaries of obligations of the Company or any of its Subsidiaries to the extent not constituting Debt and incurred in the ordinary course of business; and

(l) Business Acquisitions and other Investments that are not otherwise permitted under any other provision of this Section 4.10; provided that, as of the date of such Business Acquisition or other Investment, and after giving effect thereto, each of the Payment Conditions shall be satisfied.

Notwithstanding anything to the contrary set forth in this Indenture or in any other Securities Document, (i) no Investment shall be made by any Securities Party to any other Securities Party or third party in the form of Real Estate, and (ii) no Investment shall include the Investment of Intellectual Property in any Person that is not a Securities Party.

Section 4.11 Additional Security Collateral Documents; After-Acquired Property.

(a) From and after the Issue Date, if the Company or any Subsidiary of the Company executes and delivers in respect of any Property of such Person any mortgages, deeds of trust, security agreements, pledge agreements or similar instruments to secure Debt or other obligations that at the time constitute ABL Loan Obligations or Takeback Notes Obligations (except for an Excluded Subsidiary that does so solely in respect of Debt or other obligations of itself or another Excluded Subsidiary), then the Company will, or will cause such Subsidiary to, within 90 days, execute and deliver substantially identical mortgages, deeds of trust, security agreements, pledge agreements or similar instruments in order to vest in the Securities Collateral Agent a perfected third priority security interest subject only to Liens permitted under the Indenture, the Intercreditor Agreements and any other applicable intercreditor agreement and/or collateral trust agreements, in such Property for the benefit of the Securities Collateral Agent on behalf of the Holders, among others, and thereupon all provisions of this Indenture relating to the Collateral will be deemed to relate to such Property to the same extent and with the same force and effect.

(b) From and after the Issue Date, in the event that additional ABL Loan Obligations, Takeback Notes Obligations or any additional notes or other Debt are incurred or issued, the Securities Collateral Agent will be authorized and required to enter into amendments, joinders or supplements to the Intercreditor Agreements, other intercreditor agreements and/or collateral trust agreements (in each case in customary form, scope and substance), as applicable, to reflect the priority of the Liens securing any such debt.

(c) From and after the Issue Date, if any Subsidiary Guarantor acquires any property or asset that would constitute Collateral pursuant to the terms of the Security Collateral Documents, the applicable Subsidiary Guarantor will grant to the Holders a

senior security interest (subject to Liens permitted under this Indenture) upon such property or asset as security for the Securities within 90 days of such acquisition.

Section 4.12 Change of Control.

(a) To the extent permitted by the terms of the ABL Credit Agreement and the ABL Intercreditor Agreement, upon the occurrence of a Change of Control, each Holder shall have the right to require the Company to repurchase all or any part of such Holder's Securities pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the purchase date (subject to the right of holders of record on the relevant record date to receive interest due on an Interest Payment Date). If the purchase date is on or after a record date and on or before an Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Security is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Securities shall be subject to purchase. Securities may be purchased in part in principal amounts of $2,000 or an integral multiple of $1.00 in excess thereof; provided that the unpurchased portion of a Security must be in a principal amount of $2,000 or an integral multiple of $1.00 in excess thereof. Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the surrendered Securities.

(b) To the extent that the making of a Change of Control Offer is prohibited pursuant to the terms of any applicable Intercreditor Agreement, the Company shall not be required to make such Change of Control Offer. To the extent that the Company can make a Change of Control Offer only with respect to some, but not all, of the outstanding Securities pursuant to the terms of any applicable Intercreditor Agreement, the Company shall make such Change of Control Offer with respect to the maximum amount of the outstanding Securities permitted pursuant to the terms of any applicable Intercreditor Agreement. If a Change of Control Offer is to be made with respect to fewer than all of the Securities then outstanding, the Securities to be purchased shall, in the case of Global Securities, be selected on a pro rata basis in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, shall be selected by lot or by such other method as the Trustee considers fair and appropriate. Notwithstanding the foregoing, if the Securities are represented by Global Securities, beneficial interests therein will be selected for repurchase by DTC in accordance with its standard procedures therefor.

(c) Within 30 days following any Change of Control, the Company send, with a copy to the Trustee, to each Holder, at such Holder's address appearing in the Security Register, a notice stating: (i) that a Change of Control Offer is being made pursuant to this Section 4.12 and that, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, all Securities timely tendered will be accepted for payment; (ii) the Change of Control Purchase Price and the purchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is sent (the "Change of Control Payment Date"); (iii) the circumstances and relevant facts regarding the Change of Control; (iv) the procedures that Holders must follow in order to tender their Securities (or portions thereof) for payment and the procedures that Holders must follow in order to withdraw an election to tender Securities (or portions thereof) for payment (which, in the case of Global Securities, will permit holders to effect such procedures through the Depositary), and (v) the principal amount of Securities that the Company may repurchase under the terms of any Senior Debt Documents or the Intercreditor Agreements (the "Change of Control Purchase Amount").

(d) Holders electing to have a Security purchased shall be required to surrender the Security, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Change of Control Payment Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Change of Control Payment Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Security purchased.

(e) On or prior to the Change of Control Payment Date, the Company shall irrevocably deposit with the Trustee or with the Paying Agent (or, if the Company or any of its Wholly Owned Subsidiaries is acting as the Paying Agent, segregate and hold in trust) in cash an amount equal to the Change of Control Purchase Amount payable to the Holders entitled thereto, to be held for payment in accordance with the provisions of this Section 4.12. On the Change of Control Payment Date, the Company shall deliver to the Trustee the Securities or portions thereof that have been properly tendered to and are to be accepted by the Company for payment. The Trustee or the Paying Agent shall, on the Change of Control Payment Date, mail or deliver payment to each tendering Holder the

applicable amount of the Change of Control Purchase Amount. In the event that the aggregate Change of Control Purchase Amount is less than the amount delivered by the Company to the Trustee or the Paying Agent, the Trustee or the Paying Agent, as the case may be, shall deliver the excess to the Company immediately after the Change of Control Payment Date.

(f) If Holders of not less than 90% in aggregate principal amount of the outstanding Securities validly tender and do not withdraw such Securities in a Change of Control Offer and the Company or any other Person making a Change of Control Offer in lieu of the Company pursuant to paragraph (f) of this Section 4.12, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, purchases all of the Securities validly tendered and not withdrawn by such Holders, the Company will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Securities that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, to, but not including, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

(g) The Company shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at or prior to the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Securities properly tendered and not withdrawn under the Change of Control Offer (it being understood that such third-party may make a Change of Control Offer that is conditioned on and prior to the occurrence of a Change of Control pursuant to this Section 4.12), (ii) notice of redemption with respect to the Securities has been given pursuant to paragraph 5 of the Securities, unless there is a default in payment of the applicable redemption price, (iii) (A) no Default or Event of Default has occurred and is continuing, (B) the Change of Control transaction has been approved by the Board of Directors and (C) the Securities have received an Investment Grade Rating (with a stable or better outlook) from both Moody's and S&P during the period that begins 60 days prior to the earlier of (1) a Change of Control and (2) public notice of a Change of Control or of the intention by the Company to effect a Change of Control and ending 60 days after the applicable Change of Control, or (iv) the Change of Control Offer and the repurchase of the Securities is not permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements.

(h) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.12, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.12 by virtue thereof.

(i) To the extent permitted by the terms of any ABL Credit Agreement and the ABL Intercreditor Agreement, a Change of Control Offer may be made in advance of a Change of Control, and conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of the making of the Change of Control Offer.

Section 4.13 Further Instruments and Acts. Upon request of the Trustee or as necessary, the Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 4.14 Hedging Agreements. The Company will not, and will not permit any of the Subsidiaries to, Incur or at any time be liable with respect to any monetary liability under any Hedging Agreements, unless such Hedging Agreements (a) are entered into for bona fide hedging purposes of the Company, any Subsidiary Guarantor (as determined in good faith by a member of the senior management of the Company at the time such Hedging Agreement is entered into), (b) correspond in terms of notional amount, duration, currencies and interest rates, as applicable, to Debt of the Company or any Subsidiary Guarantor permitted to be incurred under Section 4.03 or to business transactions of the Company and the Subsidiary Guarantors on customary terms entered into in the ordinary course of business and (c) do not exceed an amount equal to the aggregate principal amount of the Obligations.

Section 4.15 Restrictive Agreements.

(a) The Company will not, and will not permit any Subsidiary to, enter into any agreement which imposes a limitation on the incurrence by the Company and the Subsidiaries of Liens that (i) would restrict any Subsidiary from granting Liens on any of its assets (including assets in addition to the then-existing Collateral, to secure the Securities Obligations) or (ii) is more restrictive, taken as a whole, than the limitation on Liens set forth in this Indenture except, in each case, (A)(x) the ABL Loan Documents, (y) agreements with respect to Debt secured by Liens permitted by Section 4.05(c), (d) and (f) restricting the ability to transfer (or grant Liens on) the assets securing such Debt, and (z) agreements with respect to unsecured Debt governed by indentures or by credit agreements or note purchase agreements permitted by this Indenture containing terms that are not materially more restrictive, taken as a whole, than those of this Indenture, (B) customary restrictions contained in purchase and sale agreements limiting the transfer of or granting of Liens on the subject assets pending closing, (C) customary non-assignment provisions in leases and other contracts entered into in the ordinary course of business, (D) pursuant to applicable law, (E) agreements in effect as of the Issue Date and not entered into in contemplation of the Transactions effected on the Issue Date, (F) any restriction existing under agreements relating to assets acquired by the Company or a Subsidiary in a transaction permitted hereby; provided that such agreements existed at the time of such acquisition, were not put into place in anticipation of such acquisition and are not applicable to any assets other than assets so acquired, and (G) any restriction existing under any agreement of a Person acquired as a Subsidiary pursuant to Section 5.01(b) or Section 4.10(l); provided that any such agreement existed at the time of such acquisition, was not put into place in anticipation of such acquisition and was not applicable to any Person or assets other than the Person or assets so acquired.

(b) The Company will not, and will not permit any Subsidiary to, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (i) make Restricted Payments in respect of any Equity Interests of such Subsidiary held by, or pay any Debt owed to, the Company or any other Subsidiary, (ii) make any Investment in the Company or any other Subsidiary, or (iii) transfer any of its assets to the Company or any other Subsidiary, except for (A) any restriction existing under (1) the ABL Loan Documents, the Takeback Notes Documents or the Securities Collateral Documents, and (2) agreements with respect to Debt permitted by this Indenture containing provisions described in clauses (i), (ii) and (iii) above and provided that (i)(x) the restriction is not materially more restrictive, taken as a whole, as reasonably determined by the Board of Directors or senior management of the Company, than the restrictions of the same type contained in this Indenture, (y) the restriction is not materially more restrictive, taken as a whole, as reasonably determined by the Board of Directors or senior management of the Company, than the restrictions of the same type contained in the ABL Credit Agreement or (z) the restriction is not materially more restrictive, taken as a whole, than customary provisions in comparable financings, as reasonably determined by the Board of Directors or senior management of the Company, and (ii) that the Board of Directors or senior management of the Company determines, at the time of such financing, will not impair the Company's ability to make payments as required under the Securities when due, (B) customary non-assignment provisions in leases and other contracts entered into in the ordinary course of business, (C) as required by applicable law, rule, regulation or order, (D) customary restrictions contained in purchase and sale agreements limiting the transfer of the subject assets pending closing, (E) any restriction existing under agreements relating to assets acquired by the Company or a Subsidiary in a transaction permitted hereby; provided that such agreements existed at the time of such acquisition, were not put into place in anticipation of such acquisition and are not applicable to any assets other than assets so acquired, (F) any restriction existing under any agreement of a Person acquired as a Subsidiary pursuant to Section 5.01(b) or Section 4.10(l); provided any such agreement existed at the time of such acquisition, was not put into place in anticipation of such acquisition and was not applicable to any Person or assets other than the Person or assets so acquired, (G) agreements with respect to Debt secured by Liens permitted by Section 4.05(c), (d) and (f) that restrict the ability to transfer the assets securing such Debt, (H) resulting from customary provisions restricting subletting or assignment of leases or customary provisions in other agreements that restrict assignment of such agreements or rights thereunder, (I) resulting from purchase money obligations for Property acquired or Capital Lease Obligations that impose restrictions on the Property so acquired, and (J) resulting from restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with past practice or industry practice.

Section 4.16 Impairment of Security Interest. The Securities Parties will not, and will not permit any of their Subsidiaries to, take or omit to take any action with respect to the Collateral that could reasonably be expected to have the result of affecting or impairing the security interest in the Collateral in favor of the Securities Collateral Agent for its benefit, for the benefit of the Trustee and for the benefit of the Holders, it being understood that actions with respect to the Collateral that are not prohibited by this Indenture and the Security Collateral Documents shall not be deemed to be actions prohibited by this Section 4.16.

Section 4.17 Additional Amounts.

(a) All payments made by the Company in respect of the Securities or a Guarantor in respect of a Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Company or the relevant Guarantor is then incorporated or organized or resident for Tax purposes, any jurisdiction from or through which payment on behalf of the Company or Guarantor is made or any political subdivision or governmental authority thereof or therein having power to tax (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by or on behalf of the Company in respect of the Securities or the relevant Guarantor under its Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Company or the relevant Guarantor will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments (including payments of principal, redemption price, interest or premium) by each Holder (including Additional Amounts) after such withholding or deduction will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no Additional Amounts will be payable with respect to:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the Holder or the beneficial owner of the Security or Guarantee (or between a fiduciary, settler, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction, other than by the mere acquisition or holding of any Security or the enforcement or receipt of payment under or in respect of any Security or Guarantee;

(2) any Taxes imposed or withheld as a result of the failure of the Holder or beneficial owner of any Security or Guarantee to comply with any written request, made to that Holder or beneficial owner within a reasonable period before any such withholding or deduction would be payable, by the Company or a Guarantor to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirements (in each case, to the extent such Holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of such Taxes;

(3) any Taxes that are imposed or withheld as a result of the presentation of any Security or Guarantee for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder or beneficial owner (except to the extent that the Holder or beneficial owner would have been entitled to Additional Amounts had the Security been presented on the last day of such 30 day period);

(4) any estate, inheritance, gift, sale, excise, transfer, personal property or similar Tax or assessment;

(5) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to any Security or Guarantee;

(6) any Taxes that are imposed or withheld as a result of the presentation of any Security or Guarantee for payment by or on behalf of a Holder or beneficial owner of such Securities or Guarantee who would have been able to avoid such withholding or deduction by presenting the relevant Security or Guarantee to, or otherwise accepting payment from, another paying agent;

(7) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, any regulations promulgated thereunder, any official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(8) any combination of items (1) through (7) above.

(b) The relevant Guarantor will pay when due any present or future stamp, transfer, court or documentary Taxes or any other excise or property Taxes that arise in a Tax Jurisdiction with respect to the initial execution, delivery or registration of the Guarantee or any other document or instrument relating thereto (other than the Securities).

(c) The relevant Guarantor will use reasonable efforts to furnish to the Holders, within a reasonable period of time after the due date for the payment of any Taxes so deducted or withheld pursuant to applicable law, either certified copies of Tax receipts evidencing such payment by such Guarantor (in such form as provided in the ordinary course by the relevant Tax Jurisdiction and as is reasonably available to the Guarantor), or, if such receipts are not obtainable, other evidence of such payments by such Guarantor reasonably satisfactory to the Holders.

Section 4.18 Amendment of Material Documents.

(a) The Company will not, nor will it permit any Subsidiary to, amend or modify (or waive any of its rights under) the Pharmacy Inventory Supply Agreement or any McKesson Document, without the prior written consent of the Securities Collateral Agent, other than amendments, modifications and waivers that are not adverse in any material respect to the interests of the Holders (it being understood and agreed that amendments or modifications to the following without the prior written consent of the Securities Collateral Agent shall be material to the interests of the Securities Collateral Agent and the Holders: [●]).

(b) The Company will not, nor will it permit any Subsidiary to, seek or consent to any amendment or other modification of Plan Document in any manner (i) that is adverse to the Securities Collateral Agent or the Holders or their interests under the Securities Documents or (ii) increases the amount of or changes the terms of any payments required to be made by the Company or any of the Subsidiaries pursuant to the Plan Documents, without the prior written consent of the Trustee.

Section 4.19 Activities and Holdings of the Company. The Company will not at any time (x) conduct, transact (including incur any Debt or Liens) or otherwise engage in any business or operations or (y) acquire or hold any assets, except:

(a) the ownership and/or acquisition of (i) the Equity Interests of any Subsidiary, (ii) any Real Estate which the Company holds only as lessor and which is leased and operated by another Person, (iii) cash, cash equivalents, Permitted Investments or balances in bank accounts, other than such amounts as are reasonably anticipated (at the time so acquired or held) to be utilized within three (3) Business Days for any purpose not prohibited under this Indenture, or (iv) de minimis business assets maintained in the ordinary course of business;

(b) the maintenance of its legal existence, including the ability to incur fees, costs and expenses relating to such maintenance;

(c) to the extent applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group of companies including the Company and the Subsidiary Guarantors;

(d) the execution and delivery of the Securities Documents, the ABL Loan Documents, the Takeback Notes Documents, and any documents relating to other Debt permitted under Section 4.03 to which it is a party and the performance of its obligations hereunder and thereunder;

(e) (i) making any Restricted Payment permitted by Section 4.04 or holding any cash received in connection with Restricted Payments made by its Subsidiaries in accordance with Section 4.04 pending application thereof by the Company, (ii) making any Investment permitted by Section 4.10, and (iii) the (A) incurrence of Guarantees in the ordinary course of business in respect of obligations of the Subsidiary Guarantors or any of their Subsidiaries to suppliers, customers, franchisees, lessors, licensees, sublicensees or distribution partners; provided that, for the avoidance of doubt, such Guarantees shall not be in respect of Debt for borrowed money, (B) incurrence of Guarantees in respect of Debt permitted to be incurred by the Subsidiary Guarantors or any of their Subsidiaries hereunder, and (C) granting of Liens to the extent the Guarantees in respect of Debt contemplated by subclause (B) is permitted to be secured under Section 4.03;

(f) incurring fees, costs and expenses relating to overhead and general operating, including professional fees for legal, tax and accounting issues and paying Taxes;

(g) activities incidental to the consummation of the Transactions, including under the Plan Documents;

(h) organizational activities incidental to acquisitions or similar Investments consummated by the Company or any of its Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or investments incidental to such acquisitions or similar Investments in each case consummated substantially contemporaneously with the consummation of the applicable acquisitions or similar Investments; provided that in no event shall any such activities include the incurrence of a Lien on any of the assets of the Company;

(i) the making of any loan to any officers or directors contemplated by Section 4.10, the making of any Investment in the Subsidiary Guarantors or, to the extent otherwise allowed under Section 4.10, other Subsidiaries;

(j) maintenance and administration of stock option and stock ownership plans and activities incidental thereto;

(k) the sale and issuance of Equity Interests and Debt, to the extent otherwise permitted by this Indenture; and

(l) activities incidental to the activities described in clauses (a) through (k) above.

Section 4.20 Changes to Fiscal Calendar. Without the prior written consent of the Holders of the majority in aggregate principal amount of the outstanding Securities, the Company will not, and will not permit any Subsidiary to, change its fiscal year or method for determining its fiscal quarters or fiscal months.

Section 4.21 Notices of Material Events. The Company will furnish to the Trustee and each Holder prompt written notice after any Officer of the Company obtains knowledge of any of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Company or any Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event;

(d) (i) any Lien (other than (v) Liens created pursuant to the Securities Documents to secure the Securities, (w) Permitted Encumbrances, (x) Liens created pursuant to the ABL Loan Documents to secure the obligations under the ABL Facility, (y) Liens created pursuant to the Takeback Notes Documents to secure the Takeback Notes Obligations and (z) Liens created pursuant to the McKesson Documents to secure the McKesson Trade Obligations) on any material portion of the Collateral; or (ii) any casualty event relating to a material portion of the Collateral.

(e) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the security interests created by the Securities Documents for the benefit of the Securities Collateral Agent or on the aggregate value of the Collateral;

(f) any development that results in, or could reasonably be expected to result in, a Material Adverse Effect;

(g) promptly following the occurrence of such event, any amendment, waiver, supplement, or modification of (i) any Securities Document, (ii) any ABL Loan Document, (iii) any Takeback Notes Document, (iv) any McKesson Document or (v) the Pharmacy Inventory Supply Agreement, in each case, accompanied by a true, correct and complete copy thereof;

(h) any notice received by any Securities Party (or any of their representatives) from the Pharmacy Inventory Supplier (or any of the Pharmacy Inventory Supplier's representatives) with respect to any Securities Party's non-payment or non-performance under the Pharmacy Inventory Supply Agreement or any notice received from the Pharmacy Inventory Supplier (or any of

the Pharmacy Inventory Supplier's representatives) purporting to terminate the Pharmacy Inventory Supply Agreement or to reduce or otherwise adversely modify trade terms thereunder; and

(i) any notice received by any Securities Party or any Subsidiary (or any of their representatives) alleging any Securities Party's or any Subsidiary's failure to perform any of its obligations under any Plan Document.

Each notice delivered under Section 4.21 above shall be accompanied by a statement of an Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 4.22 Information Regarding Collateral. The Company will furnish to the Trustee prompt written notice of any change (i) in any Securities Party's corporate name, (ii) in the location of any Securities Party's jurisdiction of incorporation or organization, or (iii) in any Securities Party's form of organization. The Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made (or arrangements have been approved by the Trustee, acting reasonably, for such filings to be made) under the Uniform Commercial Code or otherwise that are required in order for the Securities Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral for the benefit of the Securities Collateral Agent.

Section 4.23 Existence; Conduct of Business. Except as otherwise permitted by this Indenture, the Company will continue, and will cause each Subsidiary to continue, to engage in business of the same general type as now conducted by the Company and including any related or supplemental business. The Company will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, and franchises, in each case material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation, dissolution or sale of assets permitted under Article V or Section 4.06.

Section 4.24 Maintenance of Properties. The Company will, and will cause each of the Subsidiaries to, keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear excepted except where failure to do so, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 4.25 Statement as to Compliance.

The Company will deliver to the Trustee within 120 days after the end of each fiscal year ending after the Issue Date an Officer's certificate stating whether or not to the best knowledge of the signer thereof the Company, to extent required in Section 314(a)(4) of the Trust Indenture Act, an is in compliance (without regard to periods of grace or notice requirements) with all conditions and covenants under this Indenture, and if the Company shall not be in compliance, specifying such non-compliance and the nature and status thereof of which such signer may have knowledge.

Section 4.26 Statement by Officers as to Default.

The Company shall deliver to the Trustee, as soon as possible and in any event within 30 days after the Company becomes aware of the occurrence of any Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officer's Certificate setting forth the details of such Event of Default or default and the action which the Company proposes to take with respect thereto.

Section 4.27 Elixir Rx Distributions.

(a) The Company shall, and shall cause its Subsidiaries and EIC to, (i) transfer all proceeds of the Elixir Rx Intercompany Claim and other distributable value at EIC, including the cash proceeds of the 2023 CMS Receivable, to the Elixir Escrow Account maintained with the Elixir Escrow Account Bank in accordance with the Plan of Reorganization and the Plan Confirmation Order within one (1) Business Day after receipt by EIC of any cash proceeds of the 2023 CMS Receivable, (ii) ensure that the Elixir Escrow Account is at all times subject to the Elixir Escrow Agreement, which shall be subject to the consent rights set forth in this Indenture and the Plan of Reorganization, and (iii) cause the Elixir Escrow Account Bank to promptly distribute the proceeds of the Elixir Rx Intercompany Claim and other distributable value at EIC, including the cash proceeds of the 2023 CMS Receivable, in the

Elixir Escrow Account in accordance with the Elixir Escrow Agreement and the Elixir Rx Distributions Schedule set forth in the Plan of Reorganization.

(b) The Company shall not, and shall not permit its Subsidiaries or EIC to, consent to any amendments, amendments and restatements, restatements, modifications or waivers to the Elixir Escrow Account, the Elixir Rix Distributions Schedule, or the Elixir Rx Intercompany Claim without the consent of the Trustee (acting at the direction of holders of a majority in principal amount of the Securities).

ARTICLE V

SUCCESSOR COMPANY

Section 5.01 When Company May Merge or Transfer Assets.

(a) The Company shall not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions unless:

(1) the Company or the Person formed by or surviving or continuing any such merger consolidation or amalgamation (if other than the Company) or to which such sale, transfer, assignment, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company or similar entity organized or existing under the laws of the United States of America, any State thereof or the District of Columbia will be the surviving Person (the "Surviving Person"), provided that, if such other Person is a Subsidiary Guarantor, it shall have no assets that constitute Collateral;

(2) the Surviving Person (if other than the Company) expressly assumes all the obligations of the Company under this Indenture, the Securities and the relevant Security Documents, as applicable, pursuant to a supplemental indenture or other applicable documents or instruments;

(3) in the case of a sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all the Property of the Company, such Property shall have been transferred as an entirety or virtually as an entirety to one Person (including its Subsidiaries);

(4) at the time thereof and immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing; and

(5) the Company shall deliver, or cause to be delivered, to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this Section 5.01 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

(b) The Company shall not permit any Subsidiary Guarantor to merge, consolidate or amalgamate with or into any other Person (other than a merger of a Wholly Owned Subsidiary into such Subsidiary Guarantor, or a merger of a Subsidiary Guarantor into the Company or another Subsidiary Guarantor) or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions unless:

(1) such Subsidiary Guarantor will be the Surviving Person or the Surviving Person (if other than such Subsidiary Guarantor) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made will be an entity organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(2) the Surviving Person (if other than such Subsidiary Guarantor) expressly assumes, by a Subsidiary Guarantee or a supplement to the ABL Subsidiary Guarantee Agreement or a supplemental indenture, executed and delivered to the Trustee by such Surviving Person, the due and punctual performance and observance of all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee;

(3) at the time thereof and immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing;

(4) in the case of a Subsidiary Guarantor that is not a wholly-owned Subsidiary, such transaction or series of transactions shall also be permitted by Section 4.04; and

(5) the Company shall deliver, or cause to be delivered, to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such transaction and such Subsidiary Guarantee, if any, in respect thereto comply with this Section 5.01 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

The foregoing provisions (other than clause (3)) shall not apply to (A) any transactions which do not constitute an Asset Sale if the Subsidiary Guarantor is otherwise being released from its Subsidiary Guarantee at the time of such transaction in accordance with this Indenture and the Securities Collateral Documents or (B) any transactions which constitute an Asset Sale if the Company has complied with Section 4.06 and the Subsidiary Guarantor is released from its Subsidiary Guarantee at the time of such transaction in accordance with this Indenture and the Securities Collateral Documents.

The Surviving Person shall succeed to, and be substituted for, and may exercise every right and power of the Subsidiary Guarantor under the Subsidiary Guarantee and the applicable Subsidiary Guarantor shall be released from its obligations under this Indenture other than in the case of a lease (in which case the predecessor company shall not be released from its obligation to pay the principal of, premium, if any, and interest on the Securities). Subject to the foregoing, following the merger, consolidation or amalgamation of any Subsidiary Guarantor or the sale, transfer, assignment, conveyance or other disposition of all or substantially all a Subsidiary Guarantor's Property in any one transaction or series of transactions, all references to the "Subsidiary Guarantor" under the Subsidiary Guarantee shall be deemed to refer to the Surviving Person.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01 Events of Default. The following events shall be "Events of Default":

(a) the Company fails to make the payment of any interest on any of the Securities when the same becomes due and payable, and such failure continues for a period of 30 days;

(b) the Company fails to make the payment of any principal of, or premium, if any, on any of the Securities when the same becomes due and payable at its Maturity Date or upon acceleration, redemption, optional redemption, required repurchase or otherwise;

(c) the Company fails to comply with Article V;

(d) the Company fails to comply with any covenant or agreement in the Securities or in this Indenture (other than a failure that is the subject of the foregoing clauses (a), (b) or (c)) and such failure continues for [15] days after written notice is given to the Company as provided below;

(e) (i) a default under the ABL Credit Agreement by the Company or any Subsidiary that (x) constitutes a payment default, including a failure to pay any such Debt at final maturity (in each case after giving effect to applicable grace periods) or (y) results in acceleration of the final maturity of such Debt, (ii) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Debt, including any obligation to reimburse letter of credit obligations or to post cash collateral with respect thereto, when and as the same shall become due and payable or within any applicable grace period, or (iii) any event or condition occurs that results in any Material Debt becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Material Debt or any trustee or agent on its or their behalf to cause any such Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (e) shall not apply to any such Material Debt that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Material Debt;

provided, further that this clause (e) shall not apply to any mandatory repurchase offer or other mandatory repurchase, redemption or prepayment obligation of the Company that may arise under convertible debt to the extent that the making of such mandatory repurchase by the Company is otherwise permitted under this Indenture;

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any Subsidiary, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) The Company or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely manner, any proceeding or petition described in Section 6.01(f), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) [reserved];

(i) any Subsidiary Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of the Securities Collateral Documents and this Indenture) and such default continues for 20 days after notice as provided below or any Subsidiary Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Subsidiary Guarantee (the "guarantee provisions");

(j) The Company or any Subsidiary shall become unable to, or admits in writing its inability or fails to, generally pay its debts as they become due;

(k) One or more judgments for the payment of money in an aggregate amount in excess of $[38,500,000] shall be rendered against the Company, any Subsidiary or any combination thereof (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) and the same shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(l) Any ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted or could reasonably be expected to result in a Material Adverse Effect;

(m) (i) Any Lien purported to be created under any Securities Collateral Document shall cease to be a valid and perfected Lien on any material portion of the Collateral, with the priority required by the Securities or the Company or any Subsidiary shall so assert in writing, except as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Securities Collateral Documents and except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement (as defined in the ABL Credit Agreement) or results from the failure of the Securities Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Securities Collateral Documents or to file Uniform Commercial Code amendments relating to a Securities Party's change of name, entity type or jurisdiction of formation (solely to the extent that the Company provides the Trustee written notice thereof in accordance with this Indenture) and continuation statements or to take any other action primarily within its control with respect to the Collateral, or (ii) any Securities Collateral Document shall become invalid, or the Company or any Subsidiary shall so assert in writing;

(n) The subordination provisions of the documents evidencing or governing any Subordinated Debt (such provisions, "Subordination Provisions") or the provisions of any Acceptable Intercreditor Agreement shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Debt or other Debt, as applicable, except in each case, to the extent permitted by the terms of the applicable Subordination Provisions or

Acceptable Intercreditor Agreement, or any Securities Party or Subsidiary or any holder of the applicable Subordinated Debt or other Debt (or applicable agent or debt representative for such holders) shall disavow or contest in writing the effectiveness, validity or enforceability of any of such Subordination Provisions or any such Acceptable Intercreditor Agreement with respect to any applicable Subordinated Debt or other Debt;

(o) A Change of Control shall have occurred;

(p) (i) Any breach by the Company or any other Securities Party of its obligations under the Pharmacy Inventory Supply Agreement, which breach (x) would permit the Pharmacy Inventory Supplier to terminate the Pharmacy Inventory Supply Agreement upon delivery of notice by the Pharmacy Inventory Supplier, lapse of time or both and (y) remains uncured beyond any applicable notice, grace and cure periods or (ii) [redacted]; and

(q) The Bankruptcy Court shall have entered an order (i) reversing, rescinding, vacating or staying the Plan Confirmation Order, or (ii) modifying the Plan Confirmation Order any other Plan Document in a manner materially adverse to the Holders, in each case, without the prior written consent of the Trustee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (d), (i) or (m) of this Section 6.01 is not an Event of Default until the Trustee notifies the Company of such Default or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding notify the Company and the Trustee of the Default and the Company does not cure such Default within the time specified after receipt of such notice; provided that a notice of Default may not be given with respect to any action taken, and reported publicly or to holders, more than two years prior to such notice of Default. Such notice must specify the Default, demand that it be remedied and state that such notice is a "notice of Default".

The Company shall deliver to the Trustee, within 30 days after it becomes aware of the occurrence thereof, written notice in the form of an Officer's Certificate of any event that with the giving of notice or the lapse of time would become an Event of Default, its status and what action the Company is taking or proposes to take with respect thereto.

Section 6.02 Acceleration. If an Event of Default with respect to the Securities (other than an Event of Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company) shall have occurred and be continuing, the Trustee by notice to the Company, or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding by notice to the Company and the Trustee, may declare to be immediately due and payable an amount equal to 100% of the principal amount of the Securities then outstanding, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the date of such payment. Upon such a declaration, such principal, premium and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company occurs, the principal of and premium (including the Applicable Premium) and accrued and unpaid interest on all the Securities shall, automatically and without any action by the Trustee or any Holder, become and be immediately due and payable. The Holders of a majority in aggregate principal amount of the outstanding Securities by notice to the Trustee and the Company may rescind and annul such declaration of acceleration if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, or interest that has become due solely because of the acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

Without limiting the generality of the foregoing, in the event the Securities are accelerated or otherwise become due prior to the applicable maturity date, in each case, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Event of Default arising under Section 6.01(f) or Section 6.01(g) (including the acceleration of claims by operation of law) or an Applicable Premium Event, the amount that becomes due and payable upon such Applicable Premium Event shall include the Applicable Premium. In any such case, the Applicable Premium shall constitute part of the obligations payable by the Company (and guaranteed by the Subsidiary Guarantors) in respect of the Securities, which obligations are secured by the Collateral, and constitutes

liquidated damages, not unmatured interest or a penalty, as the actual amount of damages to the holders as a result of the relevant Applicable Premium Event would be impracticable and extremely difficult to ascertain. Accordingly, the Applicable Premium is provided by mutual agreement of the Company and the Subsidiary Guarantors and the Holders as a reasonable estimation and calculation of such actual lost profits and other actual damages of such holders. Without limiting the generality of the foregoing, it is understood and agreed that upon the occurrence of any Applicable Premium Event, the Applicable Premium shall be automatically and immediately due and payable as though any Securities subject to such Applicable Premium Event were voluntarily prepaid as of such date and shall constitute part of the obligations payable by the Company (and guaranteed by the Subsidiary Guarantors) in respect of the Securities, which obligations are secured by the Collateral. The Applicable Premium shall also be automatically and immediately due and payable if the Securities are satisfied, released or discharged by foreclosure (whether by power of judicial proceeding or otherwise), deed in lieu of foreclosure or by any other means. THE COMPANY AND THE SUBSIDIARY GUARANTORS HEREBY EXPRESSLY WAIVE (TO THE FULLEST EXTENT THEY MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR OTHER LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREMIUM IN CONNECTION WITH ANY SUCH EVENTS, ANY RESCISSION OF SUCH ACCELERATION OR THE COMMENCEMENT OF ANY BANKRUPTCY OR INSOLVENCY EVENT. The Company and the Subsidiary Guarantors expressly agree (to the fullest extent it and they may lawfully do so) that with respect to the Applicable Premium payable under the terms of this Indenture: (i) the Applicable Premium is reasonable and is the product of an arm's length transaction between sophisticated business parties, ably represented by counsel; (ii) the Applicable Premium shall be payable notwithstanding the then-prevailing market rates at the time payment is made; (iii) there has been a course of conduct between the Holders and the Company and the Subsidiary Guarantors giving specific consideration in this transaction for such agreement to pay the Applicable Premium; and (iv) the Company and the Subsidiary Guarantors shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company and the Subsidiary Guarantors expressly acknowledge that their agreement to pay the Applicable Premium as herein described is a material inducement to the Holders to purchase the Securities. Nothing in this paragraph is intended to limit, restrict, or condition any of the Company's or the Subsidiary Guarantors' obligations or any of the Holders' rights or remedies hereunder.

Section 6.03 Other Remedies. Subject in all cases to the terms of the Intercreditor Agreements, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of, premium, if any, or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative and are subject in all cases to the terms of the Intercreditor Agreements.

Section 6.04 Waiver of Past Defaults. The Holders of a majority in aggregate principal amount of the Securities then outstanding by notice to the Trustee may waive an existing Default and its consequences except (i) a Default in the payment of the principal of, premium, if any, or interest on a Security, unless any such principal, premium or interest has been paid to all Holders in full, or (ii) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Holder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

Section 6.05 Control by Majority. The Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Securities. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Holders (if being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such holders) or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action or following any direction hereunder, the Trustee shall be entitled to indemnification or security reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

Section 6.06 Limitation on Suits. A Holder may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) such Holder shall have previously given to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of the Securities then outstanding shall have made a written request, and such Holder or Holders shall have offered indemnity reasonably satisfactory to the Trustee to pursue a remedy;

(3) the Trustee has failed to institute such proceeding and has not received from the Holders of at least a majority in aggregate principal amount of the Securities outstanding a direction inconsistent with such request, within 60 days after such notice, request and offer; and

(4) such action is permitted under the Intercreditor Agreements.

The foregoing limitations on the pursuit of remedies by a Holder shall not apply to a suit instituted by a Holder for the enforcement of payment of the principal of and premium, if any, or interest payable with respect to such Security on or after the applicable due date specified in such Security.

Section 6.07 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, subject to the Intercreditor Agreements, the right of any Holder to receive payment of principal of, premium, if any, and interest on the Securities held by such Holder, on or after the respective due dates expressed or provided for in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 Collection Suit by Trustee. Subject in all cases to the terms of the Intercreditor Agreements, if an Event of Default specified in Section 6.01(a) or Section 6.01(b) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

Section 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, its creditors or its property and, any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders (it being understood it shall be under no obligation to do so), to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to, or, on behalf of any Holder, to authorize, accept or adopt any plan of reorganization, arrangement, adjustment or composition affecting the Securities of the applicable series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, subject to the terms of the Intercreditor Agreements, it shall pay out the money or property in the following order:

FIRST: to the Trustee and the Securities Collateral Agent for amounts due to each under Section 7.07;

SECOND: to Holders of Securities for amounts due and unpaid on the Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal, premium, if any, and interest, respectively; and

THIRD: to the Company or as a court of competent jurisdiction shall direct in writing.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, the Company shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in aggregate principal amount of the Securities.

Section 6.12 Waiver of Stay or Extension Laws. The Company (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, and subject in all cases to the terms of the Intercreditor Agreements, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of certificates or opinions specifically required by any provision hereof to be furnished to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01 and the provisions of the Trust Indenture Act.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section, and the provisions of this Article VII (except Section 7.01(a) and the lead-in to Section 7.01(b)) shall apply to the Trustee in its role as Registrar, Paying Agent and Custodian.

(i) The Trustee shall not be deemed to have notice of a Default or an Event of Default unless (a) a Trust Officer of the Trustee has received written notice thereof from the Company or any Holder and such notice references the Securities and this Indenture.

(j) The Trustee and the Securities Collateral Agent are authorized to, and shall enter into the Intercreditor Agreements and bind the Holders to the Intercreditor Agreements (it being understood and agree that the Trustee, the Securities Collateral Agent and each of the Holders, and their respective successors and assigns, shall be subject to, and comply with, all terms and conditions of the Intercreditor Agreements).

Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document. The Trustee may, however, in its discretion make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers; provided, however, that, subject to paragraph (b) of Section 7.01, the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(i) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

Section 7.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.04 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity, priority or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

Section 7.05 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each Holder notice of the Default or Event of Default, in the manner and to the extent provided in the Trust Indenture Act Section 313(c), within 30 days after written notice of it is received by a Trust Officer of the Trustee. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Security, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Holders.

Section 7.06 Reports by Trustee to Holders of the Notes. Within 60 days after each December 31, beginning with the December 31 following the date of this Indenture, and for so long as Securities remain outstanding, the Trustee shall deliver to the Holders of the Securities a brief report dated as of such reporting date that complies with Trust Indenture Act Section 313(a) (but if no event described in Trust Indenture Act Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with Trust Indenture Act Section 313(b). The Trustee shall also transmit by mail all reports as required by Trust Indenture Act Section 313(c).

A copy of each report at the time of its delivery to the Holders of Securities shall be delivered to the Company and filed with the Commission and each stock exchange, if any, on which the Securities are listed in accordance with Trust Indenture Act Section 313(d). The Company shall promptly notify the Trustee in writing when, if applicable, the Securities are listed on any stock exchange and of any delisting thereof.

Section 7.07 Compensation and Indemnity. The Company and the Subsidiary Guarantors, jointly and severally, shall pay to the Trustee and the Securities Collateral Agent from time to time reasonable compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company and the Subsidiary Guarantors, jointly and severally, shall reimburse the Trustee and the Securities Collateral Agent upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's and the Securities Collateral Agent's agents, counsel, accountants and experts. The Company and the Subsidiary Guarantors, jointly and severally, shall indemnify the Trustee and the Securities Collateral Agent against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company promptly of any claim of which a Trust Officer has received notice for which it may seek indemnity. Failure by the Trustee or the Securities Collateral Agent to so notify the Company shall not relieve the Company of its obligations hereunder unless the Company has been prejudiced thereby. The Company shall defend the claim, and the Trustee and the Securities Collateral Agent may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by (i) the Trustee through the Trustee's own willful misconduct or gross negligence, or (ii) the Securities Collateral Agent through the Securities Collateral Agent's

own willful misconduct or gross negligence. The Company need not pay for any settlement made by the Trustee or the Securities Collateral Agent without the Company's consent, such consent not to be unreasonably withheld. All indemnifications and releases from liability granted hereunder to the Trustee and the Securities Collateral Agent shall extend to its officers, directors, employees, agents, successors and assigns.

To secure the Company's payment obligations in this Section 7.07, the Trustee and the Securities Collateral Agent shall have a lien prior to the Securities on all money or property held or collected by the Trustee and the Securities Collateral Agent other than money or property held in trust to pay principal of and interest on particular Securities.

The Company's payment obligations pursuant to this Section 7.07 shall survive the resignation or removal of the Trustee or the Securities Collateral Agent and the discharge or termination of this Indenture. Without prejudice to any other rights available to the Trustee and the Securities Collateral Agent under applicable law, but subject to the terms of the Intercreditor Agreements, when the Trustee or the Securities Collateral Agent incurs expenses after the occurrence of a Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

The Trustee shall comply with the provisions of the Trust Indenture Act Section 313(b)(2) to the extent applicable.

Section 7.08 Replacement of Trustee. The Trustee may resign at any time by so notifying the Company. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee; provided that so long as no Default or Event of Default has occurred and is continuing, the Company shall have the right to consent to the successor Trustee, such consent not to be unreasonably withheld. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Securities then outstanding, and (in the case of a removal by Holders) such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall cause to be delivered a notice of its succession to Holders. The retiring Trustee shall upon payment of its outstanding fees, expenses and all amounts due it hereunder promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in aggregate principal amount of the Securities then outstanding may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Holder who has been a bona fide Holder of a Security for at least six months may petition at the expense of the Company any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any such successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

Section 7.10 Eligibility; Disqualification. There shall at all times be a Trustee hereunder that is a corporation or national banking association organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of Trust Indenture Act Sections 310(a)(1), (2) and (5). The Trustee is subject to Trust Indenture Act Section 310(b).

Section 7.11 Preferential Collection of Claims Against the Company. The Trustee is subject to Trust Indenture Act Section 311(a), excluding any creditor relationship listed in Trust Indenture Act Section 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the extent indicated therein.

ARTICLE VIII

DISCHARGE OF INDENTURE; DEFEASANCE

Section 8.01 Discharge of Liability on Securities; Defeasance.

(a) When (i) the Company delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.08 or Securities for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company as provided in the second paragraph of Section 8.04) for cancelation or (ii) all outstanding Securities have become due and payable, whether at maturity or as a result of the delivery of a notice of redemption pursuant to Article III, or will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee, and the Company irrevocably deposits with the Trustee funds (comprised of cash to be held uninvested and/or U.S. Government Obligations) sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.08), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Section 8.01(c) and Section 8.02, the Company at any time may terminate (i) all of its obligations under the Securities and this Indenture ("legal defeasance option") or (ii) its obligations under Section 4.02, Section 4.03, Section 4.04, Section 4.05, Section 4.06, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.13, Section 4.14, Section 4.15, Section 4.16, Section 4.17, Section 4.18, Section 4.19, Section 4.20, Section 4.21, Section 4.22, Section 4.24 and the operation of Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(i), Section 6.01(j), Section 6.01(k), Section 6.01(l), Section 6.01(m) or Section 6.01(n) (but, in the case of Sections Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) and the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(i), Section 6.01(j), Section 6.01(k), Section 6.01(l), Section 6.01(m), or Section 6.01(n) (but, in the case of Sections Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) or because of the failure of the Company to comply with the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b). If the Company exercises its legal defeasance option or its covenant defeasance option, the Liens, as they pertain to the Securities, will be released and each Subsidiary Guarantor will be released from all its obligations under its Subsidiary Guarantee, as it pertains to the Securities.

Upon satisfaction of the conditions set forth herein and upon written request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections Section 2.04, Section 2.05, Section 2.06, Section 2.07, Section 2.08,Article VII, Section 8.05 and Section 8.06 shall survive until the Securities have been paid in full. Thereafter, the Company's obligations in Sections Section 7.07 and Section 8.05 shall survive such satisfaction and discharge.

Section 8.02 Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(a) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, which through the scheduled payments of principal and interest thereon will provide funds in an amount sufficient, or a combination thereof sufficient (without any reinvestment of the income therefrom) to pay the principal of, premium, if any, and interest on the Securities to maturity or redemption, as the case may be, and the Company shall have specified whether the Securities are being defeased to maturity or to a particular Redemption Date;

(b) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent certified public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Securities to maturity or redemption, as the case may be;

(c) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions following the deposit, the trust funds will not be subject to the effect of Section 547 of Title 11 of the United States Code;

(d) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto (other than any Default or Event of Default resulting from the borrowing of funds (and granting of related Liens) to fund the deposit);

(e) such deposit does not constitute a default under any other agreement or instrument binding on the Company;

(f) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that

(1) the Company has received from the Internal Revenue Service a ruling; or

(2) since the date of this Indenture there has been a change in the applicable Federal income tax law, to the effect, in either case, that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(g) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(h) the Company delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article VIII have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date in accordance with Article III.

Section 8.03 Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of, premium, if any, and interest on the Securities.

Section 8.04 Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors and all liability of the Trustee or such Paying Agent with respect to such money shall thereupon cease.

Section 8.05 Indemnity for Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.06 Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article VIII; provided, however, that, if the Company has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENTS

Section 9.01 Without Consent of Holders. Without the consent of any Holders, the Company, the Subsidiary Guarantors and the Trustee may amend this Indenture, the Securities and, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, in each case without notice to:

(a) cure any ambiguity, omission, defect or inconsistency identified in an Officer's Certificate of the Company, which states that such cure is a good faith attempt by the Company to reflect the intention of the parties to this Indenture, delivered to the Trustee and the Securities Collateral Agent;

(b) provide for the assumption by a successor company of the obligations of the Company or any Subsidiary Guarantor under this Indenture, the Securities or any Securities Collateral Documents under and in accordance with this Indenture, the Securities or any Securities Collateral Document, as the case may be;

(c) provide for uncertificated Securities in addition to or in place of certificated Securities;

(d) add additional Guarantees with respect to the Securities or release Subsidiary Guarantors from Subsidiary Guarantees as provided by the terms of this Indenture and the Subsidiary Guarantees;

(e) further secure the Securities (and if such security interest includes Liens on Property of the Company, provide for releases of such Property on terms comparable to the terms on which Collateral constituting Property of Subsidiary Guarantors may be released), add to the covenants of the Company or the Subsidiary Guarantors for the benefit of the Holders or surrender any right or power herein conferred upon the Company or any Subsidiary Guarantor;

(f) make any change to this Indenture, the Securities or the Subsidiary Guarantees that does not adversely affect the rights of any Holder in any material respect upon delivery to the Trustee of an Officer's Certificate of the Company certifying the absence of such adverse effect;

(g) amend this Indenture to extend the Stated Maturity of any Security pursuant to Section 2.16 in connection with the ABL Facility, as extended, renewed, replaced or refinanced, that remains outstanding;

(h) evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee;

(i) comply with the rules of any applicable securities depositary; provided, however, that such amendment does not materially and adversely affect the rights of holders to transfer the Securities;

(j) to comply with any requirement of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act;

(k) to provide for the release of the Collateral from the Liens in accordance with the terms of this Indenture and the Intercreditor Agreements;

(l) in the event that PIK Securities are issued in certificated form, to make appropriate amendments to reflect an appropriate minimum denomination of certificated PIK Securities, and establish minimum redemption amounts for certificated PIK Securities;

(m) make any amendment to the provisions of this Indenture relating to the transfer and legending or de-legending of the Securities; provided, however, that (i) compliance with this Indenture as so amended would not result in the Securities being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer the Securities; or

(n) to provide for the accession of any parties to the Securities Documents or the Intercreditor Agreements, as applicable (and other amendments to such documents that in either case are administrative or ministerial in nature) in connection with an incurrence of additional Debt to the extent permitted by the Securities Documents.

After an amendment under this Section 9.01 becomes effective, the Company shall deliver to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

Section 9.02 With Consent of Holders. (a) The Company, when authorized by a Board Resolution, the Subsidiary Guarantors and the Trustee may amend this Indenture, the Securities or, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, waive any past default or compliance with any provisions (except, in the case of this Indenture, as provided in Section 6.04) and the Subsidiary Guarantee provided by a Subsidiary Guarantors may be released, with the consent of the Holders of at least a majority in aggregate principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Securities). However, without the consent of each Holder affected thereby, an amendment may not:

(1) amend this Indenture to reduce the amount of Securities whose Holders are required to consent to an amendment, modification, supplement or waiver;

(2) amend this Indenture to reduce the rate of or extend the time for payment of interest or Applicable Premium on any Security;

(3) amend this Indenture to reduce the principal of or extend the Stated Maturity of any Security, except as provided in Section 9.01(g);

(4) amend this Indenture to make any Security payable in money other than that stated in the Security;

(5) amend this Indenture or any Subsidiary Guarantee to impair the right of any Holder to receive payment of principal of, premium, if any, and interest on such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Securities or any Subsidiary Guarantee (except as set forth in the Intercreditor Agreements);

(6) amend this Indenture or any Subsidiary Guarantee to (a) subordinate the Liens and security interests securing the Securities on all or substantially all of the Collateral in any transaction or series of related transactions or (b) subordinate the Securities or any Subsidiary Guarantee to any other obligation of the Company or the applicable Subsidiary Guarantor (except as set forth in the Intercreditor Agreements);

(7) amend this Indenture to reduce the premium payable upon the redemption of any Security or change the time (other than amendments related to notice provisions) at which any Security may be redeemed in accordance with Article III;

(8) waive a Default in the payment of principal of or premium, if any, or interest on the Securities, except a rescission of acceleration of the Securities by the Holders of at least a majority in aggregate principal amount of the Securities and a waiver of the payment default that resulted from such acceleration;

(9) at any time after the Company is obligated to make an Asset Sales Prepayment Offer with the Net Available Cash from Asset Sales, amend this Indenture to change the time at which such Asset Sales Prepayment Offer must be made or at which the Securities must be repurchased pursuant thereto;

(10) release all or substantially all of the Collateral, unless pursuant to a transaction permitted by this Indenture or the Intercreditor Agreements, or release the Company or all or substantially all of the Subsidiary Guarantors from their Guarantees, unless, in the case of a Subsidiary Guarantor, all or substantially all the Equity Interests of such Subsidiary Guarantor is sold or otherwise disposed of in a transaction permitted by this Indenture or the Intercreditor Agreements; or

(11) make any change in the amendment or waiver provisions of this Indenture that require each Holder's consent, as described in clauses (1) through (10).

(b) The foregoing Section 9.02(a) will not limit the right of the Company to amend, waive or otherwise modify any Securities Collateral Document in accordance with its terms.

(c) It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

(d) Additional Securities will be disregarded for purposes of any amendment or waiver relating to a Default or Event of Default that existed (disregarding any applicable notice, cure or grace periods) prior to the time of issuance of such additional Securities.

After an amendment under this Section 9.02 becomes effective, the Company shall deliver to each Holder at such Holder's address appearing in the Security Register a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

Section 9.03 Compliance with Trust Indenture Act. Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental indenture that complies with the Trust Indenture Act as then in effect.

Section 9.04 Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective upon the execution of such amendment or waiver by the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.05 Notation on or Exchange of Securities. If an amendment changes the terms of a Security, the Trustee may require the Holder of the Security to deliver such Security to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return such Security to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

Section 9.06 Trustee To Sign Amendments. The Trustee shall sign any amendment or release authorized pursuant to this Article IX if the amendment or release does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If such amendment or release does adversely affect the rights, duties, liabilities or immunities of the Trustee, the Trustee may but need not sign it. In signing such amendment or release the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment or release is authorized or permitted by this Indenture.

ARTICLE X

SUBSIDIARY GUARANTEES

Section 10.01 Subsidiary Guarantees. Each Subsidiary Guarantor hereby unconditionally guarantees, jointly and severally, on a senior secured basis, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of, premium, if any, and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Subsidiary Guarantor, and that such Subsidiary Guarantor will remain bound under this Article X notwithstanding any extension or renewal of any Guaranteed Obligation.

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Subsidiary Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Subsidiary Guarantor waives notice of any default under the Securities or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; or (e) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Except as expressly set forth in Sections Section 5.01(b), Section 8.01(b) and Section 10.06, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Subsidiary Guarantor or would otherwise operate as a discharge of such Subsidiary Guarantor as a matter of law or equity.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of, premium, if any, or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of, premium, if any, or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Guaranteed Obligations of the Company to the Holders and the Trustee.

Each Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations guaranteed hereby until payment in full in cash of all Guaranteed Obligations. Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article VI for the purposes of such Subsidiary Guarantor's Subsidiary Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of this Section.

Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section 10.01.

Section 10.02 Contribution. Each of the Company and any Subsidiary Guarantor (a "Contributing Party") agrees that, in the event a payment shall be made by any other Subsidiary Guarantor under any Subsidiary Guarantee (the "Claiming Guarantor"), the Contributing Party shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment multiplied by a fraction, the numerator of which shall be the net worth of the Contributing Party on the date hereof and the denominator

of which shall be the aggregate net worth of the Company and all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto after the Issue Date, the date of the supplemental indenture executed and delivered by such Subsidiary Guarantor).

Section 10.03 Successors and Assigns. This Article X shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 10.04 No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article X shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article X at law, in equity, by statute or otherwise.

Section 10.05 Modification. No modification, amendment or waiver of any provision of this Article X, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 10.06 Release of Subsidiary Guarantor. A Subsidiary Guarantor will be released from its obligations under this Article X (other than any obligation that may have arisen under Section 10.02):

(1) upon the sale (including any sale pursuant to any exercise of remedies by a holder of Debt of the Company or of such Subsidiary Guarantor), transfer or other disposition (including by way of consolidation or merger) of Equity Interests of such Subsidiary Guarantor; provided, however, that (i) such sale, transfer or other disposition is otherwise permitted by this Indenture, (ii) such Person is no longer a Subsidiary and (iii) the Company provides an Officer's Certificate to the Trustee to the effect that the Company will comply with its obligations under Section 4.06; or

(2) upon the sale (including any sale pursuant to any exercise of remedies by a holder of Debt of the Company or of such Subsidiary Guarantor), transfer or other disposition of all or substantially all of the assets of such Subsidiary Guarantor; provided, however, that (i) such sale, transfer or other disposition is otherwise permitted by the Senior Debt Documents and (ii) the Company provides an Officer's Certificate to the Trustee to the effect that the Company will comply with its obligations under Section 4.06; or

(3) with the written consent of the Holders of at least a majority of the aggregate principal amount of the Securities then outstanding (in accordance with Section 9.02); or

(4) upon defeasance of the Securities pursuant to Section 8.01(b); or

(5) upon the full satisfaction of the Company's obligations under this Indenture pursuant to Section 8.01(a) or otherwise in accordance with the terms of this Indenture.

At the request of the Company, the Trustee shall execute and deliver any documents, instructions, or instruments (in form and substance reasonably satisfactory to the Trustee) evidencing any such release.

Section 10.07 Execution of Supplemental Indenture for Future Subsidiary Guarantors. Each Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.08 shall promptly execute and deliver to the Trustee a supplemental indenture in the form of Exhibit D hereto pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article X and shall guarantee the Guaranteed Obligations.

ARTICLE XI
[RESERVED].

ARTICLE XII

MISCELLANEOUS

Section 12.01 Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail or sent by facsimile (with a hard copy delivered in person or by mail promptly thereafter) (or, if to a Holder for whom DTC is the record owner, electronically through DTC) and addressed as follows:

if to the Company:

[New Rite Aid]
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention of: Matthew Schroeder
Email: mschroeder@riteaid.com

if to the Trustee:

U.S. Bank Trust Company, National Association
West Side Flats St Paul
111 Fillmore Ave.
Saint Paul, MN 55107
Attention of: Rite Aid DIP Notes Administrator
Email: benjamin.krueger@usbank.com

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, pdf, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions. The Company agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed. Any notice or communication shall also be so mailed to any Person described in Trust Indenture Act Section 313(c), to the extent required by the Trust Indenture Act.

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 12.02 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) except in the case of Section 2.01, Section 2.02, Section 2.03, Section 3.01, Section 3.03, Section 3.06, Section 4.08 and Section 10.07, under which an opinion will not be required, an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with; provided, however, that with respect to matters of fact an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

Section 12.03 Statements Required in Certificate or Opinion. Each certificate with respect to compliance with a covenant or condition provided for in this Indenture (other than a certificate provided pursuant to Trust Indenture Act Section 314(a)(4)) shall comply with the provisions of Trust Indenture Act Section 314(e) and shall include:

(1) a statement that the individual making such certificate has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with,

Each opinion with respect to compliance with a covenant or condition provided for in this Indenture shall be in form and substance reasonably satisfactory to the party requesting such opinion and the party giving such opinion.

Section 12.04 When Securities Disregarded. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or any Subsidiary Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities that the Trustee knows are so owned shall be so disregarded. Securities so owned that have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to the Securities and that the pledgee is not the Company or any Subsidiary Guarantor.

Section 12.05 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent or co-registrar may make reasonable rules for their functions.

Section 12.06 Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.07 Governing Law. THIS INDENTURE, THE SECURITIES AND THE SUBSIDIARY GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

Section 12.08 No Recourse Against Others. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issuance of the Securities.

Section 12.09 Successors. All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.10 Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 12.11 Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.12 Waiver of Jury Trial. EACH OF THE COMPANY AND THE TRUSTEE, AND THE HOLDERS BY ACCEPTANCE OF THE SECURITIES, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 12.13 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, accidents, epidemics, pandemics, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 12.14 Submission to Jurisdiction. The parties irrevocably submit to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, City of New York, over any suit, action or proceeding arising out of or relating to this Indenture. To the fullest extent permitted by applicable law, the parties irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 12.15 Electronic Signatures. The words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to this Indenture and/or any document, notice, instrument or certificate to be signed and/or delivered in connection with this Indenture and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

Section 12.16 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by Trust Indenture Act Section 318(c), the imposed duties shall control.

Section 12.17 Communication by Holders of Notes with Other Holders of Securities.

Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, any Subsidiary Guarantor, the Trustee, the Registrar and anyone else shall have the protection of Trust Indenture Act Section 312(c).

ARTICLE XIII

COLLATERAL

Section 13.01 Appointment and Authority of Securities Collateral Agent. The Trustee hereby irrevocably appoints, and each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the appointment of U.S. Bank Trust Company, National Association as the Securities Collateral Agent under the Securities Collateral Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Subsidiary Guarantors to secure any of the Securities Obligations, together with such powers and discretion as are reasonably incidental thereto.

Section 13.02 Authorization of Actions to be Taken. Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the terms of each Securities Collateral Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of this Indenture, authorizes and directs the Securities Collateral Agent to enter into the Securities Collateral Documents to which it is a party, and authorizes and empowers the Securities Collateral Agent to bind the holders of Securities and other holders of Securities Obligations as set forth in the Securities Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of this Indenture or the Securities Collateral Documents.

Section 13.03 Authorization of Trustee.

(a) The Trustee is authorized and empowered to receive for the benefit of the Holders of Securities any funds collected or distributed to the Securities Collateral Agent under the Securities Collateral Documents to which the Securities Collateral Agent is a party and, subject to the terms of the Securities Collateral Documents and Intercreditor Agreements, to make further distributions of such funds to the Holders of Securities according to the provisions of this Indenture.

(b) Subject to the Intercreditor Agreements and at the Company's sole cost and expense, the Trustee is authorized and empowered to institute and maintain, or direct the Securities Collateral Agent to institute and maintain, such suits and proceedings as it may deem reasonably expedient to protect or enforce the Liens securing the Securities or the Securities Collateral Documents to which the Securities Collateral Agent or Trustee is a party or to prevent any impairment of Collateral by any acts that may be unlawful or in violation of the Securities Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may deem reasonably expedient, at the Company's sole cost and expense, to preserve or protect its interests and the interests of the Holders of Securities in the Collateral, including the power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair any security interest created or intended to be created by the Securities Collateral Documents or otherwise be prejudicial to the interests of Holders or the Trustee.

(c) Notwithstanding anything to the contrary herein, any enforcement of the Subsidiary Guarantees or any remedies with respect to the Collateral under the Securities Collateral Documents is subject to the provisions of the Intercreditor Agreements then in effect.

Section 13.04 Insurance.

(a) For so long as the Securities are secured by Collateral, the Company will, and will cause each of its Subsidiaries to, (i) maintain (either in the name of the Company or in such Subsidiary's own name), with financially sound and reputable insurance companies insurance in such amounts (with no greater risk retention) and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) furnish to the Securities Collateral Agent (or any representatives designated thereby), upon the request of the Securities Collateral Agent, information in reasonable detail as to the insurance so maintained.

(b) The Company hereby covenants to use commercially reasonable efforts to cause, prior to the date that is 60 days following the Issue Date (and in any event will cause, within 120 days following the Issue Date), the Securities Collateral Agent to be named (through an endorsement or amendment to the applicable policy) as an additional insured and lender's loss payee on all liability insurance policies of the Company and the Subsidiary Guarantors for which the ABL Administrative Agent, the ABL Collateral Agent, the Takeback Notes Trustee or the agent or trustee for any Material Debt is named as an additional insured or lender's loss payee, respectively, and, if applicable, mortgagee on all property and casualty insurance policies of the Company and the Subsidiary Guarantors for which such ABL Administrative Agent, the ABL Collateral Agent, the Takeback Notes Trustee or the agent or trustee for any Material Debt is so named. If at any time there ceases to be a ABL Credit Agreement or ABL Facility or the Takeback Notes, the

Company and the Subsidiary Guarantors shall continue to cause the Securities Collateral Agent to be so named as contemplated in this paragraph with respect to any liability, property and casualty insurance policies that insure the Collateral. The Company and the Subsidiary Guarantors shall exercise commercially reasonable efforts to cause the insurance providers of such policies to endeavor to give 30 days' notice to the Securities Collateral Agent of cancellation of all such property and casualty insurance policies of the Company and the Subsidiary Guarantors (or at least 10 days' prior written notice in the case of cancellation of such issuance due to non-payment).

Section 13.05 Replacement of Securities Collateral Agent. The Securities Collateral Agent may resign at any time by so notifying the Company and the Trustee. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Securities Collateral Agent by so notifying the Securities Collateral Agent and may appoint a successor Securities Collateral Agent; provided that such successor Securities Collateral Agent is a corporation or national banking association organized and doing business under the laws of the United States or of any state thereof that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition, or an Affiliate thereof (an "Eligible Collateral Agent"); provided that so long as no Default or Event of Default has occurred and is continuing, the Company shall have the right to consent to the successor Securities Collateral Agent, such consent not to be unreasonably withheld. The Company shall remove the Securities Collateral Agent if:

(1) the Securities Collateral Agent fails to be an Eligible Collateral Agent;

(2) the Securities Collateral Agent is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Securities Collateral Agent or its property; or

(4) the Securities Collateral Agent otherwise becomes incapable of acting.

If the Securities Collateral Agent resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Securities then outstanding, and (in the case of a removal by Holders) such Holders do not reasonably promptly appoint a successor Securities Collateral Agent, or if a vacancy exists in the office of Securities Collateral Agent for any reason (the Securities Collateral Agent in such event being referred to herein as the retiring Securities Collateral Agent), the Company shall promptly appoint a successor Securities Collateral Agent.

A successor Securities Collateral Agent shall deliver a written acceptance of its appointment to the retiring Securities Collateral Agent and to the Company. Thereupon the resignation or removal of the retiring Securities Collateral Agent shall become effective, and the successor Securities Collateral Agent shall have all the rights, powers and duties of the Securities Collateral Agent under this Indenture and under the Securities Collateral Documents. The successor Securities Collateral Agent shall cause to be delivered a notice of its succession to Holders. The retiring Securities Collateral Agent shall upon payment of its outstanding fees and expenses hereunder promptly transfer all property held by it as Securities Collateral Agent to the successor Securities Collateral Agent.

If a successor Securities Collateral Agent does not take office within 60 days after the retiring Securities Collateral Agent resigns or is removed, the retiring Securities Collateral Agent or the Holders of 10% in aggregate principal amount of the Securities then outstanding may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Securities Collateral Agent.

If the Securities Collateral Agent fails to be an Eligible Collateral Agent, any Holder who has been a bona fide Holder of a Security for at least six months may petition at the expense of the Company any court of competent jurisdiction for the removal of the Securities Collateral Agent and the appointment of a successor Securities Collateral Agent.

Notwithstanding the replacement of the Securities Collateral Agent pursuant to this Section 13.05, the provisions of this Article shall continue for the benefit of the retiring Securities Collateral Agent.

Section 13.06 Release of Collateral.

(a) Collateral may be released from the Liens and security interests created by the Securities Documents at any time or from time to time in accordance with the provisions of the Securities Documents and the Intercreditor Agreements. In addition, the Company and the Subsidiary Guarantors will be entitled to the release of assets included in the Collateral from the Liens and security interests securing the Securities. Such assets constituting Collateral shall be automatically released without further action by any party, and the Trustee shall (or, if the Trustee is not then the Securities Collateral Agent, shall direct the Securities Collateral Agent to) affirmatively release the same from such Liens and security interests at the Company's sole cost and expense, under any one or more of the following circumstances without the need for any further action by any Person:

(i) as to any property or assets to enable the Company or the Subsidiary Guarantors to consummate the disposition of such property or assets to the extent not prohibited and otherwise in accordance with Section 4.06; provided, however, that if such property or assets, immediately prior thereto, were subject to any Lien securing any Obligations of the Company or Subsidiary Guarantors and such property or assets continue after such disposition to be subject to a Lien securing any such Obligations, no such release shall occur with respect to such property or assets;

(ii) in the case of the property and assets of a Subsidiary that is a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its Subsidiary Guarantee of the Securities;

(iii) if such Collateral is released from the Liens securing the ABL Loan Obligations;

(iv) as described under Article IX of this Indenture.

(b) The security interests in all Collateral securing the Securities also will be released upon payment in full of the principal of, together with accrued and unpaid interest on, the Securities and all other Obligations under this Indenture, the Securities, the Guarantees and the Security Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest are paid, including pursuant to the satisfaction and discharge of the Indenture under Section 8.01 or upon the Company's exercise of a legal defeasance option or covenant defeasance option under this Indenture as described under Article VIII

Upon the written request of the Company pursuant to an Officer's Certificate and Opinion of Counsel stating that all conditions precedent hereunder and under the Securities Collateral Documents have been met, and upon receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Company or the Subsidiary Guarantors, as the case may be, the Securities Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Company or the Subsidiary Guarantors, shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Securities Collateral Documents.

Section 13.07 Filing, Recording and Opinions.

(a) The Company will comply with the provisions of Sections 314(b) and 314(d) of the Trust Indenture Act, in each case following qualification of this Indenture pursuant to the Trust Indenture Act. Any certificate or opinion required by Section 314(d) of the Trust Indenture Act may be made by an Officer of the Company except in cases where Section 314(d) of the Trust Indenture Act requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Company and the Subsidiary Guarantors will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act if they determine, in good faith, after consultation with counsel (which may be internal counsel), that under the terms of that section and/or any interpretation or guidance as to the meaning thereof of the Commission and its staff, including "no action" letters or exemptive orders, all or any portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released Collateral. Following such qualification, to the extent the Company is required to furnish to the Trustee an Opinion of Counsel pursuant to Section 314(b)(2) of the Trust Indenture Act, the Company will furnish such opinion not more than 60 but not less than 30 days prior to each December 31, commencing December 31, 2024.

Any release of Collateral permitted by Section 13.06 and this Section 13.07 will be deemed not to impair the Liens under this Indenture and the Security Documents in contravention thereof and any Person that is required to deliver an Officer's Certificate or Opinion of Counsel pursuant to Section 314(d) of the Trust Indenture Act, shall be entitled to rely upon the foregoing as a basis for delivery of such certificate or opinion. The Trustee may, to the extent permitted by Section 7.01 and Section 7.02, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and Opinion of Counsel.

(b) If any Collateral is released in accordance with this Indenture or any Security Document at a time when the Trustee is not itself also the Securities Collateral Agent and if the Company has delivered the certificates and documents required by the Security Documents and Section 13.06, the Trustee will deliver all documentation received by it in connection with such release to the Securities Collateral Agent.

(c) For the avoidance of doubt, under this Indenture, without complying with paragraphs (a) and (b) of this Section 13.07, the Guarantors may, among other things, without any release or consent by the Holders of the Securities or the Trustee, but otherwise in compliance with the covenants of this Indenture and the Security Documents, conduct ordinary course activities with respect to the Collateral, including (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) abandoning, terminating, canceling, releasing or making alterations in or substitutions of any leases or contracts subject to the Lien of the Security Documents; (iii) surrendering or modifying any franchise, license or permit subject to the Lien of the Security Documents which it may own or under which it may be operating; (iv) altering, repairing, replacing, changing the location or position of and adding to its structures, machinery, systems, equipment, fixtures and appurtenances; (v) granting a license of any intellectual property; (vi) selling, transferring or otherwise disposing of inventory in the ordinary course of business; (vii) collecting accounts receivable in the ordinary course of business or selling, liquidating, factoring or otherwise disposing of accounts receivable in the ordinary course of business; (viii) making cash payments (including for the repayment of Debt or interest and in connection with the Company's cash management activities) from cash that is at any time part of the Collateral in the ordinary course of business that are not otherwise prohibited by this Indenture and the Security Documents; and (ix) abandoning any intellectual property which is no longer used or useful in the Company's business. The Company shall deliver to the Trustee within 30 days following the end of each six-month period (with the second such six-month period being the end of each fiscal year), an Officer's Certificate to the effect that all releases and withdrawals during the preceding six-month period (or since the Issue Date, in the case of the first such certificate) in connection with which no consent of the holders of the Securities or the Trustee was obtained pursuant to the foregoing provisions were made in the ordinary course of the Company's or the respective Subsidiary Guarantor's business and such release and the use of proceeds in connection therewith were not prohibited by this Indenture.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

[NEW RITE AID],

By: _____
Name:
Title:

EACH OF THE SUBSIDIARY GUARANTORS LISTED ON SCHEDULE A HERETO,
[•]

By _____
Name:

Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS SECURITIES COLLATERAL AGENT,

By: _____
Name:
Title:

SCHEDULE A

SUBSIDIARY GUARANTORS

1515 West State Street Boise, Idaho, LLC
1740 Associates, L.L.C.
4042 Warrensville Center Road – Warrensville Ohio, Inc.
5277 ASSOCIATES, INC.
5600 Superior Properties, Inc.
Apex Drug Stores, Inc.
Broadview and Wallings–Broadview Heights Ohio, Inc.
Eckerd Corporation
EDC Drug Stores, Inc.
GDF, INC.
Genovese Drug Stores, Inc.
Gettysburg and Hoover-Dayton, Ohio, LLC
Harco, Inc.
Health Dialog Services Corporation
K & B ALABAMA CORPORATION
K & B Louisiana Corporation
K & B Mississippi Corporation
K & B SERVICES, INCORPORATED

K & B TENNESSEE CORPORATION
K&B TEXAS CORPORATION
K & B, Incorporated
LAKEHURST AND BROADWAY CORPORATION
Maxi Drug North, Inc.
Maxi Drug South, L.P.
Maxi Drug, Inc.
Maxi Green Inc.
Munson & Andrews, LLC
Name Rite, L.L.C.
P.J.C. Distribution, Inc.
P.J.C. Realty Co., Inc.
PDS-1 Michigan, Inc.
Perry Drug Stores, Inc.
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont Inc.
PJC Peterborough Realty LLC
PJC Realty MA, Inc.
PJC Revere Realty LLC
PJC Special Realty Holdings, Inc.
RDS Detroit, Inc.
Read's, Inc.
RITE AID DRUG PALACE, INC.
Rite Aid Hdqtrs. Corp.
RITE AID LEASE MANAGEMENT COMPANY
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.

RITE AID OF GEORGIA, INC.
RITE AID OF INDIANA, INC.
RITE AID OF KENTUCKY, INC.
Rite Aid of Maine, Inc.
RITE AID OF MARYLAND, INC.
RITE AID OF MICHIGAN, INC.
RITE AID OF NEW HAMPSHIRE, INC.
Rite Aid of New Jersey, Inc.
RITE AID OF NEW YORK, INC.
Rite Aid of North Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of Pennsylvania, LLC
RITE AID OF SOUTH CAROLINA, INC.
RITE AID OF TENNESSEE, INC.
RITE AID OF VERMONT, INC.
Rite Aid of Virginia, Inc.
Rite Aid of Washington, D.C., Inc.
RITE AID OF WEST VIRGINIA, INC.
Rite Aid Online Store, Inc.
Rite Aid Payroll Management, Inc.
RITE AID REALTY CORP.
RITE AID ROME DISTRIBUTION CENTER, INC.

RITE AID SPECIALTY PHARMACY LLC
Rite Aid Transport, Inc.
RX CHOICE, INC.
The Lane Drug Company
Thrift Drug, Inc.
THRIFTY CORPORATION
Thrifty PayLess, Inc.
The Bartell Drug Company
JCG Holdings (USA), Inc.
JCG (PJC) USA, LLC
Rite Aid Hdqtrs. Funding, Inc.
Rite Investments Corp.
Rite Investments Corp., LLC
The Jean Coutu Group (PJC) USA, Inc.
RediClinic LLC
RCMH LLC
RediClinic Associates, Inc.
RediClinic of PA, LLC
Elixir Rx Solutions, LLC
ADVANCE BENEFITS, LLC
ASCEND HEALTH TECHNOLOGY LLC
Design Rx, LLC
Design Rx Holdings LLC
DESIGNRXCLUSIVES, LLC
Elixir Savings, LLC
Elixir Holdings, LLC
Elixir Rx Options, LLC
Elixir Rx Solutions, LLC
Elixir Rx Solutions of Nevada, LLC
Elixir Puerto Rico, Inc.
FIRST FLORIDA INSURERS OF TAMPA, LLC
Hunter Lane, LLC
Laker Software, LLC
Elixir Pharmacy, LLC
Rx Initiatives L.L.C.
Tonic Procurement Solutions, LLC

SCHEDULE 1.01

PERMITTED HOLDERS

[List of holders to come]

EXHIBIT A

[FORM OF FACE OF SECURITY]

[Insert Regulation S Temporary Global Security Legend][20]

[Insert the Global Security Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the IAI Note Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable, pursuant to the provisions of the Indenture]

[20] Include only for Regulation S Temporary Note.

[UNRESTRICTED][RULE 144A][REGULATION S][TEMPORARY REGULATION S][IAI]
GLOBAL SECURITY

No.:_____ [Up to]**$_____

Floating Rate Senior Secured PIK Note due 2031

CUSIP No. [•]

ISIN No. [•]

[NEW RITE AID], a Delaware limited liability company, promises to pay to Cede & Co., or registered assigns, the principal sum [as set forth on the Schedule of Increases or Decreases annexed hereto] on the Maturity Date.

Interest Payment Dates: [•] and [•], commencing on [•], 2024.

Record Dates: [•] and [•].

Maturity Date: [•], 2031 (the "Initial Maturity Date"); *provided* that, if on the date that is 30 calendar days prior to the then stated maturity date of the Securities, the ABL Facility, as extended, renewed, replaced or refinanced, remains outstanding, then each Holder consents to the entry by the Trustee and the Company into a supplemental indenture to extend the Initial Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility (the "Shifting Maturity Date"), with such supplemental indenture to provide that the Holders consent to the entry by the Trustee and the Company into an additional supplemental indenture to extend the Shifting Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility, as extended, renewed, replaced or refinanced, if such facility remains outstanding on such Shifting Maturity Date.

* Insert for Definitive Securities.

Additional provisions of this Security are set forth on the other side of this Security.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

[NEW RITE AID],

By

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated:

U.S. Bank Trust Company, National Association,

as Trustee, certifies
that this is one of
the Securities referred
to in the Indenture.

By:
Authorized Signatory

[FORM OF REVERSE SIDE OF SECURITY]

Floating Rate Senior Secured PIK Notes due 2031

1. Interest

(a) [NEW RITE AID], a Delaware limited liability company (such company, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at a rate per annum equal to Term SOFR for the interest Period plus the Applicable Margin and in the manner specified in paragraph (b) below. In no event will the interest on the Security be less than zero. The interest rate for the initial Interest Period will be [•]% plus the Applicable Margin. Thereafter, the interest rate for any Interest Period will be the Term SOFR, as determined on Interest Determination Date plus the Applicable Margin.

(b) PIK Interest (as defined herein) on the Securities will be payable (x) with respect to Securities represented by one or more Global Securities registered in the name of, or held by, The Depository Trust Company (the "Depositary") or its nominee on the relevant record date, by increasing the principal amount of the outstanding Global Securities by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1.00) and (y) with respect to Securities represented by Definitive Securities, by issuing PIK Securities in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the period (rounded up to the nearest $1.00), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Securities in certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of holders. Following an increase in the principal amount of the outstanding Global Securities as a result of a PIK Payment, the Global Securities will bear interest on such increased principal amount from and after the date of such PIK Payment. All Securities issued pursuant to a PIK Payment will mature on the Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Securities issued on the Issue Date. Any certificated PIK Securities will be issued with the description PIK on the face of such PIK Securities.

(c) The Company will pay such PIK Interest quarterly on each Interest Payment Date, commencing [•], 2024. Interest on the Securities, including the Second Tranche Securities and any other Securities issued after the issuance of the Original Securities on the Issue Date, will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or

duly provided for, from [•], 2024. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate per annum borne by the Securities plus 1% per annum, and it shall pay interest on overdue installments of interest at the rate per annum borne by the Securities to the extent lawful.

(d) The interest rate and amount of interest to be paid on the Securities for each Interest Period will be determined by the Calculation Agent. All determinations made by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding on the Company and the Holders of the Securities. So long as Term SOFR is required to be determined with respect to the Securities, there will at all times be a Calculation Agent. In the event that any then-acting Calculation Agent shall be unable or unwilling to act, or such Calculation Agent shall fail duly to establish Term SOFR for any Interest Period, or the Company proposes to remove such Calculation Agent, the Company shall appoint another Calculation Agent.

(e) The interest rate for any Interest Period will not be adjusted for any modifications or amendments to the SOFR or Term SOFR Screen Rate that the SOFR Administrator or CME may publish after the interest rate for that Interest Period has been determined.

[(f) Until this Regulations S Temporary Global Security is exchanged for one or more Regulation S Permanent Global Securities, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Security shall in all other respects be entitled to the same benefits as the other Securities under the Indenture.][21]

2. Method of Payment

(a) Except as provided in this Paragraph 2, interest on the Securities shall be payable by increasing the principal amount of the then outstanding Securities by an amount equal to the amount of interest for the applicable interest period then due and owing or by issuing PIK Securities.

(b) Interest paid on the Securities through an increase in the principal amount of the outstanding Securities or through the issuance of PIK Securities is herein referred to as "PIK Interest" to the extent all interest due on an Interest Payment Date is so paid.

(c) Interest for the last interest period ending at the Maturity Date of the Securities shall be payable solely in cash. Notwithstanding anything herein to the contrary, the payment of accrued interest in connection with any redemption of Securities pursuant to Article III of the Indenture or in connection with any repurchase of Securities pursuant to Section 4.06 of the Indenture shall be made solely in cash.

(d) The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered Holders at the close of business on the [•] day (whether or not a Business Day) next preceding the Interest Payment Date even if Securities are canceled after the record date and on or before the Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depositary. The Company will make all payments in respect of a Definitive Security (including principal, premium, if any, and interest), by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Securities may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Securities, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank Trust Company, National Association, a banking association organized and existing under the laws of the United States of America (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Securities under an Indenture dated as of [•], 2024 (the "Indenture"), among the Company, the Subsidiary Guarantors named therein, the Trustee and the Securities Collateral Agent. Terms defined in the Indenture and not defined in the Securities have the meanings ascribed thereto in the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Securities are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms.

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[21] To be included only in Regulation S Temporary Global Security.

The Securities are senior secured obligations of the Company and the Subsidiary Guarantors. The Company's obligations under the Securities are Guaranteed, subject to certain limitations, by the Subsidiary Guarantors pursuant to Subsidiary Guarantees, subject to release of the Subsidiary Guarantees as provided in the Indenture or such Subsidiary Guarantee. [This Security is one of the Original Securities referred to in the Indenture issued in an aggregate principal amount of $[•].]][This Security is one of the Second Tranche Securities referred to in the Indenture issued in an aggregate principal amount of $75,000,000.] The Securities include the Original Securities, the Second Tranche Securities, the PIK Securities and an unlimited aggregate principal amount of additional Securities that may be issued under the Indenture. The Original Securities, the Second Tranche Securities, the PIK Securities and any such additional Securities are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Debt, enter into consensual restrictions upon the payment of certain dividends and distributions by such Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Company and each Subsidiary Guarantor to consolidate or merge with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of the Property of the Company or such Subsidiary Guarantor.

5. Optional Redemption

The Company may choose to redeem the Securities at any time; provided, however, that if the ABL Facility remains outstanding, the Securities may only redeemed at such time as the Payment Conditions are satisfied. If it does so, it may redeem all or any portion of the Securities, at once or over time, after giving the required notice under the Indenture.

To redeem the Securities, the Company must pay a redemption price equal to 100% of the principal amount of the Securities to be redeemed and accrued and unpaid interest, if any, to, but not including, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date). Any notice to Holders of such a redemption shall include the appropriate calculation of the Redemption Price, but need not include the Redemption Price itself. The actual redemption price must be set forth in an Officer's Certificate delivered to the Trustee no later than two Business Days prior to the Redemption Date and the Trustee shall have no responsibility for calculating such redemption price.

Notice of any redemption upon any corporate transaction or other event (including any Equity Offering, Incurrence of Debt, Change of Control or other transaction) may be given prior to the completion thereof. In addition, any redemption described above or notice thereof may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a corporate transaction or other event. If any redemption is so subject to the satisfaction of one or more conditions precedent, the notice thereof shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), and/or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date as so delayed, and/or that such notice may be rescinded at any time by the Company if the Company determines in its sole discretion that any or all of such conditions will not be satisfied (or waived). For the avoidance of doubt, if any redemption date shall be delayed as contemplated by this paragraph and the terms of the applicable notice of redemption, such redemption date as so delayed may occur, subject to the Applicable Procedures, at any time after the original redemption date set forth in the applicable notice of redemption and after the satisfaction (or waiver) of any applicable conditions precedent, including, without limitation, on a date that is less than 10 days after the original redemption date or more than 60 days after the applicable notice of redemption. In addition, the Company may provide

in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

If an optional Redemption Date is on or after a record date and on or before an Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Security is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Securities shall be subject to repurchase.

6. Sinking Fund

The Securities are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be sent at least 10 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his or her registered address. Securities in denominations larger than $1.00 may be redeemed in part but only in whole multiples of $1.00. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

Notice of redemption, whether in connection with an Equity Offering or otherwise, may be given prior to the completion thereof, and any such redemption or notice may, at the Company's option and discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering or other transaction. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company's discretion, such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Company and the Subsidiary Guarantors from their obligations with respect to such redemption).

8. Prepayment Offer Upon Asset Sale and Repurchase of Securities at the Option of Holders upon Change of Control

When the aggregate amount of Net Available Cash exceeds of $[50] million (taking into account income earned on such Net Available Cash, if any) following its application in accordance with Section 4.06 of the Indenture, to the extent permitted by the terms of the ABL Credit Agreement and the ABL Intercreditor Agreement, the Company will be required to make an offer to purchase (the "Asset Sales Prepayment Offer") the Securities, which offer shall be in the amount of the Allocable Proceeds, on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentences and provided that all Holders have been given the opportunity to tender their Securities for purchase in accordance with the Indenture, the Company or such Subsidiary may use such remaining amount for any purpose permitted by the Indenture and the amount of Net Available Cash will be reset to zero.

To the extent permitted by the terms of the ABL Credit Agreement and the ABL Intercreditor Agreement, upon a Change of Control, any Holder will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Securities of such Holder at a purchase price equal to 101% of the principal amount of the Securities to be repurchased plus accrued and unpaid interest, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

9. Guarantees; Security

The Indenture provides that, under certain circumstances, the Securities will be guaranteed pursuant to Subsidiary Guarantees. Subsidiary Guarantees may be released in various circumstances, including in certain circumstances without the consent of Holders.

The Indenture provides that, under certain circumstances, the Securities or Subsidiary Guarantees must be secured by Liens on certain Property of the Subsidiary Guarantors. Liens securing the Securities or Subsidiary Guarantees may be released in various circumstances, including in certain circumstances without the consent of Holders. The actions of the Trustee, the Securities Collateral Agent and the Holders and the application of proceeds from the enforcement of any remedies with respect to any Collateral are limited pursuant to the terms of the Securities Documents and the Intercreditor Agreements.

10. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of $1.00 and whole multiples in excess thereof of $1.00. A Holder may transfer or exchange Securities in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or to transfer or exchange any Securities for a period of 10 days prior to a selection of Securities to be redeemed or 10 days before an Interest Payment Date.

11. Persons Deemed Owners

Subject to the provisions of the Indenture, the registered Holder of this Security may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Securities and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Securities to redemption or maturity, as the case may be.

14. Amendment, Waiver, Deemed Consents, Releases

Subject to the terms of the Intercreditor Agreements and subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Securities or, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, may be amended without prior notice to any Holder but with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of at least a majority in principal amount of the outstanding Securities.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the appointment of U.S. Bank Trust Company, National Association as the Securities Collateral Agent under the Securities Collateral Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Subsidiary Guarantors to secure any of the Securities Obligations, together with such powers and discretion as are reasonably incidental thereto.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the terms of each Securities Collateral Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of the Indenture, authorizes and directs the Securities Collateral Agent to enter into the Securities Collateral Documents to which it is a party, and authorizes and empowers the Securities Collateral Agent to bind the holders of Securities and

other holders of Securities Obligations as set forth in the Securities Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of the Indenture or the Securities Collateral Documents.

The foregoing will not limit the right of the Company to amend, waive or otherwise modify any Securities Collateral Documents in accordance with its terms.

The consent of the Holders is not necessary to approve the particular form of any proposed amendment. It shall be sufficient if such consent approves the substance of the proposed amendment.

15. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Securities then outstanding, subject to certain limitations, may declare all the Securities to be immediately due and payable. Certain events of bankruptcy or insolvency are Events of Default and shall result in the Securities being immediately due and payable upon the occurrence of such Events of Default without any further act of the Trustee or any Holder.

Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture and solely to the extent permitted by the Intercreditor Agreements. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security reasonably satisfactory to it. Subject to certain limitations, including as set forth in the Intercreditor Agreements, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power under the Indenture. The Holders of a majority in aggregate principal amount of the Securities then outstanding, by written notice to the Company and the Trustee, may rescind any declaration of acceleration and its consequences if the rescission would not conflict with any judgment or decree, and if all existing Events of Default have been cured or waived except nonpayment of principal, premium or interest that has become due solely because of the acceleration.

16. Intercreditor Agreements

By accepting a Security, each Holder is authorizing the Trustee and the Securities Collateral Agent to enter into the Intercreditor Agreements on its behalf. Holders will be permitted to take enforcement action with respect to the Collateral only to the extent permitted under and in accordance with the Intercreditor Agreements. The Security and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the Intercreditor Agreements shall govern and control. Each Holder (a) consents to the subordination of Liens provided for in the Intercreditor Agreements, (b) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements and (c) authorizes and instructs the Securities Collateral Agent to enter into the Intercreditor Agreements as the applicable junior agent on behalf of such Holder.

17. Trustee Dealings with the Company

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

A director, officer, employee, incorporator or shareholder, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company or any Subsidiary under the Securities or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Security, each holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

19. Successors

Subject to certain exceptions set forth in the Indenture, when a successor assumes all the obligations of its predecessor under the Securities and the Indenture in accordance with the terms of the Indenture, the predecessor will be released from those obligations. All assignments shall be subject to the terms of the Intercreditor Agreements.

20. Authentication

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

21. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

23. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption or repurchase as a convenience to holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption or repurchase and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Security.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

_____

Your Signature

Signature Guarantee:

Date:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

Sign exactly as your name appears on the other side of this Security.

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is $[ ]. The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 (Asset Sale) of the Indenture, check the box:

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 of the Indenture, state the amount:

$ _____*

Date: _____ Your Signature

Sign exactly as your name appears on the other side of this Security.

Signature Guarantee:_____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

*($1.00 or an integral multiple of $1.00 in excess thereof; provided that the unpurchased portion of a Security must be in a principal amount of $1.00 or an integral multiple of $1.00 in excess thereof

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[New Rite Aid]
[__]

U.S. Bank Trust Company, National Association

Re: Floating Rate Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "Transferor") owns and proposes to transfer the Securit[y][ies] or interest in such Securit[y][ies] specified in Annex A hereto, in the principal amount of $_____ in such Securit[y][ies] or interests (the "Transfer"), to _____ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Security is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Security for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S TEMPORARY GLOBAL SECURITY, THE REGULATION S PERMANENT GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Temporary Global Security, the Regulation S Permanent Global Security and/or the Restricted Definitive Security Indenture and the Securities Act.

3. ☐ CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to

beneficial interests in Restricted Global Securities and Restricted Definitive Securities and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof; or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144, Rule 903 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Security or Restricted Definitive Securities and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit B-1 to the Indenture and (2) if such Transfer is in respect of a principal amount of Securities at the time of Transfer of less than $100,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Securities and in the Indenture and the Securities Act.

4. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY OR OF AN UNRESTRICTED DEFINITIVE SECURITY.

(a) ☐ CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 to a Person who is not an affiliate (as defined in Rule 144) of the Company under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture.

(b) ☐ CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act to a Person who is not an affiliate (as defined in Rule 144) of the Company and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture.

(c) ☐ CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 to a Person who is not an affiliate (as defined in Rule 144) of the Company and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities or Restricted Definitive Securities and in the Indenture.

5. ☐ CHECK IF TRANSFEROR IS AN AFFILIATE OF THE COMPANY.

6. ☐ CHECK IF TRANSFEREE IS AN AFFILIATE OF THE COMPANY.

The Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐144A Global Security (CUSIP [ ]), or

(ii) ☐ Regulation S Global Security (CUSIP [ ]), or

(b) ☐ a Restricted Definitive Security.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Security (CUSIP [ ]), or

(ii) ☐ Regulation S Global Security (CUSIP [ ]), or

(iii) ☐ Unrestricted Global Security (CUSIP [ ]), or

(b) ☐ a Restricted Definitive Security; or

(c) ☐ an Unrestricted Definitive Security,
in accordance with the terms of the Indenture.

EXHIBIT B-1

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

[New Rite Aid]
[__]

U.S. Bank Trust Company, National Association

Re: Floating Rate Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount of Definitive Security, we confirm that:

1. We understand that any subsequent transfer of the Securities or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Securities or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Securities have not been registered under the Securities Act, and that the Securities and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Securities or any interest therein, we will do so only (A) to the Company, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Securities at the time of transfer of less than $100,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to an effective registration statement under the Securities Act, (F) in accordance with Rule 144 under the Securities Act or (G) in accordance with another exemption from the registration requirements of the Securities Act, and we further agree to provide to any Person purchasing the Definitive Security from us in a transaction meeting the requirements of clauses (A) through (G) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Securities or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Securities purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Securities, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Securities or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

6. We understand that the Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

_____
[Insert Name of Accredited Investor]

By: _____
Name:
Title:

Dated:

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[New Rite Aid]
[__]

U.S. Bank Trust Company, National Association

Re: Floating Rate Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "Owner") owns and proposes to exchange the Securit[y][ies] or interest in such Securit[y][ies] specified herein, in the principal amount of $_____ in such Securit[y][ies] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SECURITY FOR UNRESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL SECURITY

a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a beneficial interest in an Unrestricted Global Security in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Securities and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the beneficial interest in an Unrestricted Global Security is being acquired in

compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

b) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

c) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security for a beneficial interest in an Unrestricted Global Security, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

d) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Unrestricted Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the Unrestricted Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

2) EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES FOR RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES

a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO RESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a Restricted Definitive Security with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Security is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Security issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Security and in the Indenture and the Securities Act.

b) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's Restricted Definitive Security for a beneficial interest in the [CHECK ONE] [ ] 144A Global Security [ ] Regulation S Global Security, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Security and in the Indenture and the Securities Act.

3) ☐ CHECK IF OWNER IS AN AFFILIATE OF THE COMPANY.

4) ☐ CHECK IF OWNER IS EXCHANGING THIS SECURITY IN CONNECTION WITH AN EXPECTED TRANSFER TO AN AFFILIATE OF THE COMPANY.

The Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreement. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the Intercreditor Agreements shall govern and control.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and are dated _____.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of , among [GUARANTOR] (the "New Subsidiary Guarantor"), a subsidiary of [NEW RITE AID] (or its successor), a Delaware limited liability company (the "Company"), the Company on behalf of itself and the Subsidiary Guarantors (the "Existing Subsidiary Guarantors") under the indenture referred to below, and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, "Trustee") and as Securities Collateral agent (in such capacity, "Securities Collateral Agent") under the indenture referred to below.

W I T N E S S E T H :

WHEREAS the Company and the Existing Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture (the "Indenture") dated as of [•], 2024, providing for the issuance of an unlimited aggregate principal amount of Floating Rate Senior Secured PIK Notes due 2031 (the "Securities");

WHEREAS Section 4.08 of the Indenture provides that under certain circumstances the Company is required to cause the New Subsidiary Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Subsidiary Guarantor shall unconditionally guarantee all the Company's obligations under the Securities pursuant to a Subsidiary Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee, the Company and the Existing Subsidiary Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, the Company, the Existing Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

1. Agreement to Guarantee. The New Subsidiary Guarantor hereby agrees, jointly and severally, on a senior secured basis, with all other Subsidiary Guarantors, to unconditionally guarantee the Company's obligations under the Securities and the Indenture on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by all other applicable provisions of the Indenture.

2. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

3. Intercreditor Agreement. This Supplemental Indenture and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and this Supplemental Indenture, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

4. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.**

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture and shall not be responsible for the recitals contained herein, all which recitals are made solely by the other parties hereto.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NEW SUBSIDIARY GUARANTOR],
by

_____
Name:
Title:

[NEW RITE AID],
on behalf of itself and the
existing subsidiary guarantors, by

_____
Name:
Title:

U.S. Bank Trust Company, National Association,
as trustee, by

Name:
Title:

U.S. Bank Trust Company, National Association,
as Securities Collateral agent, by

Name:
Title:

Annex I

Subordination Terms

See attached.

Exhibit T3C.2

Privileged and Confidential

[THIS DRAFT OF THE TAKEBACK NOTES INDENTURE REMAINS SUBJECT TO CONTINUING NEGOTIATIONS WITH ALL PARTIES IN INTEREST AND THE FINAL VERSION MAY CONTAIN MATERIAL DIFFERENCES. FOR THE AVOIDANCE OF DOUBT, NO PARTY HAS CONSENTED TO THIS VERSION AS THE FINAL FORM, AND ALL PARTIES RESERVE THEIR RESPECTIVE RIGHTS WITH RESPECT TO THIS DOCUMENT AND ANY RELATED DOCUMENTS.]

THIS INDENTURE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN, AND ARE OTHERWISE SUBJECT TO THE TERMS AND PROVISIONS OF, THE ABL INTERCREDITOR AGREEMENT, AND THE SECURITIES / ROLLOVER NOTES INTERCREDITOR AGREEMENT (EACH AS DEFINED HEREIN, AND COLLECTIVELY, THE "INTERCREDITOR AGREEMENTS"). IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS AND PROVISIONS OF THE INTERCREDITOR AGREEMENTS AND THIS INDENTURE, THE TERMS AND PROVISIONS OF THE INTERCREDITOR AGREEMENTS SHALL GOVERN AND CONTROL. EACH HOLDER (AS DEFINED HEREIN) (A) CONSENTS TO THE SUBORDINATION OF LIENS (AS DEFINED HEREIN) PROVIDED FOR IN THE INTERCREDITOR AGREEMENTS, (B) AGREES THAT IT WILL BE BOUND BY AND WILL TAKE NO ACTIONS CONTRARY TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENTS AND (C) AUTHORIZES AND INSTRUCTS THE SECURITIES COLLATERAL AGENT (AS DEFINED HEREIN) TO ENTER INTO THE INTERCREDITOR AGREEMENTS AS THE APPLICABLE JUNIOR AGENT ON BEHALF OF SUCH HOLDER.

[NEW RITE AID]

15.000% Third-Priority Series A Senior Secured PIK Notes due 2031

15.000% Third-Priority Series B Senior Secured PIK Notes due 2031

INDENTURE

Dated as of [●], 2024

U.S. Bank Trust Company, National Association,

as Trustee and as Securities Collateral Agent

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	Section 7.10
(a)(2)	Section 7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	Section 7.10
(b)	Section 7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	Section 2.06

(b)	Section 12.01; 11.17
(c)	Section 12.01; 11.17
313(a)	7.06
(b)(1)	Section 7.06
(b)(2)	Section 7.06; Section 7.06
(c)	Section 7.05; Section 7.06; Section 12.01
(d)	7.06
314(a)	Section 4.02; Section 4.25
(b)	Section 13.07
(c)(1)	Section 12.02
(c)(2)	Section 12.02
(c)(3)	N.A.
(d)	Section 13.07
(e)	Section 12.03
(f)	N.A.
315(a)	Section 7.01
(b)	Section 7.05; Section 12.01
(c)	Section 7.01
(d)	Section 7.01
(e)	Section 6.11
316(a)	N.A.
(b)	Section 6.07
(c)	Section 1.05; Section 2.13; Section 9.04
317(a)(1)	Section 6.08
(a)(2)	Section 6.09
(b)	Section 2.05
318(a)	Section 12.16
(b)	N.A.
(c)	Section 12.16

N.A. means not applicable and expressly excluded from this Indenture.

* This Cross-Reference Table is not part of the Indenture.

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INDENTURE dated as of [•], 2024, among [NEW RITE AID], a Delaware limited liability company (the "Company"), each of the SUBSIDIARY GUARANTORS named in Schedule A hereto and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, the "Trustee") and as Securities Collateral agent (in such capacity, the "Securities Collateral Agent").

WHEREAS, the Company desires to issue $225,000,000 aggregate principal amount of 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031 and $125,000,000 aggregate principal amount of 15.000% Third-Priority Series B Senior Secured PIK Notes due 2031;

NOW THEREFORE, each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031 and 15.000% Third-Priority Series B Senior Secured PIK Notes due 2031 to be issued, from time to time, in one or more tranches as provided in this Indenture (the "Securities"):

ARTICLE I

Definitions and Incorporation by Reference

Section 1.01 Definitions.

"144A Global Security" means a Global Security substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Securities sold in reliance on Rule 144A.

"2023 CMS Receivable" means the Medicare Part D final reconciliation payment that is or may become owing to Elixir Insurance Company by CMS, together with any related obligations of CMS owing to Elixir Insurance Company, in each case, for the 2023 plan year.

"ABL / McKesson Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between [McKesson],[1] the ABL Administrative Agent and the ABL Collateral Agent, and acknowledged by the Loan Parties, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"ABL Administrative Agent" means Bank of America, N.A. and any successor thereto named in accordance with the terms of the ABL Credit Agreement.

"ABL Collateral Agent" means Bank of America, N.A., in its capacity as collateral agent under the ABL Collateral Documents, and any successor thereof or replacement collateral agent appointed in accordance with the terms of the ABL Facility Documents.

"ABL Collateral Documents" means the ABL Security Agreement, and each of the security agreements and other instruments and documents executed and delivered by the Company or any Subsidiary Guarantor pursuant to any of the foregoing or pursuant to the ABL Credit Agreement for purposes of providing collateral security or credit support for any ABL Loan Obligations (including, in each case, any schedules, exhibits or annexes thereto), as the same may be amended, restated, supplemented or otherwise modified from time to time.

"ABL Credit Agreement" means the Credit Agreement, dated as of the Issue Date, among the Company, as borrower, the lenders from time to time party thereto, the ABL Administrative Agent, the ABL Collateral Agent, and the other parties thereto as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

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[1] Note to Draft – To be determined whether there will be a collateral agent entity or specific entity formed to hold collateral.

"ABL Facility" means (a) the credit facilities provided under the ABL Loan Documents, including one or more debt facilities or other financing arrangements providing for revolving credit loans, term loans, letters of credit, notes, debt securities or other indebtedness for borrowed money that replace or refinance such credit facility, including any such replacement or refinancing facility or indenture that increases or decreases the amount permitted to be borrowed thereunder or alters the maturity thereof and whether by the

same or any other agent, lender or group of lenders, and any amendments, supplements, modifications, extensions, renewals, restatements, amendments and restatements or refundings thereof or any such indentures or credit facilities that replace or refinance such credit facility and (b) whether or not the ABL Credit Agreement referred to in clause (a) remains outstanding, if designated by the Company to be included in the definition of "ABL Facility," one or more (i) debt facilities or commercial paper facilities providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (ii) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (iii) instruments or agreements evidencing any other Debt, in each case, with the same or different arrangements, agents, lenders, borrowers or issuers, and, in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time. .

"ABL Facility Documents" means the ABL Credit Agreement, the ABL Collateral Documents, the ABL Intercreditor Agreement, and any other agreement now or hereafter executed and delivered in connection with the ABL Credit Agreement in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

"ABL Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between the Securities Collateral Agent and the ABL Administrative Agent and acknowledged by the Company and the Subsidiary Guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"ABL Loan Documents" has the meaning ascribed to the term "Loan Documents" in the ABL Credit Agreement.

"ABL Loan Obligations" means (a) the principal of each loan made under the ABL Credit Agreement, (b) all reimbursement and cash collateralization obligations in respect of letters of credit issued under the ABL Credit Agreement, (c) all Bank Product Liabilities (as defined in the ABL Credit Agreement), (d) all interest on the loans, letter of credit reimbursement, fees, indemnification and other obligations under the ABL Credit Agreement, or with respect to such Bank Product Liabilities (as defined in the ABL Credit Agreement) (including, without limitation, any interest, fees and other amounts which accrue after the commencement of any case, proceeding or other action relating to a Bankruptcy Proceeding (as defined in the ABL Credit Agreement) of the Company or any Subsidiary Guarantor (as defined in the ABL Credit Agreement), whether or not allowed or allowable, in whole or in part, as a claim in such Bankruptcy Proceeding (as defined in the ABL Credit Agreement)), (e) all other amounts payable by the Company or any Subsidiary under the ABL Loan Documents or in respect of Bank Product Liabilities (as defined in the ABL Credit Agreement) and (f) all increases, renewals, extensions and refinancings of the foregoing.

"ABL Security Agreement" means the Security Agreement, dated as of the Issue Date, made by the Company and the Subsidiary Guarantors in favor of the ABL Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"ABL / Rollover Notes Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between the ABL Administrative Agent and the Rollover Notes Trustee, and acknowledged by the Company and the Subsidiary Guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"Additional Assets" means:

(a) any Property (other than cash, Temporary Cash Investments and securities) to be owned by the Company or any Subsidiary and used in a Related Business; or

(b) Equity Interests of (i) a Subsidiary held by a Person other than the Company or a Subsidiary or (ii) a Person that becomes a Subsidiary as a result of the acquisition of such Equity Interests by the Company or another Subsidiary from any Person other than the Company or an Affiliate of the Company, *provided*, *however*, that, in the case of this clause (b), such Subsidiary is primarily engaged in a Related Business.

"Affiliate" of any specified Person means:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or

(b) any other Person who is a director or executive officer of:

(1) such specified Person;

(2) any Subsidiary of such specified Person; or

(3) any Person described in clause (a) above.

For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Premium" means, with respect to any Security on any date on which an Applicable Premium Event occurs, the present value at such date of all required interest payments due on such Security through the then-applicable Maturity Date (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate on such date plus 50 basis points.

"Applicable Premium Event" means (a) the acceleration of all of the Securities for any reason, including, but not limited to, acceleration following or pursuant to an Event of Default, including as a result of the commencement of a proceeding under any debtor relief law, including the Bankruptcy Code, and (b) the satisfaction, release, payment, restructuring, reorganization, replacement, reinstatement, defeasance or compromise of any of the Securities in any proceeding under any debtor relief law, including the Bankruptcy Code, foreclosure (whether by power of judicial proceeding or otherwise) or deed in lieu of foreclosure or the making of a distribution of any kind in any proceeding under any debtor relief law, including the Bankruptcy Code, to the holders (whether directly or indirectly, including through the Trustee or any other distribution agent), in full or partial satisfaction of the Securities. If an Applicable Premium Event occurs, the entire amount outstanding shall be deemed to be subject to the Applicable Premium Event on the date on which such Applicable Premium Event occurs.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Security, the rules and procedures of the Depositary, Euroclear and/or Clearstream that apply to such transfer or exchange.

"Asset Sale" means any sale, lease, assignment, transfer or other disposition (including pursuant to a Sale and Leaseback Transaction) of any property or asset (whether now owned or hereafter acquired, whether in one transaction or a series of related transactions and whether by way of merger or otherwise) of the Company or any Subsidiary (including of any Equity Interest in a Subsidiary).

"Attributable Debt" means, as to any particular Capital Lease or Sale and Leaseback Transaction under which the Company or any Subsidiary is at the time liable, as of any date as of which the amount thereof is to be determined (a) in the case of a transaction involving a Capital Lease, the amount as of such date of Capital Lease Obligations with respect thereto and (b) in the case of a Sale and Leaseback Transaction not involving a Capital Lease, the then present value of the minimum rental obligations under such Sale and Leaseback Transaction during the remaining term thereof (after giving effect to any extensions at the option of the lessor) computed by discounting the rental payments at the actual interest factor included in such payments or, if such interest factor cannot be readily determined, at the rate per annum that would be applicable to a Capital Lease of the Company having similar payment terms. The amount of any rental payment required to be made under any such Sale and Leaseback Transaction not involving a Capital Lease may exclude amounts required to be paid by the lessee on account of maintenance and repairs, insurance, taxes, assessments, utilities, operating and labor costs and similar charges, whether or not characterized as rent. Any determination of any rate implicit in the terms of a Capital Lease or a lease in a Sale and Leaseback Transaction not involving a Capital Lease made in accordance with generally accepted financial practices by the Company shall be binding and conclusive absent manifest error.

"Available Amount" means the sum of

(1) 50% of the aggregate amount of Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the first fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which financial statements have been delivered pursuant to Section 4.02(a) or (b) (or, if the aggregate amount of Consolidated Net Income for such period shall be a deficit, minus 100% of such deficit); *plus*

(2) 100% of Equity Interest Sale Proceeds; *plus*

(3) the sum of (A) the aggregate net cash proceeds received by the Company or any Subsidiary from the issuance or sale after the beginning of the first fiscal quarter after the Issue Date of convertible or exchangeable Debt that has been converted into or exchanged for Equity Interests (other than Disqualified Stock) of the Company; and (B) the aggregate amount by which Debt (other than Subordinated Obligations) of the Company or any Subsidiary is reduced on the Company's consolidated balance sheet after the beginning of the first fiscal quarter after the Issue Date upon the conversion or exchange of any Debt (other than convertible or exchangeable Debt issued or sold after the beginning of the first fiscal quarter after the Issue Date) for Equity Interests (other than Disqualified Stock) of the Company; *provided* that the foregoing shall not include (x) any such Debt issued or sold to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees; and (y) the aggregate amount of any cash or other Property distributed by the Company or any Subsidiary upon any such conversion or exchange; *plus*

(4) the net reduction in Investments in any Person other than the Company or a Subsidiary resulting from dividends, repayments of loans or advances, payments of interest on Debt, distributions, liquidations or other transfers of Property made after the beginning of the first fiscal quarter after the Issue Date, in each case to the Company or any Subsidiary from such Person less the cost of the disposition of such Investments; provided, however, that the foregoing sum shall not exceed, in the case of any Person, the amount of Investments previously made (and treated as a Restricted Payment) by the Company or any Subsidiary in such Person; *plus*

(5) $[50,000,000].

"Average Life" means, as of any date of determination, with respect to any Debt or Preferred Stock, the quotient obtained by dividing (a) the sum of the product of the numbers of years (rounded to the nearest one-twelfth of one year) from the date of determination to the dates of each successive scheduled principal payment of such Debt or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (b) the sum of all such payments.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. Section 101 *et seq*.), as now or hereafter in effect, or any successor thereto.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of New Jersey.

"Bankruptcy Law" means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Board of Directors" means the board of directors (or equivalent governing body) of the Company or any duly authorized and constituted committee thereof, or, if the Company does not have such a board of directors (or equivalent governing body) and is owned or managed by another entity or entities, the board of directors (or equivalent governing body) of such entity or entities.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Acquisition" means (a) an Investment by the Company or any of the Subsidiaries in any other Person (including an Investment by way of acquisition of debt or equity securities of any other Person) pursuant to which such Person shall become a Subsidiary or shall be merged into or consolidated with the Company or any of the Subsidiaries or (b) an acquisition by the Company or any of the Subsidiaries of the property and assets of any Person (other than the Company or any of the Subsidiaries) that constitute

substantially all of the assets of such Person or any division or other business unit of such Person; provided that, the acquisition of Prescription Files and Stores and the acquisition of Persons substantially all of whose assets consist of fewer than ten (10) Stores, in each case in the ordinary course of business shall not constitute a Business Acquisition.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York, New York are authorized or obligated by law, regulation, executive order or governmental decree to close.

"Capital Lease" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which, in accordance with GAAP, should be capitalized on the lessee's balance sheet; provided that, notwithstanding the foregoing, only those leases (assuming for purposes hereof that such leases were in existence prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)") that would have constituted Capital Leases or financing leases in conformity with GAAP as in effect prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)", shall be considered Capital Leases or financing leases hereunder and all calculations and deliverables under this Indenture or any other Securities Document shall be made or delivered, as applicable, in accordance therewith (other than the financial statements pursuant to Section 4.02).

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any Capital Lease, which obligations should be classified and accounted for as Capital Leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Capital Stock" means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock or partnership interests or any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including Preferred Stock, but excluding any debt security convertible or exchangeable into such equity interest (regardless of such convertible debt security's treatment under GAAP).

"CFC" means a Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

["Change of Control" means the occurrence of any of the following after the Issue Date:

(a) at any time prior to the consummation of a Qualifying IPO after the Issue Date, the Company becomes aware of (by way of a report or other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (i) any Person (other than Permitted Holders) or (ii) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of Equity Interests of the Company representing more than fifty percent (50.00%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, as applicable;

(b) at any time following the consummation of a Qualifying IPO after the Issue Date,

(i) (A) any Person (other than a Permitted Holder) or (B) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of Equity Interests of the Company representing more than [thirty-five percent (35.00%)] of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of the Company, as applicable, beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders; or

(ii) at the end of any period of twelve (12) consecutive calendar months, the occupation of a majority of the seats on the Board of Directors by Persons who were not members of the Board of Directors on the first day of such period (other than any new directors whose election or appointment by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of not less than three-fourths of the members of the Board of Directors then still in office who were

either members of the Board of Directors at the beginning of such period or whose election or nomination for election was previously so approved); or

(c) [the Company ceases to be a direct wholly owned Subsidiary of [Holdings] (or any successor of Holdings that (x) becomes the direct parent of the Company and owns no other direct Subsidiaries and (y) has expressly assumed (and is in compliance with) all the obligations of Holdings under this Indenture and the other loan documents to which [Holdings] is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the [Trustee])]; or

(d) any "Change of Control" (or any comparable term) in any documentation governing Material Debt occurs.]

"Chapter 11 Case" means the administratively consolidated Chapter 11 Case No. 23-18993 commenced with the United States Bankruptcy Court for the District of New Jersey by Rite Aid Corporation and its debtor affiliates.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means all of the Collateral (as defined in the Security Agreement).

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Consolidated EBITDA" means, for any period, without duplication,

(a) Consolidated Net Income for such period; plus

(b) to the extent deducted (or excluded) in determining Consolidated Net Income for such period, the aggregate amount of the following:

(i) consolidated interest expenses, whether cash or non-cash;

(ii) provision for income taxes;

(iii) depreciation and amortization;

(iv) LIFO Adjustments which reduced such Consolidated Net Income;

(v) non-cash store closing and other non-cash impairment charges and expenses;

(vi) any other non-cash expenses, charges, expenses, losses or items (including any write-offs or write-downs (other than of Inventory)) reducing Consolidated Net Income for such period (provided that, if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Company may determine not to add back such non-cash charge in the current period and (B) to the extent the Company does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent);

(vii) non-cash compensation expenses related to stock option and restricted stock employee benefit plans;

(viii) the non-cash interest component, as adjusted from time to time, in respect of reserves;

(ix) all Transaction Expenses, to the extent paid on the Issue Date or incurred and paid during the six (6) month period after the Issue Date; provided that (A) the aggregate amount added back to Consolidated EBITDA pursuant to

clause (ix) shall not exceed [•] percent ([•]%) of Consolidated EBITDA for such period (prior to giving effect to such addback) and (B) the Company has delivered to the Securities Collateral Agent an Officer's Certificate of the Company certifying, in good faith, as to such Transaction Expenses, in such detail, and together with such supporting documentation therefor, as may be reasonably requested by the Securities Collateral Agent;

(x) all non-recurring costs, fees, premiums, charges and expenses incurred in connection with any Investment, Business Acquisition, Asset Sale, Restricted Payment, incurrences of Debt or issuances of Equity Interests (A) occurring after the Issue Date (but excluding any Specified Regional Sale Transaction) and (B) permitted by the terms of this Indenture, whether or not consummated;

(xi) (A) all Expected Cost Savings related to the Transactions and any Specified Regional Sale Transaction that are, in the reasonable, good faith judgment of an Officer of the Company, reasonably identifiable and quantifiable and determined or projected, as the case may be, to result from actions that have either been taken, with respect to which substantial steps have been taken or that are expected to be taken (in the reasonable, good faith determination of an Officer of the Company) within twelve (12) months after the Issue Date, calculated net of actual amounts realized during such period from such actions, (B) all Expected Cost Savings related to acquisitions or Asset Sales occurring after the Issue Date that are, in the reasonable, good faith judgment of an Officer of the Company, reasonably identifiable and quantifiable and determined or projected, as the case may be, to result from actions that have either been taken, with respect to which substantial steps have been taken or that are expected to be taken (in the reasonable, good faith determination of the Company) within twelve (12) months after the consummation of such acquisition or Asset Sale, calculated net of actual amounts realized during such period from such actions, (C) all non-recurring restructuring costs, charges (including in respect of cost-savings initiatives, restructuring costs and charges related to acquisitions or Asset Sales occurring after the Issue Date and including severance, relocation costs, facilities or Store closing costs, surrender expenses, signing costs, retention or completion bonuses, transition costs and curtailments or modifications to pension and post-retirement employee benefits (including settlement of pension liabilities)), (D) all Integration Expenses, and (E) any non-recurring charges related to litigation settlements; provided that the aggregate amount added back to Consolidated EBITDA pursuant to clause (xi) shall not exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to giving effect to such addbacks); and minus

(c) to the extent not deducted in determining Consolidated Net Income for such period, the aggregate amount of LIFO Adjustments which increased such Consolidated Net Income.

For the avoidance of doubt, Consolidated EBITDA shall be calculated (whether pursuant to the immediately preceding sentence or otherwise) including pro forma adjustments (provided that any such adjustments, when taken together with any such similar adjustments made in accordance with clause (b)(xi) above, shall not exceed twenty percent (20%) of Consolidated EBITDA for such Measurement Period (calculated prior to giving effect to such addbacks).

"Consolidated Fixed Charge Coverage Ratio" has the meaning ascribed to it in the ABL Credit Agreement.

"Consolidated Funded Debt" means, as of any date of determination, for the Company and its Consolidated Subsidiaries on a consolidated basis, the aggregate of (a) all obligations of such Person for borrowed money (including purchase money Debt, the Securities, the ABL Loan Obligations and the Rollover Notes Obligations) and all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (b) unreimbursed obligations of such Person with respect to drawn amounts under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments, (c) all Capital Lease Obligations of such Person, (d) Guarantees in respect of the foregoing, and (e) all Plan Payments.

"Consolidated Net Income" means for any period, the net income (or loss) of the Company and its Consolidated Subsidiaries (exclusive of (a) extraordinary items of gain or loss during such period or gains or losses from Debt modifications during such period, (b) any gain or loss in connection with any Asset Sale during such period, other than sales of Inventory in the ordinary course of business, but in the case of any loss only to the extent that such loss does not involve any current or future cash expenditure, (c) the cumulative effect of accounting changes during such period and (d) net income or loss attributable to any Investments in Persons other than Affiliates of the Company), determined on a consolidated basis for such period in accordance with GAAP.

"Consolidated Subsidiary" means, with respect to any Person, at any date, any Subsidiary or other entity the accounts of which would, in accordance with GAAP, be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date.

"Consolidated Total Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Funded Debt as of the last day of such Measurement Period, to (b) Consolidated EBITDA for such Measurement Period.

"corporation" means a corporation, association, company, limited liability company, joint-stock company, partnership or business trust.

"Debt" means, with respect to any Person on any date of determination (without duplication):

(a) the principal of and premium (if any) in respect of:

(1) debt of such Person for money borrowed; and

(2) debt evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale and Leaseback Transactions entered into by such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of Property, all conditional sale obligations of such Person, all obligations of such Person under any title retention agreement (but excluding trade accounts payable, accrued expenses arising in the ordinary course of business and any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) the amount of all obligations of such Person with respect to the repayment of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such Property or the amount of the obligation so secured; and

(h) to the extent not otherwise included in this definition, hedging obligations of such Person.

The amount of Debt of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Definitive Security" means a certificated Security registered in the name of the Holder thereof and issued in accordance with Section 2.01, Section 2.07 or Section 2.08, substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, except that such Security shall not bear the Global Security Legend and shall not have the "Schedule of Exchanges of Interests in the Global Security" attached thereto.

"Depositary" means, with respect to any Securities, a clearing agency that is registered as such under the Exchange Act and is designated by the Company to act as Depositary for such Securities (or any successor securities clearing agency so registered).

"DIP Credit Agreement" means that certain Debtor-In-Possession Credit Agreement, dated as of October 18, 2023, among [the Issuer][Rite Aid Corporation], the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent thereunder, as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"DIP Term Loan Agreement" means that certain Debtor-In-Possession Term Loan Agreement, dated as of October 18, 2023, among [the Issuer][Rite Aid Corporation], the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent thereunder, as amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Disqualified Stock" means, with respect to any Person, any Equity Interests that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part; or

(c) is convertible or exchangeable at the option of the holder thereof for Debt or Disqualified Stock;

prior to, in the case of clause (a), (b) or (c), the date that is 91 days after the earlier of the Stated Maturity of the Securities or the date the Securities are no longer outstanding.

Notwithstanding the preceding sentence, any Equity Interests that would constitute Disqualified Stock solely because the holders of the Equity Interests have the right to require the Company to repurchase such Equity Interests upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Equity Interests provide that the Company may not repurchase or redeem any such Equity Interests pursuant to such provisions unless such repurchase or redemption complies with Section 4.04.

"DTC" means The Depository Trust Company.

"EIC" means Elixir Insurance Company, Subsidiary of the Company.

"Elixir Escrow Account" means that certain deposit account of [Ex Options, LLC] established and maintained with the Elixir Escrow Account Bank pursuant to the Elixir Escrow Agreement. As of the Issue Date, the Elixir Escrow Account shall be Account No. -[•] maintained with the Elixir Escrow Account Bank, subject to the Elixir Escrow Agreement.

"Elixir Escrow Account Bank" means a bank or financial institution that is satisfactory to the ABL Administrative Agent and the Trustee (acting at the direction of Holders of a majority in principal amount of the Securities) that maintains Elixir Escrow Account. As of the Issue Date, the Elixir Escrow Account Bank is [•].

"Elixir Escrow Agreement" means that certain escrow agreement or similar arrangement by and among Ex Options, LLC, a Subsidiary of the Company, the ABL Administrative Agent, and the SCD Trust, which shall be consistent with, and subject to the terms, conditions and consent rights set forth in the Plan of Reorganization.

"Elixir Rx Distributions Schedule" has the meaning set forth in the Plan of Reorganization.

"Elixir Rx Intercompany Claim" means that certain intercompany claim payable by EIC to Ex Options, LLC, a Subsidiary of the Company.

"Equipment Financing Transaction" means any arrangement (together with any Refinancing Indebtedness in respect thereof) with any Person pursuant to which the Company or any Subsidiary Incurs Debt secured by a Lien on equipment or equipment related property of the Company or any Subsidiary.

"Equity Interests" means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including Preferred Stock, but excluding any debt security convertible or exchangeable into such equity interest (regardless of such convertible debt security's treatment under GAAP).

"Equity Interest Sale Proceeds" means the aggregate cash proceeds received by the Company from the issuance or sale (other than to a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees) by the Company of its Equity Interests (other than Disqualified Stock) after the beginning of the fiscal quarter immediately following the Issue Date, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Equity Offering" means (a) an underwritten offering of common stock of the Company by the Company pursuant to an effective registration statement under the Securities Act or (b) so long as the Company's common stock is, at the time, listed or quoted on a national securities exchange (as such term is defined in the Exchange Act), an offering of common stock by the Company in a transaction exempt from or not subject to the registration requirements of the Securities Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) or (o) of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to its withdrawal or partial withdrawal from any Multiemployer Plan; (g) the receipt by the Company or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability on it or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA; or (h) the existence of any event or condition that could reasonably be expected to constitute grounds under ERISA for the termination by the PBGC of, or the appointment of a trustee to administer, any Plan.

"Events of Default" has the meaning set forth under Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

["Excluded Subsidiary" means Schedule 1.01(b) hereto; (b) any CFC; (c) any FSHCO, (d) any Subsidiary formed or acquired after the Issue Date that is prohibited from providing a Guarantee of the Securities Obligations by any contractual obligation so long as such prohibition was not incurred in contemplation of such Subsidiary being required to provide a Guarantee of the Securities Obligations; and (e) any Subsidiary formed or acquired after the Issue Date, to the extent such Subsidiary (together with its Subsidiaries) has (x) less than $1,000,000 in assets and (y) less than $500,000 in revenue per annum as reflected in the financial

statements of the Company delivered hereto for the most recently ended Measurement Period; provided that (i) any Subsidiary of the Company that Guarantees any other Material Debt of the Company shall not be deemed to be an "Excluded Subsidiary" and (ii) any Subsidiary that incurs Material Debt (other than Debt owing to the Company or any of its Subsidiaries) shall not be deemed to be an "Excluded Subsidiary", to the extent any such Material Debt is guaranteed by the Company or any Securities Party.]

"Expected Cost Savings" means pro forma "run rate" expected cost synergies, cost savings, operating expense reductions and operational improvements.

"Expansion Capital Expenditure" means any capital expenditure incurred by the Company or any Subsidiary (other than ordinary course maintenance) for carrying on the business of the Company and its Subsidiaries that an Officer of the Company determines in good faith will enhance the income generating ability of the warehouse, distribution center, store or other facility.

"Fair Market Value" means, with respect to any Property, the price that could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Pressure or compulsion shall not include sales of Property conducted in compliance with the requirements of a regulatory authority in connection with an acquisition or merger permitted by this Indenture. Fair Market Value shall be determined, by senior management of the Company or by a majority of the Board of Directors and evidenced by a Board Resolution, dated within 30 days of the relevant transaction.

"Financial Officer" means with respect to any Person, the chief financial officer, principal accounting officer, treasurer, vice president of financial accounting, vice president (or more senior level officer) of finance or accounting, senior director of treasury or controller of such Person. Any document delivered hereunder that is signed by a Financial Officer of a Securities Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Securities Party and such Financial Officer, shall be conclusively presumed to have acted on behalf of such Securities Party.

"FSHCO" means any Subsidiary of the Company that owns no material assets (directly or through one or more entities treated as flow-through entities for U.S. federal income tax purposes) other than Equity Interests (or Equity Interests treated as Debt) of one or more CFCs.

"GAAP" means United States generally accepted accounting principles, including those set forth:

(a) in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants;

(b) in the statements and pronouncements of the Financial Accounting Standards Board;

(c) in such other statements by such other entity as approved by a significant segment of the accounting profession; and

(d) the rules and regulations of the Commission governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the Commission.

If there occurs a change in generally accepted accounting principles and such change would cause a change in the method of calculation of any term or measure used in a covenant under Article IV (an "Accounting Change"), then the Company may elect, as evidenced by a written notice of the Company to the Trustee, that such term or measure shall be calculated as if such Accounting Change had not occurred.

"Global Securities" means, individually and collectively, each of the Restricted Global Securities and the Unrestricted Global Securities, substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, issued in accordance with Section 2.01, Section 2.07, Section 2.08, or Section 2.11.

"Global Security Legend" means the legend set forth in Section 2.07(g)(ii), which is required to be placed on all Global Securities issued under this Indenture.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

"Ground-Leased Real Estate" has the meaning ascribed to it in the ABL Credit Agreement

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include:

(1) endorsements for collection or deposit in the ordinary course of business; or

(2) a contractual commitment by one Person to invest in another Person for so long as such Investment is reasonably expected to constitute a Permitted Investment under clause (b) of the definition of "Permitted Investment".

The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Agreement" means any interest rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Holder" means a Person in whose name a Security is registered in the Security Register.

["Holdings" means [•].]

"IAI Global Security" means a Global Security substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that may be issued in a denomination equal to the outstanding principal amount of the Securities sold to Institutional Accredited Investors.

"Incur" means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by merger, conversion, exchange or otherwise), extend, assume, Guarantee or become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and "Incurrence" and "Incurred" shall have meanings correlative to the foregoing); provided, however, that a change in GAAP that results in an obligation of such Person that exists at such time, and is not theretofore classified as Debt, becoming Debt shall not be deemed an Incurrence of such Debt; provided further, however, that any Debt or other obligations of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary; and provided further, however, that solely for purposes of determining compliance with Section 4.03, amortization of Debt

discount shall not be deemed to be the Incurrence of Debt, provided that in the case of Debt sold at a discount, the amount of such Debt Incurred shall at all times be the aggregate principal amount at Stated Maturity.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Independent Financial Advisor" means a third-party accounting, appraisal or investment banking firm or consultant, in each case, of national standing, that is, in the good faith determination of the Company, qualified to perform the task for which it has been engaged; provided that such firm or appraiser is not an Affiliate of the Company.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Security through a Participant.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (7), (8), (9), (12) or (13) under the Securities Act, who is not also a QIB.

"Integration Expenses" means, for any period, the amount of expenses (including facilities or Store opening costs) that are directly or indirectly attributable to the integration of any acquisition by the Company or any Consolidated Subsidiary consummated during such period and is not reasonably expected to recur once the integration of such acquisition is complete.

"Intellectual Property" means [●].

"Intercreditor Agreement" means each of (i) the ABL Intercreditor Agreement, (ii) ABL / McKesson Intercreditor Agreement, (iii) the ABL / Rollover Notes Intercreditor Agreement, and (iv) the Securities / Rollover Notes Intercreditor Agreement.

"Interest Payment Date" means the scheduled date that an installment of interest on the Securities is due and payable.

"Inventory" means "Inventory" as defined in Article 8 of the UCC.

"Investment" by any Person in any other Person means (a) any direct or indirect loan, advance or other extension of credit, assumption of debt, or capital contribution to or for the account of such other Person (by means of any transfer of cash or other property to any Person or any payment for property or services for the account or use of any Person, or otherwise), (b) any direct or indirect purchase or other acquisition of any Equity Interests, bond, note, debenture or other debt or equity security or evidence of Debt, or any other ownership interest (including, any option, warrant or any other right to acquire any of the foregoing), issued by such other Person, whether or not such acquisition is from such or any other Person, (c) any direct or indirect payment by such Person on a Guarantee of or for the account of such other Person or any direct or indirect issuance by such Person of such a Guarantee (provided, however, that, for purposes of Section 4.10, payments under Guarantees not exceeding the amount of the Investment attributable to the issuance of such Guarantee will not be deemed to result in an increase in the amount of such Investment), or (d) any Business Acquisition. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the Fair Market Value of such property at the time of such transfer or exchange.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, without regard to outlook.

"Issue Date" means the date on which the Original Securities are initially issued.

"Joint Venture" means, with respect to any Person, at any date, any other Person in whom such Person directly or indirectly holds an Investment consisting of an Equity Interest, and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person, if such statements were prepared in accordance with GAAP as of such date.

"Latest Maturity Date" has the meaning ascribed to it in the ABL Credit Agreement.

"Lien" means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any Capital Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing or any Sale and Leaseback Transaction).

"LIFO Adjustments" means, for any period, the net adjustment to costs of goods sold for such period required by the Company's last in, first out inventory method, determined in accordance with GAAP.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Company (or its Parent Company) on a Business Day no more than five Business Days prior to the date of the declaration or making of a Restricted Payment permitted pursuant to Section 4.04(a)(vii) multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment (or, if such common Equity Interests have only been traded on such securities exchange for a period of time that is less than 30 consecutive trading days, such shorter period of time).

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, (b) the ability of any Securities Party to perform any of its material obligations under any Securities Document to which it is a party or (c) the legality, validity or enforceability of the Securities Documents (including the validity, enforceability or priority of security interests granted thereunder) or the rights of or benefits or remedies available to the Holders under any Securities Document.

"Material Debt" means (a) the McKesson Obligations, (b) the Rollover Notes Obligations, (c) the ABL Loan Obligations, (d) the Securities and (e) Debt, including obligations in respect of one or more Hedging Agreements, of any one or more of the Company or the Subsidiaries in an aggregate principal amount exceeding $50,000,000. For purposes of this definition, the "principal amount" of the obligations of the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Maturity Date" means either the Initial Maturity Date or the Shifting Maturity Date, as applicable.

"McKesson" means McKesson Corporation, a Delaware corporation.

"McKesson Contingent Deferred Cash Obligations" means [•].[4]

"McKesson Documents" means [•].

"McKesson Guaranteed Cash Obligations" means [•].

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[4] Note to Draft – McKesson related definitions be confirmed upon final review of McKesson documents.

"McKesson / Rollover Notes Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between [McKesson][5] and the Rollover Notes Trustee, and acknowledged by the Loan Parties, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"McKesson Obligations" means, collectively, the McKesson Trade Obligations, the McKesson Guaranteed Cash Obligations and the McKesson Contingent Deferred Cash Obligations.

"McKesson Trade Obligations" means [•].

"Measurement Period" means, at any time, the most recent period of twelve (12) consecutive fiscal months ended on or prior to such time (taken as one accounting period) for which financial statements have been (or were required to be) delivered pursuant to Section 4.02(a) or (b).

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Cash" from any Asset Sale means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Debt or other obligations relating to the Property that is the subject of such Asset Sale or received in any other non-cash form), in each case net of:

(a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale;

(b) all payments made on (i) any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such Property, or Debt which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale and (ii) any Debt under a Qualified Receivables Transaction required to be repaid or necessary to obtain a consent needed to consummate such Asset Sale;

(c) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale;

(d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the Property disposed in such Asset Sale and retained by the Company or any Subsidiary after such Asset Sale; and

(e) while the ABL Facility remains outstanding, any amounts required to be applied toward the repayment of the ABL Facility.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Debt.

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[5] Note to Draft – To be determined whether there will be a collateral agent entity or specific entity formed to hold collateral.

"Officer" means the Chief Executive Officer, President, Chief Financial Officer, Treasurer or any Executive Vice President, Senior Vice President, Vice President or Secretary of the Company.

"Officer's Certificate" means a certificate signed by the principal executive officer, principal financial officer, treasurer or principal accounting officer of the Company, and delivered to the Trustee.

"OID Legend" means the legend set forth in Section 2.07(g)(iv) to be placed on a Securities under this Indenture that have more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

"Opinion of Counsel" means a written opinion from legal counsel and delivered to the Trustee. The counsel may be an employee of or counsel to the Company.

"Parent Company" means any holding company established by any Permitted Holder for purposes of holding, directly or indirectly, its investment in the Company or any other Parent Company.

"Participant" means a Person who has an account with the Depositary.

"Payment Conditions" has the meaning ascribed to it in the ABL Credit Agreement and the Company shall provide to the Trustee an Officer's Certificate confirming whether the Payment Conditions are satisfied at any particular time.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Related Business or combination of such assets and cash or Temporary Cash Investments between the Company or any of its Subsidiaries and another Person; provided that any cash or Temporary Cash Investments received must be applied in accordance with Section 4.06.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 6.01(i);

(f) easements, zoning restrictions, rights-of-way, encroachments and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not (i) materially detract from the value of the affected property or (ii) materially interfere with the ordinary conduct of business of the Company or any Subsidiary;

(g) licenses, sublicenses, leases or subleases granted in the ordinary course of business with respect to Real Estate and, to the extent constituting a Lien, the Real Estate Leases for Ground-Leased Real Estate;

(h) landlord Liens arising by law securing obligations that are not overdue by more than thirty (30) days or that are being contested in good faith by appropriate proceedings;

(i) Liens arising from precautionary UCC filings regarding operating leases or the consignment of goods to the Company or any Subsidiary;

(j) Liens arising by virtue of statutory or common law provisions relating to banker's Liens, Liens in favor of securities intermediaries, rights of set off or similar rights and remedies with respect to deposit accounts or securities accounts or other funds or assets maintained with depositary institutions and securities intermediaries;

(k) Liens in favor of a credit card or debit card processor arising in the ordinary course of business under any processor agreement and relating solely to the amounts paid or payable by, or customary deposits or reserves held by, such credit card or debit card processor;

(l) Liens in favor of customs and revenues authorities imposed by applicable laws arising in the ordinary course of business in connection with the importation of goods and securing obligations (i) that are not overdue by more than thirty (30) days, or (ii)(A) that are being contested in good faith by appropriate proceedings, (B) the applicable Securities Party or Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (C) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation;

(m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(n) any interest or title of a lessor, sublessor, licensor or sublicensor under leases, subleases, licenses or sublicenses (including software and other technology licenses) entered into by the Company or any of its Subsidiaries in the ordinary course of business;

(o) Liens on cash deposits, securities or other property in deposits or securities accounts in connection with the redemption, defeasance, repurchase or other discharge of any notes issued by the Company or any of its Subsidiaries to the extent payments are made in accordance with Section 4.04(a) and to the extent such Debt is permitted by Section 4.03;

(p) any encumbrance or restriction (including put and call arrangements) contained in the applicable organizational documents with respect to Equity Interests of any Joint Venture or similar arrangement pursuant to any Joint Venture or similar arrangement; and

(q) any zoning, land use, environmental or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not (i) materially detract from the value of the affected property or (ii) materially interfere with the ordinary conduct of the business of the Company or any of the Subsidiaries;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Debt.

"Permitted Holders" means (a) the Persons listed on Schedule 1.01, their Affiliates, any funds or accounts that such Person manages or advises and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; provided, that, in the case of such group and without giving effect to the existence of such group or any other group, such Persons listed on Schedule 1.01, together with their Affiliates and any funds or accounts that such Person manages or advises, collectively, have beneficial ownership of more than fifty percent (50.00%) of the total voting power of the voting Equity Interests of the Company, and (b) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Equity Interests of the Company.

"Permitted Investment" means any investment by any Person in (a) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, (b) any Person if as a result of such Investment such Person is merged or consolidated with or into, or transfers or conveys all or substantially all its Property to, the Company or a Subsidiary; and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, transfer, conveyance or liquidation; (c) cash and Temporary Cash Investments; (d) receivables owing to the Company or a Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or such Subsidiary deems reasonable under the circumstances; (e) payroll, travel, moving, tax and similar advances that are made in the ordinary course of business; (f) stock, obligations or other securities received in settlement of debts created in the ordinary course of business and owing to the Company or a Subsidiary or in satisfaction of judgments; (f) Hedging Agreements permitted under clause (e) of Section 4.03; (h) commercial paper rated at least A-1 by S&P and P-1 by Moody's at the time of acquisition thereof, (i) time deposits with, including certificates of deposit issued by, any office located in the United States of any bank or trust company which is organized or licensed under the laws of the United States or any state thereof and at the time such deposit is made or certificate of deposit issued, has capital, surplus and undivided profits aggregating at least $550,000,000,

(j) repurchase agreements with respect to securities described in clause (a) above entered into with an office of a bank or trust company meeting the criteria specified in clause (i) above at the time such repurchase agreement is entered into; provided in each case that such investment matures within one year from the date of acquisition thereof by such Person or (k) money market mutual funds at least 80% of the assets of which are held in investments referred to in clauses (a) through (j) above determined at the time of such investment (except that the maturities of certain investments held by any such money market funds may exceed one year so long as the dollar-weighted average life of the investments of such money market mutual fund is less than one year).

"Permitted Joint Venture" means any joint venture (which may be in the form of a limited liability company, partnership, corporation or other entity) in which the Company or any of its Subsidiaries is a joint venture; provided, however, that the joint venture is engaged solely in a Related Business.

"Permitted Real Estate Disposition" has the meaning ascribed to it in the ABL Credit Agreement.

"Permitted Real Estate Sale and Leaseback Transactions" has the meaning ascribed to it in the ABL Credit Agreement.

"Person" means any individual, corporation, company (including any limited liability company), association, partnership, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate has any liability or is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Confirmation Order" means the order entered on [•], 2024 by the Bankruptcy Court in the Chapter 11 Case confirming the Plan of Reorganization.

"Plan Documents" has the meaning ascribed to it in the ABL Credit Agreement.

"Plan of Reorganization" means the [Third Amended Joint Chapter 11 Plan of Reorganization of Rite Aid Corporation and its debtor affiliates, dated [•], 2024 (Docket No. [[•]]),amended, modified or supplemented.]

"Plan Payments" has the meaning ascribed to it in the ABL Credit Agreement.

"Preferred Equity Interests" means, with respect to any Person, any Equity Interests of such Person that are entitled to a preference or priority, in respect of dividends or distributions upon liquidation, over some other class of Equity Interests issued by such Person.

"Preferred Stock" means any Equity Interests of a Person, however designated, which entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of any other class of Equity Interests issued by such Person.

"Pre-Petition Credit Agreement" means that certain Credit Agreement, dated as of December 20, 2018, among [the Issuer][Rite Aid Corporation], the lenders party thereto, Bank of America, as the agent thereunder, and the other agents and arrangers party thereto, as amended, restated, supplemented or otherwise modified prior to October 15, 2023.

"Prescription File" means, as to any Securities Party, all right, title and interest of such Securities Party in and to all prescription files maintained by it or on its behalf, including all patient profiles, customer lists, customer information and other records of prescriptions filled by such Securities Party, in whatever form and wherever maintained by such Securities Party or on such Securities Party's behalf, and all goodwill and other intangible assets arising from the maintenance of such records and the possession of information contained therein.

"Private Placement Legend" means the legend set forth in Section 2.07(g)(i) to be placed on all Securities issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

"Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance with any ratio, test, covenant or calculation hereunder (including the calculation of Consolidated EBITDA hereunder), the determination or calculation of such ratio, test, covenant, or Consolidated EBITDA (including in connection with Specified Transactions) in accordance with Section 1.06.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Equity Interests in, and other securities of, any other Person, and which for the avoidance of doubt includes inventory. For purposes of any calculation required pursuant to this Indenture, the value of any Property shall be its Fair Market Value.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Consideration" means, with respect to any Asset Sale (or any other transaction or series of related transactions required to comply with clause (p) of Section 4.06), any one or more of (a) cash or Temporary Cash Investments, (b) notes or obligations that are converted into cash (to the extent of the cash received) within 180 days of such Asset Sale, (c) equity securities listed on a national securities exchange (as such term is defined in the Exchange Act) and converted into cash (to the extent of the cash received) within 180 days of such Asset Sale, (d) the assumption or discharge by the purchaser of liabilities of the Company or any Subsidiary (other than liabilities that are by their terms subordinated to the Securities) as a result of which the Company and the Subsidiaries are no longer obligated with respect to such liabilities, (e) Additional Assets or (f) other Property; provided that the aggregate Fair Market Value of all Property received since the Issue Date by the Company and its Subsidiaries pursuant to Asset Sales (or such other transactions) that is used to determine Qualified Consideration pursuant to this clause (f) does not exceed $[35.0] million.

"Qualified Preferred Equity Interests" means Preferred Equity Interests of the Company that do not require any cash payment (including in respect of redemptions or repurchases), other than in respect of cash dividends, before the date that is six months after the Latest Maturity Date.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Entity (in the case of a transfer by the Company or any of its Subsidiaries); and (b) any other Person (in the case of a transfer by a Receivables Entity), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing those accounts receivable, all contracts and all Guarantees or other obligations in respect of those accounts receivable, proceeds of those accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; *provided that*: (1) if the transaction involves a transfer of accounts receivable with Fair Market Value equal to or greater than $25.0 million, the Board of Directors shall have determined in good faith that the Qualified Receivables Transaction is economically fair and reasonable to the Company and the Receivables Entity; (2) all sales of accounts receivable and related assets to or by the Receivables Entity are made at Fair Market Value; and (3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Board of Directors).

"Qualifying IPO" means the issuance by the Company of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the Commission in accordance with the Securities Act (whether alone or in connection with a secondary public offering).

"Real Estate" means all interests in real property now or hereafter owned or held by any Securities Party or Subsidiary, including all leasehold interests held pursuant to Real Estate Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Securities Party or Subsidiary, including all easements, rights-of-way, appurtenances and other rights relating thereto and all leases, tenancies, and occupancies thereof.

"Real Estate Financing Transaction" means any arrangement with any Person pursuant to which the Company or any Subsidiary Incurs Debt secured by a Lien on Real Estate of the Company or any Subsidiary and related personal property together with any Refinancings Indebtedness in respect thereof.

"Real Estate Lease" means any agreement, whether written or oral, and all amendments, guaranties and other agreements relating thereto, pursuant to which a Securities Party is party for the purpose of using or occupying any Real Estate for any period of time.

"Receivables Entity" means a wholly owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Transaction with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to that business, and (with respect to any Receivables Entity formed after the Issue Date) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (a) no portion of the Debt or any other obligations (contingent or otherwise) of which (i) is Guaranteed by the Company or any Subsidiary of the Company (excluding Guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings; (b) with which neither the Company nor any Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or the Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and (c) to which neither the Company nor any Subsidiary of the Company has any obligation to maintain or preserve the entity's financial condition or cause the entity to achieve certain levels of operating results other than pursuant to Standard Securitization Undertakings. Any designation of this kind by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to the designation and an Officers' Certificate certifying that the designation complied with the foregoing conditions.

"Redemption Date" means, when used with respect to any Security to be redeemed, the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" means, when used with respect to any Security to be redeemed, the price at which it is to be redeemed pursuant to this Indenture.

"Refinance" means, in respect of any Debt, to refinance, extend, renew, refund, repay, prepay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or replacement for, such Debt. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means any Debt that Refinances any other Debt, including any successive Refinancings, so long as (a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing, (b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced, (c) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being Refinanced; (d) the new Debt shall not be senior in right of payment (without regard to any security interest) to the Debt that is being Refinanced; and (e) the proceeds of such Debt are used to Refinance the Debt being Refinanced no later than 60 days following its issuance; *provided*, *however*, that Permitted Refinancing Debt shall not include Debt of a Subsidiary that is not a Subsidiary Guarantor that Refinances Debt of the Company or a Subsidiary Guarantor.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Security" means a Regulation S Temporary Global Security or a Regulation S Permanent Global Security, as appropriate.

"Regulation S Permanent Global Security" means a Global Security substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, bearing the Global Security Legend, the OID Legend and the Private Placement Legend and deposited

with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Securities sold in reliance on Regulation S.

"Regulation S Temporary Global Security" means a temporary Global Security in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto, bearing the OID Legend, the Private Placement Legend and the Regulation S Temporary Global Security Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Securities initially sold in reliance on Rule 903 of Regulation S.

"Regulation S Temporary Global Security Legend" means the legend set forth in Section 2.07(g)(v) to be placed on the Regulation S Temporary Global Security.

"Related Business" means any business that is related, ancillary or complementary to the businesses of the Company and the Subsidiaries on the Issue Date or a natural extension thereof.

"Required Lenders" has the meaning ascribed to it in the ABL Credit Agreement.

"Restricted Definitive Security" means a Definitive Security bearing the Private Placement Legend and the OID Legend.

"Restricted Global Security" means a Global Security bearing the Private Placement Legend and the OID, if applicable and that has the "Schedule of Exchanges of Interests in the Global Security" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Securities that bear the Private Placement Legend.

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property, except dividends payable solely in shares of the Company's common Equity Interests or Qualified Preferred Equity Interests) with respect to any Equity Interests in the Company or any Subsidiary, (b) any payment (whether in cash, securities or other property, except payments made solely with common equity), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Company or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Company or any Subsidiary, or (c) the purchase, repurchase, redemption, acquisition or retirement for value, prior to the date for any scheduled maturity, sinking fund or amortization or other installment payment, of any Subordinated Obligation (other than the purchase, repurchase or other acquisition of any Subordinated Obligation purchased in anticipation of satisfying a scheduled maturity, sinking fund or amortization or other installment obligation, in each case due within one year of the date of acquisition and other than Debt permitted to be Incurred by clause (h) of the second paragraph of Section 4.03); provided that in no event shall (i) any exchange of Qualified Preferred Equity Interests with other Qualified Preferred Equity Interests or (ii) any payment or other distribution in respect of any Debt pursuant to clause (a) of this definition be deemed a Restricted Payment.

"Restricted Period" means the 40-day distribution compliance period as defined in Regulation S.

"Restructuring and Asset Transfer Transactions" has the meaning ascribed to it in the ABL Credit Agreement.

"Rollover Notes" means the Debt issued pursuant to the Rollover Notes Indenture.

"Rollover Notes Collateral Agent" means U.S. Bank Trust Company, National Association, in its capacity as collateral agent under the Rollover Notes Documents, and any successor thereof or replacement collateral agent appointed in accordance with the terms of the Rollover Notes Documents.

"Rollover Notes Collateral Documents" means the Rollover Notes Security Agreement, and each of the security agreements and other instruments and documents executed and delivered by the Company or any Subsidiary Guarantor pursuant to any of the foregoing or pursuant to the Rollover Notes Indenture for purposes of providing collateral security or credit support for any Rollover Notes Obligations (including, in each case, any schedules, exhibits or annexes thereto), as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Rollover Notes Documents" means the Rollover Notes Indenture, the Rollover Notes Collateral Documents, the Securities / Rollover Notes Intercreditor Agreement, and any other agreement now or hereafter executed and delivered in connection with the

Rollover Notes Indenture in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

"Rollover Notes Facility" means (a) the notes issuance provided under the Rollover Notes Indenture, including one or more debt facilities or other financing arrangements providing for revolving credit loans, term loans, letters of credit, notes, debt securities or other indebtedness for borrowed money that replace or refinance such notes, including any such replacement or refinancing facility or indenture that increases or decreases the amount permitted to be borrowed thereunder or alters the maturity thereof and whether by the same or any other agent, lender or group of lenders, and any amendments, supplements, modifications, extensions, renewals, restatements, amendments and restatements or refundings thereof or any such indentures or credit facilities that replace or refinance such notes and (b) whether or not the Rollover Notes Indenture referred to in clause (a) remains outstanding, if designated by the Company to be included in the definition of "Rollover Notes Facility," one or more (i) debt facilities or commercial paper facilities providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (ii) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (iii) instruments or agreements evidencing any other Debt, in each case, with the same or different arrangements, agents, lenders, borrowers or issuers, and, in each case, as amended, restated, amended and restated, supplemented, waived, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

"Rollover Notes Indenture" means the Indenture, dated as of the Issue Date, by and among Rollover Notes Trustee, the Company, as issuer, and the Subsidiary Guarantors party thereto as guarantors, as amended, amended and restated, restated, supplemented waived, renewed, replaced, restructured, repaid, refinanced or otherwise modified in whole or in part from time to time.

"Rollover Notes Obligations" means (a) the principal of each loan made under the Rollover Notes Indenture, (b) all interest on the loans, notes, letter of credit reimbursement, fees, indemnification and other obligations under the Rollover Notes Indenture (including, without limitation, any interest, fees and other amounts which accrue after the commencement of any case, proceeding or other action relating to a proceeding under any debtor relief law, including the Bankruptcy Code, of the Company or any Subsidiary Guarantor (as defined in the Rollover Notes Indenture), whether or not allowed or allowable, in whole or in part, as a claim in such proceeding), (c) all other amounts payable by the Company or any Subsidiary under the Rollover Notes Documents and (d) all increases, renewals, extensions and refinancings of the foregoing.

"Rollover Notes Security Agreement" means the Security Agreement, dated as of the Issue Date, made by the Company and the Subsidiary Guarantors in favor of the Rollover Notes Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Rollover Notes Trustee" means U.S. Bank Trust Company, National Association, in its capacity as trustee and collateral agent under the Rollover Notes Indenture and the other Rollover Notes Documents, and any successor thereof or replacement trustee or collateral agent appointed in accordance with the terms of the Rollover Notes Documents.

"S&P" means Standard & Poor's Ratings Service or any successor to the rating agency business thereof.

"Sale and Leaseback Transaction" means any arrangement whereby the Company or a Subsidiary shall sell or transfer any office building (including its headquarters), distribution center, manufacturing plant, warehouse, Store, equipment or other property, real or personal, now or hereafter owned by the Company or a Subsidiary with the intention that the Company or any Subsidiary rent or lease the property sold or transferred (or other property of the buyer or transferee substantially similar thereto).

"SCD Trust" has the meaning set forth in the Plan of Reorganization.

"Secured Debt" means indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or encumbrance on property of the Company or any Subsidiary, but shall not include guarantees arising in connection with the sale, discount, guarantee or pledge of notes, chattel mortgages, leases, accounts receivable, trade acceptances and other paper arising, in the ordinary course of business, out of installment or conditional sales to or by, or transactions involving title retention with, distributors, dealers or other customers, of merchandise, equipment or services.

"Securities Act" means the Securities Act of 1933, as it may be amended and any successor act thereto.

"Securities Collateral Agent" has the meaning ascribed to it in the preamble.

"Securities Collateral Documents" means the Security Agreement and each of the security agreements and other instruments and documents executed and delivered by the Company and any Subsidiary Guarantor pursuant to any of the foregoing or pursuant to this Indenture for purposes of providing collateral security or credit support for any Securities Obligations or obligation under this Indenture (including, in each case, any schedules, exhibits or annexes thereto), as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Securities Custodian" means the custodian with respect to a Global Security (as appointed by the Depositary) or any successor person thereto, who shall initially be the Trustee.

"Securities Documents" means, collectively, this Indenture, the Securities, the Guarantees, if any, the Intercreditor Agreements, the Security Collateral Documents and all other documents and instruments executed and delivered in connection herewith, in each case as such agreements may be amended, restated, supplemented or otherwise modified from time to time.

"Securities Obligations" means the Obligations of the Company and the Subsidiary Guarantors under this Indenture and the Securities.

"Securities Party" or "Securities Parties" means any or all of the Company and the Subsidiary Guarantors.

"Securities / Rollover Notes Intercreditor Agreement" means that certain [Intercreditor Agreement], dated as of the Issue Date, by and between the Securities Collateral Agent and the Rollover Notes Trustee and acknowledged by the Company and the Subsidiary Guarantors, as amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance therewith.

"Security Agreement" means that certain Security Agreement, dated as of the Issue Date, made by the Company and the Subsidiary Guarantors party thereto in favor of U.S. Bank Trust Company, National Association, as Securities Collateral Agent.

"Security Register" means the register kept by the Registrar, which shall provide for the registration of ownership, exchange and transfer of the Securities.

"Senior Agent" means the ABL Administrative Agent, McKesson and the Rollover Notes Trustee.

"Senior Debt Documents" means the ABL Loan Documents, the McKesson Documents and the Rollover Notes Documents.

"Senior Obligations" means the ABL Loan Obligations, the Rollover Notes Obligations and the McKesson Trade Obligations.

"Series A Securities" means any Securities evidenced by a certificate substantially in the form set forth in Exhibit A-1 attached hereto, registered in the name of the Depositary or its nominee, duly executed by the Company and authenticated by the Trustee, and deposited with the Securities Custodian.

"Series B Securities" means any Securities evidenced by a certificate substantially in the form set forth in Exhibit A-2 attached hereto, registered in the name of the Depositary or its nominee, duly executed by the Company and authenticated by the Trustee, and deposited with the Securities Custodian.

"Shifting Maturity Date" has the meaning set forth in Section 2.16(a).

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission.

"Specified Regional Sale Transaction" has the meaning ascribed to it in the ABL Credit Agreement.

"Specified Transaction" means (a) any Investment, (b) any Asset Sale, (c) any Restricted Payment, (d) any incurrence or retirement, extinguishment or repayment of Debt, (e) any Plan Payment, or (f) any other transaction or event, in each case that, by the terms of this Indenture, requires pro forma compliance with a ratio, test or covenant or requires such ratio, test or covenant to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company which are customary in an accounts receivable securitization transaction involving a comparable company.

"Stated Maturity" means, with respect to any security, the date specified in such security as the date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Store" means any retail store (which may include any Real Estate, fixtures, equipment, Inventory and Prescription Files related thereto) operated, or to be operated, by any Securities Party.

"Subordinated Obligation" means any Debt of the Company or any Subsidiary Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Securities or the applicable Subsidiary Guarantee pursuant to a written agreement to that effect. For purposes of the foregoing, no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured, by virtue of being unguaranteed, by virtue of being secured by different collateral or by virtue of the fact that the holders of any Secured Debt have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them or with respect to control of remedies.

"Subsidiary" means, in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which a majority of the total voting power of the Voting Stock is at the time owned or controlled, directly or indirectly, by:

(a) such Person;

(b) such Person and one or more Subsidiaries of such Person; or

(c) one or more Subsidiaries of such Person.

"Subsidiary Guarantee" means a Guarantee by a Subsidiary Guarantor of the Company's Obligations with respect to the Securities on the terms set forth in this Indenture.

"Subsidiary Guarantor" means each Subsidiary that is a party to this Indenture as of the Issue Date and any other Person that Guarantees the Securities pursuant to Section 4.08.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges, assessments, fees or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Temporary Cash Investments" means any of the following:

(a) Investments in U.S. Government Obligations maturing within 24 months of the date of acquisition thereof;

(b) Investments in time deposit accounts, certificates of deposit, or money market deposits maturing within 24 months of the date of acquisition thereof issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating in excess of $[●] million;

(c) repurchase obligations with a term of not more than 24 months for underlying securities of the types described in clause (a) entered into with:

(1) a bank meeting the qualifications described in clause (b) above; or

(2) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York;

(d) Investments in commercial paper with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)) and in each case maturing within 24 months after the date of creation thereof;

(e) direct obligations (or certificates representing an ownership interest in such obligations) of any state of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such state is pledged and which are not callable or redeemable at the issuer's option, provided that:

(1) the long-term debt of such state is rated "A-3" or "A-" or higher according to Moody's or S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)); and

(2) such obligations mature within 24 months of the date of acquisition thereof;

(f) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated "AAA-" (or equivalent thereof) or better by S&P or Aaa3 (or equivalent thereof) or better by Moody's (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act));

(g) securities with maturities of 12 months or less from the date of acquisition backed by standby letters of credit issued by any financial institution or recognized securities dealer meeting the qualifications set forth in clause (b) above; and

(h) money market funds at least [•]% of the assets of which constitute Temporary Cash Investments of the kinds described in clauses (a) through (e) of this definition (except that the maturities of certain investments held by any such money market funds may exceed one year so long as the dollar-weighted average life of the investments of such money market mutual fund is less than one year).

"Transaction Expenses" means any fees or expenses (including without limitation arrangement or underwriting or similar fees as well as upfront fees or original issue discount) incurred or paid by the Company or any of the Subsidiaries in connection with the Transactions (including in connection with this Indenture and the other Securities Documents).

"Transactions" means, collectively, [(a) the execution and delivery by the Company and the Subsidiary Guarantors of the ABL Loan Documents to which they are a party and the making of the loans and the issuance of letters of credit (if any) under the ABL Credit Agreement, in each case, on the Issue Date, (b)(i) the repayment in full in cash of all amounts due or outstanding under or in respect of, and the termination of the commitments under, (A) the Pre-Petition Credit Agreement (and the "Senior Loan Documents" as defined therein), (B) the DIP Credit Agreement (and the "Senior Loan Documents" as defined therein) and (C) the DIP Term Loan Agreement (and the "Loan Documents" as defined therein), in each case, on the Issue Date and (ii) the refinancing in full of the outstanding "Junior DIP Notes Obligations" as defined in the DIP Term Loan Agreement by issuance of the Rollover Notes Obligations or the Securities, as applicable, on the Issue Date, (c) the execution and delivery by the Company and the Subsidiary Guarantors of the Rollover Notes Documents to which they are a party and the issuance or deemed issuance of the Rollover Notes Obligations, in each case, on the Issue Date, (d) the execution and delivery by the Company and the Subsidiary Guarantors of the Securities Documents to which they are a party and the issuance or deemed issuance of the Securities, in each case, on the Issue Date, (e) the execution and delivery by Company and the Subsidiary Guarantors of the McKesson Documents to which they are a party and the making of the McKesson Emergence Payment, in each case, on the Issue Date, (f) the consummation of the other transactions contemplated by this

Indenture to occur on the Issue Date, the Plan of Reorganization and the Plan Confirmation Order[, including for the avoidance of doubt, the Restructuring and Asset Transfer Transactions], and (g) the payment of the Transaction Expenses.]

"Treasury Rate" means, as of any date on which Applicable Premium Event occurs, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such date to then then applicable Maturity Date; provided, however, that if the period from the date on which Applicable Premium Event occurs to the then applicable Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Trust Officer" means any officer within the corporate trust department of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Definitive Security" means one or more Definitive Security that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Security" means a permanent Global Security that bears the Global Security Legend and the OID Legend, if applicable and that has the "Schedule of Exchanges of Interests in the Global Security" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Securities that do not bear the Private Placement Legend.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of any Person means all classes of Equity Interests or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means, at any time, a Subsidiary all the Voting Stock of which (except directors' qualifying shares) is at such time owned, directly or indirectly, by the Company and its other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Sections 4203 and 4205, respectively, of ERISA.

Section 1.02 Other Definitions

Term	Defined in:
Accounting Change	Section 1.01

Additional Amounts	Section 4.17(a)
Affiliate Transaction	Section 4.07
Allocable Proceeds	Section 4.06
Asset Sales Prepayment Offer	Section 4.06
Authentication Order	Section 2.03
Claiming Guarantor	Section 10.02
Contributing Party	Section 10.02
covenant defeasance option	Section 8.01(b)
Custodian	Section 6.01
Electronic Signatures	Section 12.15
Eligible Collateral Agent	Section 13.05
Events of Default	Section 6.01
Financed Prescription Files	Section 4.03(u)
guarantee provisions	Section 6.01(h)
Guaranteed Obligations	Section 10.01
Initial Maturity Date	Section 2.16(a)
legal defeasance option	Section 8.01(b)
Legal Holiday	Section 12.06
Offer Amount	Section 4.06
Offer Period	Section 4.06
OID	Section 2.01
Original Securities	Section 2.01
Paying Agent	Section 2.04
Permitted Debt	Section 4.03
Purchase Date	Section 4.06
PIK Interest	Section 2.01(a)
PIK Payment	Section 2.02
PIK Security	Section 2.02
Purchase Date	Section 4.06
Registrar	Section 2.04
Reporting Entity	Section 4.02(k)
Securities	Preamble
Surviving Person	Section 5.01(a)(1)
Tax Jurisdiction	Section 4.17(a)

Section 1.03 Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Debt shall not be deemed to be subordinate or junior to secured Debt merely by virtue of its nature as unsecured Debt;

(7) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(8) for all purposes of this Indenture, references to Securities include any PIK Securities;

(9) for all purposes of this Indenture, references to "principal amounts" of the Securities includes any increase in the principal amount of the outstanding Securities as a result of a PIK Payment; and

(10) the principal amount of any Preferred Stock shall be the greater of (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock.

Section 1.04 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the Trust Indenture Act, the provision is incorporated by reference in and made a part of this Indenture.

The following Trust Indenture Act terms used in this Indenture have the following meanings:

"indenture securities" means the Securities;

"indenture security holder" means a Holder of a Security;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Securities and the Guarantees means the Company and the Subsidiary Guarantors, respectively, and any successor obligor upon the Securities and the Guarantees, respectively.

All other terms used in this Indenture that are defined by the Trust Indenture Act, defined by Trust Indenture Act reference to another statute or defined by SEC rule under the Trust Indenture Act have the meanings so assigned to them.

Section 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register. Notwithstanding the foregoing, solely for purposes of determining whether any action to be taken or consent to be given under this Indenture is

authorized, an owner of a beneficial interest in a Global Security shall be treated as a Holder, to the extent the Company directs the Trustee to accept reasonable evidence of such beneficial interest provided by such owner.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, in the circumstances permitted by the Trust Indenture Act, set a record date for purposes of determining the identity of Holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or take any other act, or to vote or consent to any action by vote or consent authorized or permitted to be given or taken by Holders. Unless otherwise specified, if not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation.

(f) Without limiting the generality of the foregoing, a Holder entitled to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, a Holder, including DTC, that is the Holder of a Global Security may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and DTC, as the Holder of a Global Security, may provide its proxy or proxies to the beneficial owners of interests in any such Global Security through such depositary's standing instructions and customary practices.

(h) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Security held by DTC entitled under the procedures of such depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

Section 1.06 Pro Forma Calculations.

(a) Notwithstanding anything to the contrary herein, Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio (whether in connection with testing the satisfaction of the Payment Conditions or otherwise) and the Consolidated Total Leverage Ratio, shall be calculated in the manner prescribed by this Section 1.06.

(b) For purposes of calculating Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, Specified Transactions (and the incurrence or repayment of any Debt in connection therewith, subject to Section 1.06(c) that have been made (i) during the applicable Measurement Period or (ii) subsequent to such Measurement Period and prior to or simultaneously with the event for which the calculation of any such ratio or test is made shall be calculated on a Pro Forma Basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable

Measurement Period. If since the beginning of any applicable Measurement Period any Person that subsequently became a Subsidiary or was merged, amalgamated or consolidated with or into a Securities Party or any Subsidiary since the beginning of such Measurement Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.06, then the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio shall be calculated to give Pro Forma Effect thereto in accordance with this Section 1.06.

(c) In the event that any Securities Party or any Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Debt included in the calculations of the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as the case may be (in each case, other than Debt incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (i) during the applicable Measurement Period or (ii) subsequent to the end of the applicable Measurement Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as applicable, shall be calculated giving Pro Forma Effect to such incurrence or repayment of Debt, to the extent required, as if the same had occurred on the last day of the applicable Measurement Period (with respect to any calculation of the Consolidated Total Leverage Ratio) or the first day of the applicable Measurement Period (with respect to any calculation of the Consolidated Fixed Charge Coverage Ratio).

(d) Whenever Pro Forma Effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Financial Officer of the Company and may include, for the avoidance of doubt, the amount of Expected Cost Savings projected by a Financial Officer of the Company in good faith to be realized as a result of action that is taken, committed to be taken or reasonably expected to be taken (calculated on a Pro Forma Basis as though such Expected Cost Savings had been realized on the first day of such Measurement Period and as if such Expected Cost Savings were realized during the entirety of such Measurement Period) in connection with such Specified Transaction, net of the amount of actual amounts realized during such Measurement Period from such actions; provided that (i) such Expected Cost Savings are reasonably identifiable and factually supportable (in the good faith determination of a Financial Officer of the Company), (ii) the relevant action resulting in (or substantial steps towards the relevant action that would result in) such Expected Costs Savings must either be taken or reasonably expected to be taken within twelve (12) months after the date of such Specified Transaction, (iii) no amounts shall be added pursuant to this Section 1.06(d) to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, with respect to such Measurement Period, and (iv) amounts added back pursuant to this Section 1.06(d), when taken together with any such similar adjustments made in accordance with clause (b)(xi) of the definition of "Consolidated EBITDA", shall not exceed twenty percent (20.0%) of Consolidated EBITDA for such Measurement Period (calculated prior to giving effect to such addbacks).

(e) If any Debt bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Debt shall be calculated as if the rate in effect on the date of the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio and the Consolidated Total Leverage Ratio, as the case may be, is made had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Debt). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Company to be the rate of interest implicit in the applicable Capital Lease in accordance with GAAP. Interest on Debt that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, an interbank offered rate, a risk-free rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

ARTICLE II

The Securities

Section 2.01 Amount of Securities; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. Securities may be issued in one or more tranches; provided, however, that any Securities issued with original issue discount ("OID") for Federal income tax purposes shall not be issued as part of the same

tranche as any Securities that are issued with a different amount of OID or are not issued with OID. All Securities of any one tranche shall be substantially identical except as to denomination.

Subject to Section 2.03, the Trustee shall authenticate Securities as follows:

(a) for original issue on the Issue Date (i) $225,000,000 in aggregate principal amount of Series A Securities and (ii) $125,000,000 in aggregate principal amount of Series B Securities (together, the "Original Securities"). All Original Securities will be in the form of Unrestricted Global Securities. Series A Securities shall have the same terms and conditions as the Series B Securities in all respects except with respect to payment priority and lien priority, and upon issuance, the Series A Securities and Series B Securities shall be consolidated with and form a single class and vote together as one class on all matters with respect to the Securities including, without limitation, waivers, amendments and offers to purchase; and

(b) PIK Securities from time to time in accordance with Section 2.02;

provided that no Opinion of Counsel shall be required with respect to the Original Securities on the Issue Date or any PIK Securities issued after the Issue Date. With respect to any Securities issued after the Issue Date (except for PIK Securities and any Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, Original Securities pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06), there shall be established in or pursuant to a Board Resolution, and subject to Section 2.03, set forth, or determined in the manner provided in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of such Securities:

(1) whether such Securities shall be issued as part of a new or existing series of Securities and, if issued as part of a new series, the title of such Securities (which shall distinguish the Securities of the series from Securities of any other series);

(2) the aggregate principal amount of such Securities to be authenticated and delivered under this Indenture, which may be issued for an unlimited aggregate principal amount (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the same tranche pursuant to Section 2.07, Section 2.08, Section 2.11, Section 3.06 or Section 4.06 and except for Securities which, pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Securities, including the date from which interest payable with respect to such Securities shall accrue; and

(4) if applicable, that such Securities shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective depositories for such Global Securities; the form of any legend or legends that shall be borne by any such Global Security in addition to or in lieu of that set forth in Exhibit A-1 and Exhibit A-2, as applicable, and any circumstances in addition to or in lieu of those set forth in Section 2.07 in which any such Global Security may be exchanged in whole or in part for Securities registered; and any transfer of such Global Security in whole or in part may be registered in the name or names of Persons other than the depositary for such Global Security or a nominee thereof.

The Original Securities, any PIK Securities and any other Securities issued pursuant to this Indenture shall be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments and offers to purchase.

Securities issued in global form shall be substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto (including the Global Security Legend thereon and the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Securities issued in definitive form shall be substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, attached hereto (but without the Global Security Legend thereon and without the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Each Global Security shall represent such of the outstanding Securities as shall be specified in the "Schedule of Exchanges of Interests in the Global Security" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Securities from time to time endorsed thereon and that the aggregate principal amount of outstanding Securities represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions and the payment of interest through

an increase in the principal amount of the outstanding Securities ("PIK Interest"). Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Securities represented thereby shall be made by the Trustee or the Securities Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.07 or by the Company in connection with a PIK Payment.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Security will be exchanged for beneficial interests in the Regulation S Permanent Global Security pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Security, the Trustee will cancel the Regulation S Temporary Global Security. The aggregate principal amount of the Regulation S Temporary Global Security and the Regulation S Permanent Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

Section 2.02 Form and Dating; Denominations. The Securities of each tranche and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit A-1 and Exhibit A-2, as applicable, which are hereby incorporated in and expressly made a part of this Indenture. The Securities of each tranche may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company is subject, if any, or usage, provided that any such notation, legend or endorsement is in a form reasonably acceptable to the Company. Each Security shall be dated the date of its authentication. The terms of the Securities of each tranche set forth in Exhibit A-1 and Exhibit A-2, as applicable, are part of the terms of this Indenture. The Securities shall be issuable in denominations of $1.00 and integral multiples of $1.00 in excess thereof and shall be dated the date of their authentication.

On any Interest Payment Date on which the Company pays PIK Interest (a "PIK Payment") as provided under paragraph 1(b) of the form of Security with respect to a Global Security, the Trustee, or the Securities Custodian at the direction of the Trustee, shall increase the principal amount of such Global Security by an amount equal to the PIK Interest payable, rounded up to the nearest whole dollar, for the relevant interest period on the principal amount of such Global Security, to the credit of the Holders on the relevant record date and an adjustment shall be made on the books and records of the Trustee with respect to such Global Security to reflect such increase. On any Interest Payment Date on which the Company makes a PIK Payment by issuing an additional Security (a "PIK Security"), the principal amount of any such PIK Security issued to any Holder, for the relevant interest period as of the relevant record date for such Interest Payment Date, shall be rounded up to the nearest whole dollar.

Notwithstanding anything to the contrary herein, no Officer's Certificate or Opinion of Counsel shall be required to be delivered in connection with a payment of PIK Interest (whether by an issuance of PIK Securities or by an increase in Global Securities reflecting a PIK Payment).

Section 2.03 Execution and Authentication. An Officer shall sign the Securities for the Company by manual, facsimile or electronic image scan (e.g., Adobe PDF) signature.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

On the Issue Date, the Trustee shall, upon receipt of the Company's order (an "Authentication Order"), authenticate and deliver the Original Securities which Original Securities, being issued pursuant to Section 1145 of the Bankruptcy Code, shall be in the form of an Unrestricted Global Security. In addition, at any time, from time to time, the Trustee shall, upon an Authentication Order and Officer's Certificate, authenticate and deliver any additional Securities in accordance with Section 2.02. Such Authentication Order shall specify the amount of the Securities to be authenticated and, in the case of any issuance of additional Securities pursuant to Section 2.01 shall certify that such issuance is in compliance with Section 4.03 and Section 4.05. In addition, at any time, from time to time, the Trustee shall (a) authenticate and deliver PIK Securities that may be validly issued under this Indenture and (b) increase the principal amount of any Global Security as a result of a PIK Payment.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any tranche executed by the Company to the Trustee for authentication, together with a written order of the Company in the form of an Officer's Certificate for the authentication and delivery of such Securities, and the Trustee in accordance with such written order of the Company shall authenticate and deliver such Securities.

A Security shall not be valid until an authorized signatory of the Trustee manually or electronically signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

Section 2.04 Registrar and Paying Agent. The Company shall maintain an office or agency in the City of New York where Securities may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency in the City of New York where Securities may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent in connection with the Securities.

Section 2.05 Paying Agent To Hold Money in Trust. Prior to each due date of the principal of, premium, if any, and interest on any Security, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal, premium, if any, and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, or interest on the Securities and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Wholly Owned Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section 2.05, the Paying Agent shall have no further liability for the money delivered to the Trustee.

Section 2.06 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with Trust Indenture Act Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders and the Company shall otherwise comply with Trust Indenture Act Section 312(a).

Section 2.07 Transfer and Exchange

(a) Transfer and Exchange of Global Securities. Except as otherwise set forth in this Section 2.07, a Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. A beneficial interest in a Global Security may not be exchanged by the Company for a Definitive Security unless (i) the Depositary (x) notifies the Company that it is unwilling or unable to continue to act as Depositary for such Global Security or (y) has ceased to be a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 90 days after the date of such notice from the Depositary, (ii) there shall have occurred and be continuing a Default or Event of Default with respect to the Securities or (iii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Securities (although Regulation S Temporary Global Securities at the Company's election pursuant to this clause may not be exchanged for Definitive Securities prior to (a) the expiration of the Restricted Period

and (b) the receipt of any certificates required under the provisions of Regulation S). Upon the occurrence of any of the preceding events in clauses (i), (ii) or (iii) above, Definitive Securities delivered in exchange for any Global Security or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures). Global Securities also may be exchanged or replaced, in whole or in part, as provided in Section 2.08 and Section 2.11. Every Security authenticated and delivered in exchange for, or in lieu of, a Global Security or any portion thereof, pursuant to this Section 2.07, or Section 2.08 or Section 2.11, shall be authenticated and delivered in the form of, and shall be, a Global Security, except for Definitive Securities issued subsequent to any of the preceding events in clauses (i), (ii) or (iii) above and pursuant to Sections 2.07(c) or (e). A Global Security may not be exchanged for another Security other than as provided in this Section 2.07(a); provided, however, beneficial interests in a Global Security may be transferred and exchanged as provided in Sections 2.07(b), (c) and (j).

(b) Transfer and Exchange of Beneficial Interests in the Global Securities. The transfer and exchange of beneficial interests in the Global Securities shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Securities shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Securities also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Security. Beneficial interests in any Restricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Security in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Security may not be made to a U.S. Person or for the account or benefit of a U.S. Person. Beneficial interests in any Unrestricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.07(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Securities. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.07(b)(i), the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Security shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Securities be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Security prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903 of Regulation S. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Securities contained in this Indenture and the Securities or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Security(s) pursuant to Section 2.07(h).

(iii) Transfer of Beneficial Interests to Another Restricted Global Security. A beneficial interest in any Restricted Global Security may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Security if the transfer complies with the requirements of Section 2.07(b)(ii) and the Registrar receives the following:

(1) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(2) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Security or the Regulation S Permanent Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(3) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Security, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Security for Beneficial Interests in an Unrestricted Global Security. A beneficial interest in any Restricted Global Security may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security if the exchange or transfer complies with the requirements of Section 2.07(b)(ii) and:

(1) the Registrar receives the following:

(A) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(B) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (b)(iv), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

If any such transfer is effected pursuant to subparagraph (iv) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (iv) above.

Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Security.

(c) Transfer or Exchange of Beneficial Interests for Definitive Securities.

(i) Beneficial Interests in Restricted Global Securities to Restricted Definitive Securities. If any holder of a beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Security, then, upon the occurrence of any of the events in paragraph (i), (ii) or (iii) of Section 2.07(a) and receipt by the Registrar of the following documentation:

(1) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(2) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof;

(5) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof;

(6) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(c) thereof; or

(7) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(d) thereof, if applicable;

the Trustee shall cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 2.07(h), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Security in the applicable principal amount. Any Definitive Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 2.07(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Securities are so registered. Any Definitive Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 2.07(c)(i) shall bear the Private Placement Legend, the OID Legend and the Regulation S Temporary Global Security Legend, as applicable, and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Regulation S Temporary Global Security to Definitive Security. Notwithstanding Sections 2.07(c)(i)(1) and (3), a beneficial interest in the Regulation S Temporary Global Security may not be exchanged for a Definitive Security or transferred to a Person who takes delivery thereof in the form of a Definitive Security prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Securities to Unrestricted Definitive Securities. A holder of a beneficial interest in a Restricted Global Security may exchange such beneficial interest for an Unrestricted Definitive Security or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security only upon the occurrence of any of the events in subsection (i), (ii) or (iii) of Section 2.07(a) and if:

(1) the Registrar receives the following:

(A) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for an Unrestricted Definitive Security, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(B) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (c)(iii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

(iv) Beneficial Interests in Unrestricted Global Securities to Unrestricted Definitive Securities. If any holder of a beneficial interest in an Unrestricted Global Security proposes to exchange such beneficial interest for a Definitive Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Security, then, upon the occurrence of any of the events in subsection (i), (ii) or (iii) of Section 2.07(a) and satisfaction of the conditions set forth in Section 2.07(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 2.07(h), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Security in the applicable principal amount. Any Definitive Security issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Securities are so registered. Any Definitive Security issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Securities for Beneficial Interests.

(i) Restricted Definitive Securities to Beneficial Interests in Restricted Global Securities. If any Holder of a Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security or to transfer such Restricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Security, then, upon receipt by the Registrar of the following documentation:

(1) if the Holder of such Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(2) if such Restricted Definitive Security is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such Restricted Definitive Security is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such Restricted Definitive Security is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof;

(5) if such Restricted Definitive Security is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (2) through (4) above, a certificate substantially in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(6) if such Restricted Definitive Security is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(7) if such Restricted Definitive Security is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Security, increase or cause to be increased the aggregate principal amount of, in the case of clause (1) above, the applicable Restricted Global Security, in the case of clause (2) above, the applicable 144A Global Security, in the case of clause (3) above, the applicable Regulation S Global Security and, in all other cases, the IAI Global Security.

(ii) Restricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of a Restricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Restricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security only if:

(1) the Registrar receives the following:

(A) if the Holder of such Definitive Securities proposes to exchange such Securities for a beneficial interest in the Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(B) if the Holder of such Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Security, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subsection (ii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.07(d)(ii), the Trustee shall cancel the Definitive Securities and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Security.

(iii) Unrestricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of an Unrestricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Definitive Securities to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Security and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Securities.

If any such exchange or transfer from a Definitive Security to a beneficial interest is effected pursuant to subparagraph (ii) or (iii) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the principal amount of Definitive Securities so transferred.

(e) Transfer and Exchange of Definitive Securities for Definitive Securities. Upon request by a Holder of Definitive Securities and such Holder's compliance with the provisions of this Section 2.07(e), the Registrar shall register the transfer or exchange of Definitive Securities. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly

authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(e):

(i) Restricted Definitive Securities to Restricted Definitive Securities. Any Restricted Definitive Security may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Security if the Registrar receives the following:

(1) if the transfer will be made to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(2) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(3) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Securities to Unrestricted Definitive Securities. Any Restricted Definitive Security may be exchanged by the Holder thereof for an Unrestricted Definitive Security or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Security if:

(1) the Registrar receives the following:

(A) if the Holder of such Restricted Definitive Securities proposes to exchange such Securities for an Unrestricted Definitive Security, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(B) if the Holder of such Restricted Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (e)(ii), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act; or

(2) such transfer is effected pursuant to an automatic exchange in accordance with Section 2.07(j).

(iii) Unrestricted Definitive Securities to Unrestricted Definitive Securities. A Holder of Unrestricted Definitive Securities may transfer such Securities to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Securities pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends shall appear on the face of all Global Securities and Definitive Securities issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) Private Placement Legend.

(1) Except as permitted by subparagraph (B) below, each Global Security and each Definitive Security (and all Securities issued in exchange therefor or substitution therefor) shall bear the legend in substantially the following form:

"THIS SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. [EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 4 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.][10][BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.][11] THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT:

(A) SUCH SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY:

(i)(a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT, (d) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1),(2),(3) OR (7) OF THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR")) THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES LESS THAN $100,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, OR (e) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL AND OTHER CERTIFICATIONS AND DOCUMENTS IF THE COMPANY SO REQUESTS),

(ii) TO THE COMPANY, OR

(iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT

AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND IN EACH CASE SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THIS SECURITY BY THE HOLDER OR BY ANY INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL; AND

[10] To be included in 144A Global Securities.

[11] To be included in Regulation S Global Securities.

(B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

(2) Notwithstanding the foregoing, any Global Security or Definitive Security issued pursuant to subparagraph (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (j) of this Section 2.07 (and all Securities issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Security Legend. Each Global Security shall bear a legend in substantially the following form:

"THIS GLOBAL SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07(h) OF THE INDENTURE, (II) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) IAI Security Legend. Each Definitive Security held by an Institutional Accredited Investor shall bear a legend in substantially the following form:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(iv) OID Legend. Each Security issued hereunder that has more than a *de minimis* amount of original issue discount for purposes of the Code shall bear a legend in substantially the following form:

"FOR THE PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS SECURITY IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR SUCH SECURITIES BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE COMPANY AT THE FOLLOWING ADDRESS: [NEW RITE AID], 30 HUNTER LANE, CAMP HILL, PENNSYLVANIA 17011, ATTENTION: [ ]."

(v) Regulation S Temporary Global Security Legend. Each temporary Security that is a Global Security issued pursuant to Regulation S shall bear a legend in substantially the following form:

"THIS GLOBAL SECURITY IS A TEMPORARY GLOBAL SECURITY FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY GLOBAL SECURITY NOR ANY INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL SECURITY SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL OR INTEREST HEREON UNLESS THE REQUIRED CERTIFICATIONS HAVE BEEN DELIVERED PURSUANT TO THE TERMS OF THE INDENTURE."

(h) Cancellation and/or Adjustment of Global Securities. At such time as all beneficial interests in a particular Global Security have been exchanged for Definitive Securities or a particular Global Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Definitive Securities, the principal amount of Securities represented by such Global Security shall be reduced accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction. If the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security shall be increased accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Securities and Definitive Securities upon receipt of an Authentication Order in accordance with Section 2.03 or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Security or to a Holder of a Definitive Security for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Section 2.07, Section 2.11, Section 3.06, Section 4.06, and Section 9.05).

(iii) Neither the Registrar nor the Company shall be required to register the transfer of or exchange any Security selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

(iv) All Global Securities and Definitive Securities issued upon any registration of transfer or exchange of Global Securities or Definitive Securities shall be the valid obligations of the Company, evidencing the same indebtedness and entitled to the same benefits under this Indenture, as the Global Securities or Definitive Securities surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Securities during a period beginning at the opening of business 10 days before the day of delivery of notice of redemption of Securities for redemption under Section 3.03 and ending at the close of business on the day of such delivery, (B) to register the transfer of or to exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (C) to register the transfer of or to exchange a Security between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Security, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and interest on such Securities and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 2.04, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Securities of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Securities to be exchanged at such office or agency. Whenever any Global Securities or Definitive Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the replacement Global Securities and Definitive Securities which the Holder making the exchange is entitled to in accordance with the provisions of this Section 2.07.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.07 to effect a registration of transfer or exchange may be submitted by facsimile.

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including transfers between or among Depositary participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(j) Automatic Exchange from Restricted Global Security to Unrestricted Global Security. At the option of the Company and upon compliance with the following procedures, beneficial interests in a Restricted Global Security shall be exchanged for beneficial interests in an Unrestricted Global Security. In order to effect such exchange, the Company shall (i) provide written notice to the Trustee instructing the Trustee to direct the Depositary to transfer the specified amount of the outstanding beneficial interests in a particular Restricted Global Security to an Unrestricted Global Security and provide the Depositary with all such information as is necessary for the Depositary to appropriately credit and debit the relevant Holder accounts and (ii) provide prior written notice to all Holders of such exchange, which notice must include the date such exchange is proposed to occur, the CUSIP number of the relevant Restricted Global Security and the CUSIP number of the Unrestricted Global Security into which such Holders' beneficial interests will be exchanged. As a condition to any such exchange pursuant to this Section 2.07(j), the Trustee shall be entitled to receive from the Company, and rely upon conclusively without any liability, an Officer's Certificate and an Opinion of Counsel, in form and in substance reasonably satisfactory to the Trustee, to the effect that such transfer of beneficial interests to the Unrestricted Global Security shall be effected in compliance with the Securities Act. The Company may request from Holders such information it reasonably determines is required in order to be able to deliver such Officer's Certificate and Opinion of Counsel. Upon such exchange of beneficial interests pursuant to this Section 2.07(j), the Registrar shall reflect on its books and records the date of such transfer and a decrease and increase, respectively, in the principal amount of the applicable Restricted Global Security and the Unrestricted Global Security, respectively, equal to the principal amount of beneficial interests transferred. Following any such transfer pursuant to this Section 2.07(j) of all of the beneficial interests in a Restricted Global Security, such Restricted Global Security shall be cancelled.

Section 2.08 Replacement Securities. If a mutilated Security is surrendered to the Registrar or if the Trustee receives evidence to its satisfaction that such Security has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Security. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Security is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Security.

Every replacement Security is an additional obligation of the Company.

Section 2.09 Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section 2.09 as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security. For the avoidance

of doubt, the aggregate principal amount outstanding under any Security shall include any increase in the outstanding principal amount in Global Securities as the result of payment of PIK Interest.

If a Security is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Security is held by a bona fide purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal, premium, if any, and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

Section 2.10 Treasury Securities. Notwithstanding anything to the contrary in this Indenture, Section 316(a) of the Trust Indenture Act (including the last paragraph thereof), is expressly excluded from this Indenture.

Section 2.11 Temporary Securities. Until definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Securities and deliver them in exchange for temporary Securities.

Section 2.12 Cancellation. The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee, at the written direction of the Company, and no one else shall cancel and dispose of all Securities surrendered for registration of transfer, exchange, payment or cancellation and deliver a certificate of such disposal to the Company upon its request therefor unless the Company directs the Trustee to deliver canceled Securities to the Company. The Company may not issue new Securities to replace Securities it has redeemed, paid or delivered to the Trustee for cancellation.

Section 2.13 Defaulted Interest. If the Company defaults in a payment of interest on the Securities, the Company shall pay the defaulted interest (plus interest with respect to such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the persons who are Holders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail to each Holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

Section 2.14 CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption or repurchase as a convenience to Holders; provided, however, that neither the Company nor the Trustee shall have any responsibility for any defect in the "CUSIP" number that appears on any Security, check, advice of payment or redemption or repurchase notice, and any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or repurchase and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption or repurchase shall not be affected by any defect in or omission of such numbers.

Section 2.15 Tax Withholding. Notwithstanding anything to the contrary contained in this Indenture, the Company, the Trustee and any Paying Agent may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed from principal or interest payments hereunder. The Company, the Trustee and the Paying Agent shall reasonably cooperate with each other and shall provide each other with copies of documents or information reasonably necessary for the Company, the Trustee and the Paying Agent to comply with any withholding tax or tax information reporting obligations imposed on any of them, including any obligations, imposed pursuant to an agreement with a governmental authority.

Section 2.16 Shifting Maturity Date.

(a) Shifting Maturity Date. The Securities will mature on [•], 2031 (the "Initial Maturity Date"); *provided* that, if on the date that is 30 calendar days prior to the then stated maturity date of the Securities, the ABL Facility, as extended, renewed, replaced or refinanced, remains outstanding, then the then stated maturity shall be extended to the date that is 91 calendar days after the maturity date of the ABL Facility and each Holder consents to the entry by the

Trustee and the Company into a supplemental indenture giving effect to such extension (the "Shifting Maturity Date"), with such supplemental indenture to provide that the Holders consent to the entry by the Trustee and the Company into an additional supplemental indenture to extend the Shifting Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility, as extended, renewed, replaced or refinanced, if such facility remains outstanding on such Shifting Maturity Date.

(b) Notice to Trustee and Securities Collateral Agent of Shifting Maturity. At least two (2) Business Days (unless a shorter notice shall be agreed to by the Trustee and/or Securities Collateral Agent) before notice of any anticipated Shifting Maturity Date is required to be delivered to Holders pursuant to Section 2.16(c) hereof, the Company shall furnish to the Trustee and Securities Collateral Agent the form of such notice together with an Officer's Certificate setting forth (x) the applicable Shifting Maturity Date and (y) the aggregate amount payable in respect of the Securities on such Shifting Maturity Date.

(c) Notice of Shifting Maturity Date. The Company shall send electronically, mail or cause to be mailed by first-class mail, postage prepaid, a notice of Shifting Maturity Date at least ten (10) days but not more than sixty (60) days before any anticipated Shifting Maturity Date to each Holder of Securities to be redeemed at such Holder's registered address stated in the Security Register (with a copy to the Trustee) or otherwise in accordance with the Applicable Procedures.

The notice shall state:

(1) the anticipated Shifting Maturity Date;

(2) the aggregate amount payable in respect of the Securities on the Shifting Maturity Date;

(3) the name and address of the Paying Agent; and

(4) that interest shall continue to accrue to but excluding the Shifting Maturity Date.

At the Company's request, the Trustee shall give the notice of Shifting Maturity Date in the Company's name and at its expense; provided that the Company shall have delivered to the Trustee, at least two (2) Business Days, in the case of Global Securities, or five (5) Business Days, in the case of Definitive Securities, before notice of a Shifting Maturity Date is required to be delivered electronically, mailed or caused to be mailed to Holders pursuant to this Section 2.16(c) (unless a shorter notice shall be agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

(d) Effect of Notice of Shifting Maturity. A notice of anticipated Shifting Maturity Date pursuant to this Section 2.16, if delivered electronically, mailed or caused to be mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to deliver such notice or any defect in the notice to the Holder of any Security shall not affect the validity of the proceedings for the payment of any other Security. Subject to compliance with Section 2.16(e) hereof, on and after the Shifting Maturity Date, the Securities shall cease to be outstanding and interest thereon shall cease to accrue on Securities.

(e) Trustee. The Trustee and Securities Collateral Agent shall have no duty to monitor the principal amount, or determine the maturity date, of the ABL Facility and shall be entitled to conclusively rely on the Officer's Certificate delivered to it under Section 2.16(b) or written notice delivered by the Holders. In the absence of receipt of an Officer's Certificate under this Section 2.16 or such written notice by the Holders, the Trustee and Securities Collateral Agent shall be entitled to treat [__], 2031 as the Initial Maturity Date of the Securities.

ARTICLE III

Redemption

Section 3.01 Notices to Trustee. If the Company elects to redeem Securities pursuant to paragraph 5 of the Securities, it shall notify the Trustee in writing of the redemption date, the principal amount of Securities to be redeemed and that such redemption is being made pursuant to such paragraph 5 of the Securities. Notwithstanding anything herein to the contrary, the Company cannot elect to redeem Series B Securities pursuant to paragraph 5 of the Series B Securities until after all of Series A Securities have been redeemed in full (provided that the redemptions in full of Series A Securities and Series B Securities can take place concurrently).

The Company shall give each notice to the Trustee provided for in this Section 3.01 at least two Business Days prior to the date on which that notice is delivered to the Holders unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officer's Certificate from the Company to the effect that such redemption will comply with the conditions herein.

Section 3.02 Selection of Securities To Be Redeemed. If fewer than all the Securities are to be redeemed pursuant to paragraph 5 of the Securities, the Securities to be redeemed shall, in the case of Global Securities, be selected on a *pro rata* basis in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, shall be selected by lot or by such other method as the Trustee considers fair and appropriate. Selection of Securities shall be made from outstanding Securities not previously called for redemption and may include portions of the principal of Securities that have denominations larger than $1.00. Securities and portions of them that are selected shall be in amounts of $1.00 or a whole multiple in excess of $1.00. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed. Notwithstanding the foregoing, if the Securities are represented by Global Securities, beneficial interests therein will be selected for redemption by DTC in accordance with its standard procedures therefor.

Section 3.03 Notice of Redemption. At least 10 days but not more than 60 days before a date for redemption of Securities pursuant to paragraph 5 of the Securities, the Company shall cause to be delivered a notice of redemption to each Holder of Securities to be redeemed at such Holder's registered address.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price, or if not then ascertainable, the manner of calculation thereof;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Securities are to be redeemed, the identification and principal amounts of the particular Securities to be redeemed;

(6) that, unless the Company defaults in making such redemption payment, interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date, and the only remaining right of the Holders is to receive payment of the redemption price upon surrender to the Paying Agent; and

(7) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities.

At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section 3.03 at least two Business Days prior to the Trustee giving the notice of redemption (unless a shorter period shall be acceptable to the Trustee).

Section 3.04 Effect of Notice of Redemption.

(a) Once notice of redemption is delivered, subject to the satisfaction of any conditions specified in the applicable notice of redemption pursuant to paragraph (b) of this Section 3.04, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Securities shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of redemption). Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

(b) Any such redemption or notice may, at the Company's option and discretion, be subject to one or more conditions precedent. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company's discretion, such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Company and the Subsidiary Guarantors from their obligations with respect to such redemption).

Section 3.05 Deposit of Redemption Price. Prior to or on the redemption date, subject to the satisfaction of any conditions specified in the applicable notice of redemption pursuant to paragraph (b) of Section 3.04, the Company shall deposit with the Paying Agent (or, if the Company or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest, if any (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of redemption), on all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption that have been delivered by the Company to the Trustee for cancellation.

Section 3.06 Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder (at the Company's expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE IV

Covenants

Section 4.01 Payment of Securities. The Company shall promptly pay the principal of, premium, if any, and interest on the Securities on the dates and in the manner provided in the Securities and in this Indenture. Principal, premium and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal, premium and interest then due. Except as otherwise provided for in this Indenture, interest shall be payable as PIK Interest. PIK Interest shall be considered paid on the date due if on such date the Trustee has received (i) an Authentication Order to increase the balance of any Global Security to reflect such PIK Interests or (ii) PIK Securities duly executed by the Company together with an Authentication Order requesting the authentication of such PIK Securities by the Trustee.

The Company shall pay interest on overdue principal at the rate per annum specified therefor in the Securities, and it shall pay interest on overdue installments of interest at the rate borne by the Securities, to the extent lawful.

Section 4.02 Financial Statements and Other Information.

(a) The Company will furnish to the Trustee and (except in the case of Section 4.01(g)) each Holder:

(i) Concurrently with the earlier of the delivery thereof to the ABL Administrative Agent or the Rollover Notes Trustee, its audited consolidated balance sheet and related statements of income and cash flows as of the end of and for the most recently-ended fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by [Deloitte & Touche LLP] or another registered independent public accounting firm of recognized national standing (without a "going

concern" or like qualification or exception and without any material qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial position, results of operations and cash flows of the Company and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(ii) Concurrently with the earlier of the delivery thereof to the ABL Administrative Agent or the Rollover Notes Trustee, (A) its consolidated balance sheet as of the end of such fiscal quarter and related statements of income for such fiscal quarter and of income and cash flows for the then elapsed portion of the most recently-ended fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year and (B) the Company's consolidated balance sheet as of the end of the most recently-ended fiscal month and related statements of income for such fiscal month and of income and cash flows for the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year;

(iii) not later than 30 days prior to the commencement of each fiscal year, an Officer's Certificate setting forth the end dates of each of the fiscal quarters in such fiscal year; and

(iv) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Commission, or with any national securities exchange, or distributed by the Company to its shareholders generally, as the case may be; provided, however, that the filing of such reports and such other information and documents with the Commission through EDGAR (or any successor electronic reporting system of the Commission accessible to the public without charge) constitutes delivery to the Trustee and the Holders for purposes of this clause (a)(iv).

(b) The financial statements, information and other documents required to be provided as described in this Section 4.02 may be those of (i) the Company or (ii) any direct or indirect parent of the Company (any such entity described in clause (i) or (ii) that provides such financial statements, information or other documents, a "Reporting Entity"), so long as in the case of clause (ii) either (1) such direct or indirect parent of the Company shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any material business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management of, the Company or (2) if otherwise, the financial information so delivered shall be accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Company and its Subsidiaries on a standalone basis, on the other hand.

(c) The Company will make such information available electronically to prospective investors and securities analysts upon request. The Company shall, for so long as any Securities remain outstanding during any period when neither it nor another Reporting Entity is subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the Commission with certain information pursuant to Rule 12g3-2(b) of the Exchange Act, furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(d) The Company will be deemed to have delivered such reports and information referred to in this Section 4.02 to the holders, prospective investors, securities analysts and the Trustee for all purposes of this Indenture if the Company or another Reporting Entity has filed such reports with the Commission via the EDGAR filing system (or any successor system) and such reports are publicly available. In addition, the requirements of this Section 4.02 shall be deemed satisfied and the Company will be deemed to have delivered such reports and information referred to this Section 4.02 to the Trustee, holders, prospective investors, and securities analysts for all purposes of this Indenture by the posting of reports and information that would be required to be provided on the Company's website (or that of any of the Company's parent companies, including the Reporting Entity) or on IntraLinks or any comparable online data system or website.

(e) The Trustee shall have no obligation to monitor whether the Company posts such reports, information and documents on the Company's website (or that of any of the Company's parent companies, including the Reporting Entity) or the SEC's EDGAR service, or collect any such information from the Company's (or any of the

Company's parent companies') website, IntraLinks or any comparable online data system or website or the SEC's EDGAR service. The Trustee shall have no liability or responsibility for the content, filing or timeliness of any report delivered or filed under or in connection with this Indenture or the transactions contemplated thereunder.

(f) [Reserved].

(g) Delivery of such reports, information and documents to the Trustee pursuant to this Section 4.02 is for informational purposes only, and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants under this Indenture (as to which the Trustee is entitled to rely conclusively on any Officer's Certificate). The Trustee is under no duty to examine such reports, information or documents to ensure compliance with the provision of this Indenture or to ascertain the correctness or otherwise of the information or the statements contained therein.

(h) Notwithstanding the foregoing, if at any time the Company or any direct or indirect parent of the Company has made a good faith determination to file a registration statement with the Commission with respect to an Equity Offering of such entity's Equity Interests, the Company will not be required to disclose any information or take any actions that, in the good faith view of the Company, would violate securities laws or the SEC's "gun jumping" rules or otherwise have an adverse effect on such Equity Offering.

Section 4.03 Limitation on Debt. The Company shall not, and shall not permit any Subsidiary to, Incur, directly or indirectly, any Debt; provided that the Company and its Subsidiaries may Incur, directly or indirectly, Debt if (1) the Consolidated Fixed Charge Coverage Ratio on a consolidated basis for the Company and its Subsidiaries as of the last day of the most recently ended Measurement Period (and calculated giving Pro Forma Effect to such Debt and as if such Debt was incurred as the last day of the most recently ended Measurement Period) (including a *pro forma* application of the net proceeds therefrom) would have been at least 2.00 to 1.00, or (2) such Debt is Permitted Debt.

The term "Permitted Debt" means:

(a) Debt of the Company evidenced by the Original Securities and the PIK Securities and of Subsidiaries, including any future Subsidiaries, evidenced by Guarantees relating to the Original Securities and the PIK Securities;

(b) Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) under the ABL Facility; provided that the aggregate principal amount of all such Debt at any one time outstanding shall not, after giving Pro Forma Effect to the Incurrence of such Debt and the application of the proceeds thereof, exceed $[3,060.0] million;

(c) Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) consisting of the Rollover Notes Obligations; provided that the aggregate principal amount of all such Debt at any one time outstanding shall not, after giving Pro Forma Effect to the Incurrence of such Debt and the application of the proceeds thereof, exceed $[225] million;

(d) To the extent constituting Debt, Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) in respect of (i) the McKesson Trade Obligations, to the extent subject to the ABL / McKesson Intercreditor Agreement, and (ii) the other McKesson Obligations;

(e) Debt of the Company or a Subsidiary (including, without duplication, Guarantees thereof) (i) Incurred pursuant to a Real Estate Financing Transaction, a Sale and Leaseback Transaction or an Equipment Financing Transaction, (ii) Incurred in respect of Capital Lease Obligations, (iii) Incurred pursuant to one or more issuances of Debt evidenced by notes, debentures, bonds or other similar securities or instruments, including pursuant to a factoring or similar arrangement, or (iv) Incurred by a Receivables Entity, whether or not a Subsidiary Guarantor, in a Qualified Receivables Transaction that is not recourse to the Company or any other Subsidiary (except for Standard Securitization Undertakings); *provided* that the aggregate principal amount of all such Debt in clauses (i) through (iv) hereof at any one

time outstanding shall not, after giving pro forma effect to the Incurrence of such Debt and the application of the proceeds thereof, exceed $[250.0] million;

(f) Debt of the Company and its Subsidiaries and any Refinancing Indebtedness in respect thereof in existence on the Issue Date (other than Debt described in clauses (a) through (d) of this Section 4.03); *provided* that Debt for borrowed money with a principal amount in excess of $15.0 million shall be set forth on Schedule 4.03 hereto;

(g) Debt of the Company owing to and held by any Subsidiary Guarantor and Debt of a Subsidiary Guarantor owing to and held by the Company or any Subsidiary Guarantor; provided, however, that any subsequent issue or transfer of Equity Interests or other event that results in any such Subsidiary Guarantor ceasing to be a Subsidiary Guarantor or any subsequent transfer of any such Debt (except to the Company or a Subsidiary Guarantor) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

(h) Debt under any Hedging Agreement that complies with this Indenture;

(i) Debt in connection with one or more standby letters of credit, banker's acceptance, performance or surety bonds or completion guarantees issued by the Company or a Subsidiary or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(j) Debt arising from agreements of the Company or any Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Debt incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; provided that the maximum assumable liability in respect of such Debt will at no time exceed the gross proceeds including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company or such Subsidiary in connection with such disposition;

(k) Debt of the Company or any of its Subsidiaries consisting of (i) the financing of insurance or similar premiums or (ii) take-or-pay or similar obligations contained in supply arrangements, in each case, incurred in the ordinary course of business;

(l) Debt of the Company and the Subsidiaries in respect of intercompany Investments permitted under Section 4.10; provided that any such Debt owing by the Company or a Subsidiary Guarantor to a Subsidiary that is not a Securities Party is subordinated to the Securities Obligations pursuant to terms substantially the same as those forth on Annex I hereto;

(m) Attributable Debt incurred in connection with Permitted Real Estate Sale and Leaseback Transactions; provided that the aggregate amount of Attributable Debt incurred pursuant to this Section 4.03(m) shall not exceed $[165,000,000] at any time outstanding;

(n) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(o) purchase money Debt (including Capital Lease Obligations) and Attributable Debt in respect of Sale and Leaseback Transactions, in each case incurred to finance the acquisition, development, construction or opening of any Store after the Issue Date (excluding purchase money Debt incurred to finance the acquisition of Prescription Files in connection with the opening of any such Store, which shall be permitted only to the extent set forth in Section 4.03(t)), and Debt (including Capital Lease Obligations) and Attributable Debt in respect to equipment or leasing in the ordinary course of business of the Company and the Subsidiaries consistent with past practices; provided that (x) the aggregate amount of Debt and Attributable Debt incurred pursuant to this Section 4.03(o) shall not exceed $[165,000,000] at any time outstanding and (y) such Debt or Attributable Debt (i) is incurred not later than one hundred and eighty (180) days following the completion of the acquisition, development, construction or opening of such Store or equipment, as

applicable, and (ii) any Lien securing such Debt or Attributable Debt is limited to the Store or equipment financed with the proceeds thereof;

(p) Refinancing Indebtedness in respect Incurred in respect of Debt Incurred pursuant to clause (1) of the first paragraph of this Section 4.03 and clauses (a), (b), (c), (d), (e), and (o) above, this clause (p) and clause (r) below.

(q) Debt of a Person or Debt attaching to assets of a Person that, in either case, becomes a Subsidiary or Debt attaching to assets that are acquired by the Company or any of its Subsidiaries, in each case after the Issue Date as the result of a Business Acquisition; provided that (A) the aggregate principal amount of such Debt does not exceed $110,000,000 at any one time outstanding (excluding any Debt owing from a Person acquired in a Business Acquisition to another such Person), (B) such Debt existed at the time such Person became a Subsidiary or at the time such assets were acquired and, in each case, was not created in anticipation thereof, and (C) such Debt is not guaranteed in any respect by (or is otherwise recourse to) the Company or any Subsidiary (other than by any such Person that so becomes a Subsidiary) or their respective assets (other than by the assets of any Person so acquired in such Business Acquisition or by any Subsidiary of the Company which was merged into or with any such Person that is the subject of such Business Acquisition);

(r) Debt of the Company or any Subsidiary (including, without duplication, Guarantees thereof) in an aggregate principal amount of all Debt incurred in reliance on this Section 4.03(r) not to exceed $350,000,000 at any time outstanding;

(s) [a letter of credit facility with 1970 Group (or another similar provider), providing for the issuance of letters of credit in the aggregate face amount of up to $220,000,000; provided that such letter of credit facility shall (i) not be secured by any assets of the Securities Parties, (ii) not be Guaranteed by any Person other than a Securities Party, (iii) have a stated maturity or expiration date occurring no earlier than the Latest Maturity Date (as determined at the time such letter of credit facility becomes effective), and (iv) otherwise be on market terms as reasonably determined by the Company;] and

(t) purchase money Debt incurred to finance the acquisition of Prescription Files in connection with the opening of any Store (such Prescription Files, "Financed Prescription Files"); provided that (x) the aggregate amount of Debt incurred pursuant to this Section 4.03(t) shall not exceed $44,000,000 at any time outstanding, and (y) such Debt (A) is incurred not later than ninety (90) days following the opening of such Store, and (B) any Lien securing such Debt is limited to the Financed Prescription Files (but not the proceeds thereof);

(u) Debt incurred by the Company or any Subsidiary in the ordinary course of business or consistent with past practice in respect of letters of credit, bank guarantees, bankers' acceptances or similar instruments issued or created in the ordinary course of business, including in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Debt with respect to reimbursement-type obligations regarding workers compensation claims; provided that any reimbursement obligations in respect thereof are reimbursed within thirty (30) Business Days following the incurrence thereof; and

(v) all premiums (if any), interest (including post-petition interest and paid-in-kind interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (u) above.

For purposes of determining compliance with this Section 4.03, the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Debt in the form of additional Debt with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Debt or an issuance of Disqualified Stock. Furthermore, (1) in the event that an item of Debt meets the criteria of more than one of the types of Debt described herein, the Company, in its sole discretion, will classify such item of Debt at the time of Incurrence and only be required to include the amount and type of such Debt in one of the above clauses, and (2) the Company will be entitled at the time of such Incurrence to divide and classify an item of Debt in more than one of the types of Debt described herein; provided, however, that (A) any Permitted Debt that is not Secured Debt may later be reclassified as having been Incurred pursuant to clause (1) of the first

paragraph of this Section 4.03 to the extent such Debt could be Incurred pursuant to such clause at the time of such reclassification and (B) any Permitted Debt may later be reclassified as having been Incurred pursuant to any other clause of the second paragraph of this Section 4.03 to the extent such Debt could be Incurred pursuant to such clause at the time of such reclassification.

Section 4.04 Limitation on Restricted Payments; Plan Payments.

(a) *Restricted Payments*. The Company will not, nor will it permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment if at the time of, and after giving effect to, such proposed Restricted Payment, (x) no Default or Event of Default shall have occurred and be continuing, (y) the Company could not Incur at least $1.00 of additional Debt pursuant to clause (1) of the first paragraph of Section 4.03; and the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Issue Date (the amount of any Restricted Payment, if made other than in cash, to be based upon Fair Market Value) would exceed an amount equal to the Available Amount; provided that, notwithstanding the foregoing:

(i) the Company may pay dividends on its Equity Interests within 60 days of the declaration thereof if, on said declaration date, such dividends could have been paid in compliance with this Indenture; *provided*, *however*, that at the time of such payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom); *provided*, *further*, *however*, that, any such dividend following the Issue Date shall be included in the calculation of the amount of Restricted Payments;

(ii) the Company may purchase, repurchase, redeem, legally defease, acquire or retire for value Equity Interests of the Company or Subordinated Obligations on or after the Issue Date in exchange for, or out of the proceeds of the substantially concurrent sale of, Equity Interests of the Company (other than Disqualified Stock and other than Equity Interests issued or sold to a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees); provided, however, that (x) such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments and (y) the Equity Interest Sale Proceeds from such exchange or sale shall be excluded from the calculation pursuant to clause (c)(2) of the definition of Available Amount.

(iii) The Company may make any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation in the event of a Change of Control or an Asset Sale in accordance with provisions similar to those in Section 4.06 or Section 4.12; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company has made the Change of Control Offer or Asset Sales Prepayment Offer, as applicable, as required with respect to the Securities and has completed the repurchase of all Securities validly tendered for payment in connection with such Change of Control Offer or Asset Sales Prepayment Offer; *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement following the Issue Date shall be included in the calculation of the amount of Restricted Payments;

(iv) purchase, repurchase, redeem, legally defease, acquire or retire for value any Subordinated Obligations on or after the Issue Date in exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness; *provided*, *however*, that such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments;

(v) the Company may make any other Restricted Payments on or after the Issue Date not to exceed an aggregate amount of $[50.0] million;

(vi) so long as no Event of Default then exists or would result therefrom, additional Restricted Payments so long as the Consolidated Total Leverage Ratio as of the last day of the most recently ended Measurement Period (and calculated giving Pro Forma Effect to such Restricted Payment and as if such Restricted Payment was made as the last day of the most recently ended Measurement Period) is equal to or greater than 5.75 to 1.00;

(vii) following consummation of a Qualifying IPO by the Company or a Parent Company, any Restricted Payments in an amount in any fiscal year not to exceed an amount equal to the sum of (A) 6.00% of the net cash proceeds received by or contributed to the Company from such Qualifying IPO and any other public offering of the Company's common equity or the common equity of any Parent Company plus (B) 7.00% of the Market Capitalization of the Person issuing Equity Interests in such Qualifying IPO;

(viii) the Company and the Subsidiaries may make Restricted Payments on or about the Issue Date to consummate the Restructuring and Asset Transfer Transactions;

(ix) the Company may declare and pay dividends with respect to its common Equity Interests or Qualified Preferred Equity Interests payable solely in additional shares of its common Equity Interests or Qualified Preferred Equity Interests;

(x) Subsidiaries (other than those directly owned, in whole or part, by the Company) may declare and pay dividends ratably with respect to their common Equity Interests;

(xi) the Subsidiaries may make Restricted Payments to the Company; provided that the Company shall, within a reasonable time following receipt of any such Restricted Payment, use all of the proceeds thereof for general corporate ongoing working capital purposes (including the payment of dividends or distributions otherwise permitted pursuant to this Section 4.04(a));

(xii) the Company may make additional Restricted Payments in cash; provided that, as of the date of the payment of such Restricted Payment, and after giving effect thereto, each of the Payment Conditions shall be satisfied;

(xiii) the Company may make payments to holders of its Equity Interests in lieu of the issuance of fractional shares of its Equity Interests; provided, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(xiv) repurchase Equity Interests of the Company deemed to be issued upon the exercise of stock options or warrants or similar rights (i) if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) for purposes of tax withholding by the Company in connection with such exercise or vesting; provided, however, that such repurchase shall be excluded in the calculation of the amount of Restricted Payments; and

(xv) the Company and the Subsidiaries may make Restricted Payments consisting of the repurchase or other acquisition of shares of, or options to purchase shares of, Equity Interests of the Company or any of its Subsidiaries from employees, former employees, consultants, former consultants, directors or former directors of the Company or any Subsidiary (or their permitted transferees), in each case pursuant to stock option plans, stock plans, employment agreements or other employee benefit plans approved by the [Board of Directors]; provided that no Default has occurred and is continuing; and provided, further that the aggregate amount of such Restricted Payments made in any fiscal year of the Company shall not exceed the sum of (x) $5,500,000 (with unused amounts for any year being carried over to the next succeeding year, but not to any subsequent year) and (y) any cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Company to employees, directors or consultants of the Company or any of its Subsidiaries that occur after the Issue Date and any cash proceeds from key man life insurance policies received after the Issue Date; *provided*, *further*, *however*, that the Equity Interest Sale Proceeds from sales shall be excluded from the calculation pursuant to clause (c)(2) of the definition of Available Amount and that the amount of such repurchases and other acquisitions following the Issue Date (other than those made with the cash proceeds from the sale of Equity Interests and proceeds from key man life insurance policies) shall be excluded in the calculation of the amount of Restricted Payments;

(b) *Plan Payments*. The Company will not, nor will it permit any Subsidiary to, pay or make or agree to pay or make, directly or indirectly, any Plan Payment, other than in accordance with the Plan Documents.

(c) *Certain Equity Securities*. The Company will not, nor will it permit any Subsidiary to, issue any Preferred Equity Interests or other preferred Equity Interests, other than (i) Qualified Preferred Equity Interests of the Company and (ii) Preferred Equity Interests of a Subsidiary issued to the Company or a Subsidiary Guarantor or, in the case of a Subsidiary that is not a Subsidiary Guarantor, to another Subsidiary that is not a Subsidiary Guarantor.

For purposes of determining compliance with Section 4.04(a), in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (i) through (xv) above or is entitled to be made pursuant to clause (a), the Company may divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (i) through (xv) and such clause (a) in any manner that otherwise complies with this Section 4.04.

Section 4.05 Limitation on Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Liens created under the ABL Loan Documents and Liens securing any Refinancing Indebtedness in respect thereof;

(b) Permitted Encumbrances;

(c) Liens in favor of the Rollover Notes Trustee created under the Rollover Notes Documents to secure the Rollover Notes Obligations and Liens securing any Refinancing Indebtedness in respect thereof;

(d) Liens in favor of [McKesson] created under the McKesson Documents to secure the McKesson Trade Obligations and Liens securing any Refinancing Indebtedness in respect thereof; provided that such Liens are subject to the ABL / McKesson Intercreditor Agreement and the ABL / Rollover Notes Intercreditor Agreement;

(e) Liens in favor of the Trustee or the Securities Collateral Agent created under the Securities Documents to secure the Securities Obligations (including the PIK Securities);

(f) any Lien securing Debt of a Subsidiary owing to a Subsidiary Guarantor, which Lien shall be collaterally assigned to the Securities Collateral Agent to secure the Securities Obligations;

(g) any Lien securing Debt, Attributable Debt and other payment obligations under leases, as applicable, incurred in connection with a Sale and Leaseback Transaction or any equipment financing or leasing, in any such case, to the extent permitted pursuant to (i) Section 4.03(m) or (o) and (ii) Section 4.09, as applicable, and Liens securing any Refinancing Indebtedness in respect thereof; provided that in the case of a Real Estate Financing Transaction, a Sale and Leaseback Transaction or an Equipment Financing Transaction, any such Lien shall attach only to the equipment, Real Estate or other assets subject to such Sale and Leaseback Transaction, financing, or leasing, as applicable, and (ii) any Lien securing Debt permitted pursuant to Section 4.03(t); provided that any Lien securing such Debt is limited to the applicable Financed Prescription Files (but not the proceeds thereof);

(h) Liens securing Debt permitted by Section 4.03(e) or Section 4.03(r);

(i) Liens existing on the Issue Date and identified on Schedule 6.02 of the ABL Credit Agreement; provided that such Liens do not attach to any property other than the property identified on Schedule 6.02 of the ABL Credit Agreement and secure only the obligations they secured on the Issue Date other than accessions to the property or assets subject to the Lien;

(j) (x) Liens on property or assets acquired pursuant to Section 4.10(l), provided that (A) such Liens apply only to the property or other assets subject to such Liens at the time of such acquisition and (B) such Liens existed at the time of such acquisition and were not created in contemplation thereof and (y) Liens securing Debt incurred pursuant to Section 4.03(q), provided that (A) such Liens are not created in contemplation of or in connection with such

acquisition or such Person becoming a Subsidiary and (B) such Liens shall not apply to any other Debt, property or assets of the Company or any Subsidiary;

(k) Liens that are not otherwise permitted under any other provision of this Section 4.05; provided that the Fair Market Value of the property and assets with respect to which such Liens are granted shall not at any time exceed $[50.0] million;

(l) good faith deposits in connection with leases to which the Company or any Subsidiary is party Incurred in the ordinary course of business;

(m) [reserved];

(n) Liens on specific items of inventory or other goods and proceeds of any person securing such Person's obligations to vendors or in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(o) deposits in the ordinary course of business to secure liability to insurance carriers;

(p) deposits, including into trust, to satisfy any redemption, defeasance (whether by covenant or legal defeasance) or discharge of Debt at the time of such deposit that is permitted to be paid under this Indenture;

(q) the Lien provided for in this Indenture securing the Trustee's compensation, reimbursement of expenses and indemnities hereunder;

(r) Liens securing the financing of insurance premiums in the ordinary course of the Company's or a Subsidiary's business; and

(s) Liens on the proceeds of one or more offerings of securities by the Company or any of its Subsidiaries deposited with an escrow agent (and any additional amounts required to be deposited with such escrow agent pursuant to an agreement with such escrow agent), or an account holding such amounts, in favor of such escrow agent for the benefit of holders of such securities; provided that any such Lien may not extend to any other Property of the Company or any Subsidiary;

Section 4.06 Limitation on Asset Sales.

(a) The Company will not, and will not permit any of its Subsidiaries to, conduct any Asset Sale, including any sale of any Equity Interest owned by it or any Subsidiary, nor will the Company permit any of the Subsidiaries to issue any additional Equity Interest in such Subsidiary, except:

(i) any disposition of (A)(1) Inventory at retail, (2) cash, cash equivalents and other cash management investments, and (3) obsolete, unused, uneconomic or unnecessary equipment, in each case of clause (1) through (3) above, in the ordinary course of business, and (B) Intellectual Property that, in the reasonable judgment of the Company, is (1) no longer economically practicable to maintain, (2) not material (individually or in the aggregate) to the conduct of the Securities Parties' and Subsidiaries' business or (3) not useful in the conduct of the Securities Parties' and Subsidiaries' business;

(ii) any disposition to a Subsidiary Guarantor; provided that if the property subject to such disposition constitutes Collateral immediately before giving effect to such disposition, such property continues to constitute Collateral subject to the Liens of the Securities Collateral Agent;

(iii) any sale or discount, in each case without recourse and in the ordinary course of business, of overdue Accounts (as defined in the ABL Credit Agreement) arising in the ordinary course of business, but only to the extent such Accounts are no longer Eligible Accounts Receivable (as defined in the ABL Credit Agreement) and such sale or discount is in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale);

(iv) non-exclusive licenses of Intellectual Property of the Securities Parties or any Subsidiary in the ordinary course of business, which do not interfere, individually or in the aggregate in any material respect with the conduct of the business of the Securities Parties and their Subsidiaries, taken as a whole, and leases, assignments or subleases in the ordinary course of business;

(v) sales of non-core assets acquired in connection with a Business Acquisition;

(vi) any issuance of Equity Interests of any Subsidiary by such Subsidiary to the Company or any other Subsidiary Guarantor;

(vii) any Asset Sales which constitute permitted Restricted Payments, Investments or Liens (other than by reference to this Section 4.06(a)(vii));

(viii) any sale, transfer or disposition to a third party of Stores, leases and Prescription Files closed at substantially the same time as, and entered into as part of a single related transaction with, the purchase or other acquisition from such third party of Stores, leases and Prescription Files of a substantially equivalent value;

(ix) [any Specified Regional Sale Transaction]; provided that at least 75% of the consideration paid to the Company or such Subsidiary in connection with such Asset Sale is in the form of Qualified Consideration;

(x) [reserved];

(xi) any Sale and Leaseback Transaction permitted pursuant to (A) Section 4.03(m) or (o) and (B) Section 4.09;

(xii) (A) any Permitted Real Estate Disposition and (B) any termination or expiration of any (or any portion of any) Real Estate Lease, sublease or other occupancy agreement (1) in accordance with its terms or (2) in connection with the discontinuance of the operations of any Real Estate, as certified by the Company in an Officer's Certificate to the Trustee; provided that the applicable the Real Estate is no longer deemed by the Company to be useful in the conduct of the Securities Parties' and Subsidiaries' business; provided, further that at least 75% of the consideration paid to the Company or such Subsidiary in connection with such Asset Sale is in the form of Qualified Consideration;

(xiii) foreclosures or governmental condemnations on assets;

(xiv) any sale or other disposition deemed to occur with creating, granting or perfecting a Lien not otherwise prohibited by this Indenture;

(xv) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business; and

(xvi) dispositions of assets pursuant to which (A) the Company or such Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the Property subject to such Asset Sale, (B) except in the case of a Permitted Asset Swap, at least 75% of the consideration paid to the Company or such Subsidiary in connection with such Asset Sale is in the form of Qualified Consideration, and (C) the Company delivers an Officers' Certificate to the Trustee certifying that such Asset Sale complies with the foregoing clauses (A) and (B);

(b) The Company or the applicable Subsidiary shall cause the Net Available Cash to be applied within 365 days after receipt thereof, at its option:

(i) to repay Senior Obligations;

(ii) to reinvest in Additional Assets or Expansion Capital Expenditures (including by means of an Investment in Additional Assets or Expansion Capital Expenditures by a Subsidiary with Net Available Cash received by the Company or another Subsidiary); provided, however, that if the assets that were the subject of such Asset Sale constituted Collateral, then such Net Available Cash must be reinvested in Additional Assets that are pledged at the time as Collateral to secure the Securities or the Subsidiary Guarantees of the Securities, subject to the Securities Collateral Documents, or in Expansion Capital Expenditures to improve assets that constitute Collateral securing the Securities or the Subsidiary Guarantees of the Securities at the time; or

(iii) any combination of the foregoing.

When the aggregate amount of Net Available Cash remaining following its application in accordance with Section 4.06 of the Indenture exceeds $[50.0] million (taking into account income earned on such Net Available Cash, if any), to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, the Company will be required to make an offer to purchase (the "Asset Sales Prepayment Offer") the Series A Securities which offer shall be in the amount of the Allocable Proceeds, on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth herein. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentence and provided that all Holders have been given the opportunity to tender their Series A Securities for purchase in accordance with this Indenture, the Company will be required to make the Asset Sales Prepayment Offer with respect to the Series B Securities, which offer shall be in the amount of any remaining Allocable Proceeds on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth herein. For the avoidance of doubt, the Asset Sales Prepayment Offers with respect to Series A Securities and Series B Securities can be conducted concurrently provided that Series A Securities are repurchased in priority to Series B Securities and no Series B Securities are repurchased unless all Series A Securities have been repurchased. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentences and provided that all Holders have been given the opportunity to tender their Securities for purchase in accordance with this Indenture, the Company or such Subsidiary may use such remaining amount for any purpose permitted by this Indenture and the amount of Net Available Cash will be reset to zero.

The term "Allocable Proceeds" will mean the product of:

(a) the remaining Net Available Cash following its application in accordance with this Section 4.06; and

(b) a fraction,

(1) the numerator of which is the aggregate principal amount of the Securities outstanding on the date of the Asset Sales Prepayment Offer; and

(2) the denominator of which is the sum of the aggregate principal amount of the Securities outstanding on the date of the Asset Sales Prepayment Offer and the aggregate principal amount of other Debt of the Company outstanding on the date of the Asset Sales Prepayment Offer that is pari passu in right of payment (without regard to security) with the Securities and subject to terms and conditions in respect of Asset Sales similar in all material respects to this Section 4.06 and requiring the Company to make an offer to purchase such Debt or otherwise repay such Debt at substantially the same time as the Asset Sales Prepayment Offer.

Within five Business Days after the Company is obligated to make an Asset Sales Prepayment Offer as described in the preceding paragraph, the Company shall send a written notice, by first-class mail or electronically, to the Holders, accompanied by such information regarding the Company and its Subsidiaries as the Company in good faith believes will enable such Holders to make an informed decision with respect to such Asset Sales Prepayment Offer. Such notice shall state, among other things, the purchase price and the purchase date (the "Purchase Date"), which shall be, subject to any contrary requirements of applicable law, a Business Day no

earlier than 20 Business Days nor later than 60 days from the date such notice is sent. Nothing shall prevent the Company from conducting an Asset Sales Prepayment Offer earlier than as set forth in this paragraph.

Not later than the date upon which written notice of an Asset Sales Prepayment Offer is delivered to the Trustee as provided above, the Company shall deliver to the Trustee an Officer's Certificate as to (a) the amount of the Asset Sales Prepayment Offer (the "Offer Amount"), (b) the allocation of the Net Available Cash from the Asset Sales pursuant to which such Asset Sales Prepayment Offer is being made and (c) the compliance of such allocation with the provisions of this Section 4.06. On or before the Purchase Date, the Company shall also irrevocably deposit with the Trustee or with the Paying Agent (or, if the Company or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) in cash an amount equal to the Offer Amount to be held for payment in accordance with the provisions of this Section 4.06. Upon the expiration of the period for which the Asset Sales Prepayment Offer remains open (the "Offer Period"), the Company shall deliver to the Trustee for cancellation the Securities or portions thereof that have been properly tendered to and are to be accepted by the Company. The Trustee or the Paying Agent shall, on the Purchase Date, mail or deliver payment to each tendering Holder in the amount of the purchase price. In the event that the aggregate purchase price of the Securities delivered by the Company to the Trustee is less than the Offer Amount, the Trustee or the Paying Agent shall deliver the excess to the Company immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

Holders electing to have a Security purchased shall be required to surrender the Security, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Purchase Date, or in the case of a Security represented by a Global Security, comply with the Depositary's policies and procedures related to the surrender of Securities. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Security purchased. If at the expiration of the Offer Period the aggregate principal amount of Securities surrendered by Holders exceeds the Offer Amount, in the case of Global Securities, Securities shall be settled in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, the Company shall select the Securities to be purchased on a pro rata basis for all Securities (with such adjustments as may be deemed appropriate by the Company so that only Securities in denominations of $1.00 or integral multiples of $1.00 in excess thereof shall be purchased, provided that the unpurchased portion of any Security will be in a principal amount of $1.00 or an integral multiple of $1.00 in excess thereof). Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the Securities surrendered.

At the time the Company delivers Securities to the Trustee that are to be accepted for purchase, the Company shall also deliver an Officer's Certificate stating that such Securities are to be accepted by the Company pursuant to and in accordance with the terms of this Section 4.06. A Security shall be deemed to have been accepted for purchase at the time the Trustee or the Paying Agent mails or delivers payment therefor to the surrendering Holder.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to this Section 4.06. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.06, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.06 by virtue thereof.

Section 4.07 Limitation on Transactions with Affiliates.

(a) The Company will not, and will not permit any Subsidiary to, directly or indirectly, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (an "Affiliate Transaction"), unless (i) the terms of such Affiliate Transaction are (A) set forth in writing, (B) in the best interests of the Company or such Subsidiary, as applicable, and (C) no less favorable, taken as a whole, to the Company or such Subsidiary, as applicable, than those that could be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of the Company or a Subsidiary as determined by the Board of Directors (including a majority of the disinterested members of the Board of Directors) or senior management of the Company in good faith; and (ii) if such Affiliate Transaction involves aggregate payments or value to the Affiliate in excess of $[25.0] million in any 12-month period, the Board of Directors (including a majority of the disinterested members of the Board of Directors) approves such Affiliate Transaction and, in its good faith

judgment, believes that such Affiliate Transaction complies with clauses (i)(B) and (i)(C) of this Section 4.07(a) as evidenced by a Board Resolution promptly delivered to the Trustee.

(b) Notwithstanding the foregoing limitation, the Company or any Subsidiary may enter into or suffer to exist the following:

(i) payment of compensation and related indemnities provided to directors, officers, consultants and employees of the Company or any of the Subsidiaries in the ordinary course of business;

(ii) transactions between or among the Company and/or one or more Subsidiaries;

(iii) the payment of any Transaction Expenses;

(iv) any transaction or series of transactions between the Company and one or more Subsidiaries or between two or more Subsidiaries;

(v) any Restricted Payment, Payment of Debt or Plan Payment permitted to be made pursuant to Section 4.04 or any Investments permitted to be made pursuant to Section 4.10;

(vi) loans (or cancellations thereof) and advances to employees made in the ordinary course of business in accordance with applicable law, provided that such loans and advances do not exceed $25.0 million in the aggregate at any one time outstanding;

(vii) any transaction effected as part of a Qualified Receivables Transaction or pursuant to a factoring arrangement or any transaction involving the transfer of accounts receivable permitted under Section 4.03(e);

(viii) any Affiliate Transaction, if such Affiliate Transaction is with any Person solely in its capacity as a holder of Debt or Equity Interests of the Company or any of its Subsidiaries, where (A) such Person is treated no more favorably than any other holder of such Debt or Equity Interests of the Company or any of its Subsidiaries or (B) such Affiliate Transaction results in a repurchase, redemption, cancellation or extinguishment of some or all of the Securites;

(ix) any agreement as in effect on the Issue Date or any amendment thereto (so long as such amendment is not disadvantageous to the Holders in any material respect as determined by the Company in good faith) or any transaction contemplated thereby;

(x) any Affiliate Transaction that involves aggregate payments or value to the Affiliate not in excess of $15.0 million;

(xi) payments of indemnification obligations to officers, managers and directors of the Company or any Subsidiary to the extent required by the organizational documents of such entity or applicable law;

(xii) any Affiliate Transaction in which the only consideration paid by the Company or any Subsidiary consists of Capital Stock (other than Disqualified Stock) of the Company;

(xiii) any Affiliate Transaction with any joint venture or special purpose entity engaged in a related business; provided that no more than 5% of the outstanding ownership interests of such joint venture or special purpose entity are owned by Affiliates of the Company;

(xiv) any Affiliate Transaction between the Company or any Subsidiary and any Person that is an Affiliate of the Company or any Subsidiary solely because a director of such Person is also a director of the Company; provided that such director abstains from voting as a director of the Company on any matter involving such other Person;

(xv) issuances or sales of Capital Stock (other than Disqualified Stock) of the Company to Affiliates or employees of or consultants to the Company and granting and performance of registration rights in respect of such Capital Stock;

(xvi) an Affiliate Transaction in which the Company delivers to the Trustee a copy of a written opinion as to the fairness of such Affiliate Transaction to the Company or such Subsidiary from a financial point of view issued by an Independent Financial Advisor;

(xvii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture which are fair to the Company and the Subsidiaries, in the reasonable determination of the Company or are on terms, taken as a whole, at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the majority of disinterested members of Board of Directors or senior management of the Company in good faith); and

(xviii) transactions involving the acquisition of Inventory in the ordinary course of business.

Section 4.08 Guarantees by Subsidiaries.

(a) (i) The Company shall cause each of its Subsidiaries that guarantees any of the Senior Obligations or any series of debt securities of the Company to Guarantee the Securities.

(ii) The Company shall not permit any Subsidiary that is not a Subsidiary Guarantor to Guarantee the payment of any Debt or Equity Interests of the Company (other than Guarantees of Debt incurred under clause (a) of Section 4.03 or Guarantees permitted pursuant to clauses (e), (f), (r), or (t)of Section 4.03, except that a Subsidiary that is not a Subsidiary Guarantor may Guarantee Debt of the Company; provided that:

(1) such Debt and the Debt represented by such Guarantee is permitted by Section 4.03;

(2) such Subsidiary executes and delivers a supplemental indenture to this Indenture within ten Business Days in the form of Exhibit D hereto providing for a Guarantee of payment of the Securities by such Subsidiary; and

(3) such Guarantee of Debt of the Company:

(A) unless such Debt is a Subordinated Obligation, shall be pari passu (or subordinate) in right of payment to and on substantially the same terms as (or less favorable to such Debt than but without regards as to security interest) such Subsidiary's Guarantee with respect to the Securities; and

(B) if such Debt is a Subordinated Obligation, shall be subordinated in right of payment to such Subsidiary's Guarantee with respect to the Securities to at least the same extent as such Debt is subordinated to the Securities.

(b) Upon any Subsidiary becoming a Subsidiary Guarantor as described above, such Subsidiary shall deliver to the Trustee an Opinion of Counsel to the effect that:

(1) such Guarantee of the Securities has been duly executed and authorized; and

(2) such Guarantee of the Securities constitutes a valid, binding and enforceable obligation of such Subsidiary, except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfers) and except insofar as enforcement thereof is subject to general principles of equity.

The failure of any Subsidiary to provide a Guarantee if then prohibited to do so by any Debt of the Company or a Subsidiary shall not constitute a violation of the covenant described above; provided, however, that at the time such prohibition no longer exists if a Guarantee would then be required to comply with such clauses, such Subsidiary provides such Guarantee.

Section 4.09 Limitation on Sale and Leaseback Transactions. The Company will not, and will not permit any of the Subsidiaries to, enter into any Sale and Leaseback Transaction, except

(a) to the extent constituting a Permitted Real Estate Disposition;

(b) Sale and Leaseback Transactions permitted by and effected pursuant to Section 4.03(m) or (o), which do not result in the creation or existence of any Liens (other than Liens permitted pursuant to Section 4.05);

(c) To the extent the Company or such Subsidiary would be entitled to Incur Debt in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction pursuant to Section 4.03, create a Lien on such Property securing such Attributable Debt without also securing the Securities or the applicable Subsidiary Guarantee pursuant to Section 4.05 and such Sale and Leaseback Transaction is effected in compliance with Section 4.06 to the extent such Sale and Leaseback Transaction constitutes an Asset Sale.

Section 4.10 Investments, Loans, Advances, Guarantees and Acquisitions. The Company will not, and will not permit any of the Subsidiaries to, make any Investment except:

(a) Permitted Investments;

(b) (i) Investments of the Company and the Subsidiary Securities Parties that are set forth on Schedule 6.04 of the ABL Credit Agreement and (ii) Investments made on or about the Issue Date to consummate any of the Restructuring and Asset Transfer Transactions;

(c) Guarantees of Debt and/or Guarantees consisting of Debt permitted by Section 4.03;

(d) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(e) (i) Investments by the Company or any Subsidiary Guarantor in Subsidiary Securities Parties; provided that the Company and such Subsidiary Guarantor, as the case may be, shall comply with the applicable provisions of Section 4.08 with respect to any newly formed Subsidiary, (ii) Investments by the Subsidiaries in the Company; provided that the proceeds of such Investments are used for general corporate and ongoing working capital purposes, (iii) Investments by any Subsidiary that is not a Subsidiary Guarantor in any other Subsidiary that is not a Subsidiary Guarantor or in any Subsidiary Guarantor, and (iv) other Investments by the Company or any Subsidiary Guarantor in any Subsidiary that is not a Subsidiary Guarantor in an amount not to exceed $[20.0] million in the aggregate at any one time;

(f) Investments consisting of non-cash consideration received in connection with any Asset Sale permitted by Section 4.06 (other than with respect to any sale of Inventory at retail in the ordinary course of business);

(g) usual and customary loans and advances to employees, officers and directors of the Company and the Subsidiaries, in the ordinary course of business; provided that the aggregate amount of such loans and advances outstanding at any time shall not exceed $11,000,000;

(h) Investments in charitable foundations organized under Section 501(c) of the Code in an amount not to exceed $3,300,000 in the aggregate in any calendar year;

(i) any Investment consisting of a Hedging Agreement permitted by Section 4.14;

(j) Investments held by any Person that becomes a Subsidiary at the time such Person becomes a Subsidiary; provided that no such Investment was made in contemplation of such Person becoming a Subsidiary;

(k) Investments consisting of Guarantees by the Company or any of its Subsidiaries of obligations of the Company or any of its Subsidiaries to the extent not constituting Debt and incurred in the ordinary course of business;

(l) Business Acquisitions and other Investments that are not otherwise permitted under any other provision of this Section 4.10; provided that, as of the date of such Business Acquisition or other Investment, and after giving effect thereto, each of the Payment Conditions shall be satisfied;

(m) Investments in Permitted Joint Ventures that do not exceed $[35.0] million (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(n) Investments in an amount not to exceed the Available Amount;

(o) Repurchases of the Securities and the Rollover Notes;

(p) Investments in a Related Business (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) not to exceed $[50.0] million; provided that if any Investment pursuant to this clause (p) is made in any Person that is not a Subsidiary at the date of the making of such Investment and such Person becomes a Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (e) above and shall cease to have been made pursuant to this clause (p) for so long as such Person continues to be a Subsidiary;

(q) so long as no Event of Default then exists or would result therefrom, additional Investments so long as the Consolidated Total Leverage Ratio as of the last day of the most recently ended Measurement Period (and calculated giving Pro Forma Effect to such Restricted Payment and as if such Restricted Payment was made as the last day of the most recently ended Measurement Period) is equal to or greater than 5.75 to 1.00;

(r) Investments in Receivables Entities required in connection with a Qualified Receivables Transaction (including the contribution or lending of cash and cash equivalents to Receivables Entities to finance the purchase of assets from the Company or any Subsidiary or to otherwise fund required reserves); and

(s) other Investments outstanding at any one time in the aggregate that do not exceed $[50.0] million (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

For purposes of determining compliance with this Section 4.10, in the event that a proposed Investment (or a portion thereof) meets the criteria of clauses (a) through (s) above and/or one or more of the clauses contained in the definition of "Permitted Investments," the Company may divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Investment (or a portion thereof) between such clauses (a) through (s) and one or more of the clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this Section 4.10.

Section 4.11 Additional Security Collateral Documents; After-Acquired Property.

(a) From and after the Issue Date, if the Company or any Subsidiary of the Company executes and delivers in respect of any Property of such Person any mortgages, deeds of trust, security agreements, pledge agreements or similar instruments to secure Debt or other obligations that at the time constitute ABL Loan Obligations or Rollover Notes Obligations (except for an Excluded Subsidiary that does so solely in respect of Debt or other obligations of itself or another Excluded Subsidiary), then the Company will, or will cause such Subsidiary to, within 90 days, execute and deliver substantially identical mortgages, deeds of trust, security agreements, pledge agreements or similar instruments in order to vest in the Securities Collateral Agent a perfected third priority security interest subject only to Liens permitted under the Indenture, the Intercreditor Agreements and any other applicable intercreditor agreement and/or collateral trust agreements, in such Property for the benefit of the Securities Collateral Agent on behalf of the Holders, among others, and

thereupon all provisions of this Indenture relating to the Collateral will be deemed to relate to such Property to the same extent and with the same force and effect.

(b) From and after the Issue Date, in the event that additional ABL Loan Obligations, Rollover Notes Obligations or any additional notes or other Debt are incurred or issued, the Securities Collateral Agent will be authorized and required to enter into amendments, joinders or supplements to the Intercreditor Agreements, other intercreditor agreements and/or collateral trust agreements (in each case in customary form, scope and substance), as applicable, to reflect the priority of the Liens securing any such debt.

(c) From and after the Issue Date, if any Subsidiary Guarantor acquires any property or asset that would constitute Collateral pursuant to the terms of the Security Collateral Documents, the applicable Subsidiary Guarantor will grant to the Holders a senior security interest (subject to Liens permitted under this Indenture) upon such property or asset as security for the Securities within 90 days of such acquisition.

Section 4.12 Change of Control.

(a) To the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, upon the occurrence of a Change of Control, each Holder shall have the right to require the Company to repurchase all or any part of such Holder's Securities pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the purchase date (subject to the right of holders of record on the relevant record date to receive interest due on an Interest Payment Date). If the purchase date is on or after a record date and on or before an Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Security is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Securities shall be subject to purchase. Securities may be purchased in part in principal amounts of $2,000 or an integral multiple of $1.00 in excess thereof; provided that the unpurchased portion of a Security must be in a principal amount of $2,000 or an integral multiple of $1.00 in excess thereof. Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the surrendered Securities.

(b) To the extent that the making of a Change of Control Offer is prohibited pursuant to the terms of any applicable Intercreditor Agreement, the Company shall not be required to make such Change of Control Offer. To the extent that the Company can make a Change of Control Offer only with respect to some, but not all, of the outstanding Securities pursuant to the terms of any applicable Intercreditor Agreement, the Company shall make such Change of Control Offer with respect to the maximum amount of the outstanding Securities permitted pursuant to the terms of any applicable Intercreditor Agreement. If a Change of Control Offer is to be made with respect to fewer than all of the Securities then outstanding, the Securities to be purchased shall, in the case of Global Securities, be selected on a pro rata basis in accordance with the Depositary's policies and procedures and, in the case of Definitive Securities, shall be selected by lot or by such other method as the Trustee considers fair and appropriate. Notwithstanding the foregoing, if the Securities are represented by Global Securities, beneficial interests therein will be selected for repurchase by DTC in accordance with its standard procedures therefor.

(c) Within 30 days following any Change of Control, the Company send, with a copy to the Trustee, to each Holder, at such Holder's address appearing in the Security Register, a notice stating: (i) that a Change of Control Offer is being made pursuant to this Section 4.12 and that, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, all Securities timely tendered will be accepted for payment; (ii) the Change of Control Purchase Price and the purchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is sent (the "Change of Control Payment Date"); (iii) the circumstances and relevant facts regarding the Change of Control; (iv) the procedures that Holders must follow in order to tender their Securities (or portions thereof) for payment and the procedures that Holders must follow in order to withdraw an election to tender Securities (or portions thereof) for payment (which, in the case of Global Securities, will permit holders to effect such procedures through the Depositary), and (v) the principal amount of

Securities that the Company may repurchase under the terms of any Senior Debt Documents or the Intercreditor Agreements (the "Change of Control Purchase Amount").

(d) Holders electing to have a Security purchased shall be required to surrender the Security, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Change of Control Payment Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Change of Control Payment Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Security purchased.

(e) On or prior to the Change of Control Payment Date, the Company shall irrevocably deposit with the Trustee or with the Paying Agent (or, if the Company or any of its Wholly Owned Subsidiaries is acting as the Paying Agent, segregate and hold in trust) in cash an amount equal to the Change of Control Purchase Amount payable to the Holders entitled thereto, to be held for payment in accordance with the provisions of this Section 4.12. On the Change of Control Payment Date, the Company shall deliver to the Trustee the Securities or portions thereof that have been properly tendered to and are to be accepted by the Company for payment. The Trustee or the Paying Agent shall, on the Change of Control Payment Date, mail or deliver payment to each tendering Holder the applicable amount of the Change of Control Purchase Amount. In the event that the aggregate Change of Control Purchase Amount is less than the amount delivered by the Company to the Trustee or the Paying Agent, the Trustee or the Paying Agent, as the case may be, shall deliver the excess to the Company immediately after the Change of Control Payment Date.

(f) If Holders of not less than 90% in aggregate principal amount of the outstanding Securities validly tender and do not withdraw such Securities in a Change of Control Offer and the Company or any other Person making a Change of Control Offer in lieu of the Company pursuant to paragraph (f) of this Section 4.12, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, purchases all of the Securities validly tendered and not withdrawn by such Holders, the Company will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Securities that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, to, but not including, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

(g) The Company shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at or prior to the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Securities properly tendered and not withdrawn under the Change of Control Offer (it being understood that such third-party may make a Change of Control Offer that is conditioned on and prior to the occurrence of a Change of Control pursuant to this Section 4.12), (ii) notice of redemption with respect to the Securities has been given pursuant to paragraph 5 of the Securities, unless there is a default in payment of the applicable redemption price, (iii) (A) no Default or Event of Default has occurred and is continuing, (B) the Change of Control transaction has been approved by the Board of Directors and (C) the Securities have received an Investment Grade Rating (with a stable or better outlook) from both Moody's and S&P during the period that begins 60 days prior to the earlier of (1) a Change of Control and (2) public notice of a Change of Control or of the intention by the Company to effect a Change of Control and ending 60 days after the applicable Change of Control, or (iv) the Change of Control Offer and the repurchase of the Securities is not permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements.

(h) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.12, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.12 by virtue thereof.

(i) To the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, a Change of Control Offer may be made in advance of a Change of Control, and conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of the making of the Change of Control Offer.

Section 4.13 Further Instruments and Acts. Upon request of the Trustee or as necessary, the Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 4.14 Hedging Agreements. The Company will not, and will not permit any of the Subsidiaries to, Incur or at any time be liable with respect to any monetary liability under any Hedging Agreements, unless such Hedging Agreements (a) are entered into for bona fide hedging purposes of the Company, any Subsidiary Guarantor (as determined in good faith by a member of the senior management of the Company at the time such Hedging Agreement is entered into), (b) correspond in terms of notional amount, duration, currencies and interest rates, as applicable, to Debt of the Company or any Subsidiary Guarantor permitted to be incurred under Section 4.03 or to business transactions of the Company and the Subsidiary Securities Parties on customary terms entered into in the ordinary course of business and (c) do not exceed an amount equal to the aggregate principal amount of the Obligations.

Section 4.15 Limitation on Restrictions on Distributions from Subsidiaries. The Company shall not, and shall not permit any Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist any consensual restriction on the right of any Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Equity Interests, or pay any Debt or other obligation owed, to the Company or any other Subsidiary;

(b) make any loans or advances to the Company or any other Subsidiary; or

(c) transfer any of its Property to the Company or any other Subsidiary.

The foregoing limitations will not apply:

(1) with respect to clauses (a) through (c), to restrictions

(A) in effect on the Issue Date;

(B) relating to Debt of a Subsidiary and existing at the time it became a Subsidiary if such restriction was not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by the Company;

(C) that result from the Refinancing of Debt Incurred pursuant to an agreement referred to in clause (1)(A) or (B) above or in clause (2)(A) or (B) below; provided that (x) such restriction is no less favorable to the Holders in any material respect, as reasonably determined by the Board of Directors or senior management of the Company, than those under the agreement evidencing the Debt so Refinanced or (y) the restriction is not materially more restrictive, taken as a whole, than customary provisions in comparable financings, as reasonably determined by the Board of Directors or senior management of the Company;

(D) resulting from the Incurrence of any Debt permitted pursuant to Section 4.03; provided that (i) (x) the restriction is not materially more restrictive, taken as a whole, as reasonably determined by the Board of Directors or senior management of the Company, than the restrictions of the same type contained in this Indenture, (y) the restriction is not materially more restrictive, taken as a whole, as reasonably determined by the Board of Directors or senior management of the Company, than the restrictions of the same type contained in the ABL Credit Agreement or (z) the restriction is not materially more restrictive, taken as a whole, than customary provisions in comparable financings, as reasonably determined by the Board of Directors or senior management of the Company, and (ii) the Board of Directors or senior management of the Company determines, at the time of such financing, that such financing will not impair the Company's ability to make payments as required under the Securities when due;

(E) existing by reason of applicable law, rule, regulation or order;

(F) any contractual requirements incurred with respect to Qualified Receivables Transactions relating exclusively to a Receivables Entity that, in the good faith determination of the principal financial officer of the Company, are customary for Qualified Receivables Transactions or in a factoring or similar transaction; or

(G) customary restrictions contained in joint venture and other similar agreements; and

(2) with respect to clause (c) only (and clause (a) with respect to clause (F) below), to restrictions:

(A) relating to Debt that is permitted to be Incurred and secured pursuant to Sections 4.03 and 4.05 that limit the right of the debtor to dispose of the Property securing such Debt;

(B) encumbering Property at the time such Property was acquired by the Company or any Subsidiary, so long as such restriction relates solely to the Property so acquired and was not created in connection with or in anticipation of such acquisition;

(C) resulting from customary provisions restricting subletting or assignment of leases or customary provisions in other agreements that restrict assignment of such agreements or rights thereunder;

(D) customary restrictions contained in agreements relating to the sale or other disposition of Property limiting the transfer of such Property pending the closing of such sale or following such sale if still in the possession of the Company or any of its Subsidiaries;

(E) resulting from purchase money obligations for Property acquired or Capital Lease Obligations that impose restrictions on the Property so acquired;

(F) resulting from restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with past practice or industry practice; or

(G) resulting from Liens permitted to be incurred under Section 4.05.

Section 4.16 [Reserved].

Section 4.17 Additional Amounts.

(a) All payments made by the Company in respect of the Securities or a Guarantor in respect of a Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Company or the relevant Guarantor is then incorporated or organized or resident for Tax purposes, any jurisdiction from or through which payment on behalf of the Company or Guarantor is made or any political subdivision or governmental authority thereof or therein having power to tax (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by or on behalf of the Company in respect of the Securities or the relevant Guarantor under its Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Company or the relevant Guarantor will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments (including payments of principal, redemption price, interest or premium) by each Holder (including Additional Amounts) after such withholding or deduction will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no Additional Amounts will be payable with respect to:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the Holder or the beneficial owner of the Security or Guarantee (or between a fiduciary, settler, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction, other than by the mere acquisition or holding of any Security or the enforcement or receipt of payment under or in respect of any Security or Guarantee;

(2) any Taxes imposed or withheld as a result of the failure of the Holder or beneficial owner of any Security or Guarantee to comply with any written request, made to that Holder or beneficial owner within a reasonable period before any such withholding or deduction would be payable, by the Company or a Guarantor to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirements (in each case, to the extent such Holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of such Taxes;

(3) any Taxes that are imposed or withheld as a result of the presentation of any Security or Guarantee for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder or beneficial owner (except to the extent that the Holder or beneficial owner would have been entitled to Additional Amounts had the Security been presented on the last day of such 30 day period);

(4) any estate, inheritance, gift, sale, excise, transfer, personal property or similar Tax or assessment;

(5) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to any Security or Guarantee;

(6) any Taxes that are imposed or withheld as a result of the presentation of any Security or Guarantee for payment by or on behalf of a Holder or beneficial owner of such Securities or Guarantee who would have been able to avoid such withholding or deduction by presenting the relevant Security or Guarantee to, or otherwise accepting payment from, another paying agent;

(7) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, any regulations promulgated thereunder, any official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(8) any combination of items (1) through (7) above.

(b) The relevant Guarantor will pay when due any present or future stamp, transfer, court or documentary Taxes or any other excise or property Taxes that arise in a Tax Jurisdiction with respect to the initial execution, delivery or registration of the Guarantee or any other document or instrument relating thereto (other than the Securities).

(c) The relevant Guarantor will use reasonable efforts to furnish to the Holders, within a reasonable period of time after the due date for the payment of any Taxes so deducted or withheld pursuant to applicable law, either certified copies of Tax receipts evidencing such payment by such Guarantor (in such form as provided in the ordinary course by the relevant Tax Jurisdiction and as is reasonably available to the Guarantor), or, if such receipts are not obtainable, other evidence of such payments by such Guarantor reasonably satisfactory to the Holders.

Notwithstanding the foregoing or anything herein to the contrary, no Additional Amounts or other amounts due under this Section 4.17 shall be paid in cash on Series B Securities until after all such amounts due under this Section 4.17 on Series A Securities shall have been paid in full.

Section 4.18 [Reserved].

Section 4.19 [Reserved].

Section 4.20 Changes to Fiscal Calendar. Without the prior written consent of the Holders of the majority in aggregate principal amount of the outstanding Securities, the Company will not, and will not permit any Subsidiary to, change its fiscal year or method for determining its fiscal quarters or fiscal months.

Section 4.21 Notices of Material Events. The Company will furnish to the Trustee and each Holder prompt written notice after any Officer of the Company obtains knowledge of any of the following:

(a) the occurrence of any Default;

(b) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the security interests created by the Securities Documents for the benefit of the Securities Collateral Agent or on the aggregate value of the Collateral; and

(c) any notice received by any Securities Party or any Subsidiary (or any of their representatives) alleging any Securities Party's or any Subsidiary's failure to perform any of its obligations under any Plan Document.

Each notice delivered under Section 4.21 above shall be accompanied by a statement of an Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 4.22 Information Regarding Collateral. The Company will furnish to the Trustee prompt written notice of any change (i) in any Securities Party's corporate name, (ii) in the location of any Securities Party's jurisdiction of incorporation or organization, or (iii) in any Securities Party's form of organization. The Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made (or arrangements have been approved by the Trustee, acting reasonably, for such filings to be made) under the Uniform Commercial Code or otherwise that are required in order for the Securities Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral for the benefit of the Securities Collateral Agent.

Section 4.23 Existence; Conduct of Business. Except as otherwise permitted by this Indenture, the Company will continue, and will cause each Subsidiary to continue, to engage in business of the same general type as now conducted by the Company and including any related or supplemental business. The Company will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, and franchises, in each case material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation, dissolution or sale of assets permitted under Article V or Section 4.06.

Section 4.24 Maintenance of Properties. The Company will, and will cause each of the Subsidiaries to, keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear excepted except where failure to do so, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 4.25 Statement as to Compliance.

The Company will deliver to the Trustee within 120 days after the end of each fiscal year ending after the Issue Date an Officer's certificate stating whether or not to the best knowledge of the signer thereof the Company, to extent required in Section 314(a)(4) of the Trust Indenture Act, an is in compliance (without regard to periods of grace or notice requirements) with all

conditions and covenants under this Indenture, and if the Company shall not be in compliance, specifying such non-compliance and the nature and status thereof of which such signer may have knowledge.

Section 4.26 Statement by Officers as to Default.

The Company shall deliver to the Trustee, as soon as possible and in any event within 30 days after the Company becomes aware of the occurrence of any Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officer's Certificate setting forth the details of such Event of Default or default and the action which the Company proposes to take with respect thereto.

Section 4.27 Elixir Rx Distributions.

The Company shall, and shall cause its Subsidiaries and EIC to, (i) transfer all proceeds of the Elixir Rx Intercompany Claim and other distributable value at EIC, including the cash proceeds of the 2023 CMS Receivable, to the Elixir Escrow Account maintained with the Elixir Escrow Account Bank in accordance with the Plan of Reorganization and the Plan Confirmation Order within one (1) Business Day after receipt by EIC of any cash proceeds of the 2023 CMS Receivable, (ii) ensure that the Elixir Escrow Account is at all times subject to the Elixir Escrow Agreement, which shall be subject to the consent rights set forth in this Indenture and the Plan of Reorganization, and (iii) cause the Elixir Escrow Account Bank to promptly distribute the proceeds of the Elixir Rx Intercompany Claim and other distributable value at EIC, including the cash proceeds of the 2023 CMS Receivable, in the Elixir Escrow Account in accordance with the Elixir Escrow Agreement and the Elixir Rx Distributions Schedule set forth in the Plan of Reorganization.

The Company shall not, and shall not permit its Subsidiaries or EIC to, consent to any amendments, amendments and restatements, restatements, modifications or waivers to the Elixir Escrow Account, the Elixir Rix Distributions Schedule, or the Elixir Rx Intercompany Claim without the consent of the Trustee (acting at the direction of holders of a majority in principal amount of the Securities).

ARTICLE V

Successor Company

Section 5.01 When Company May Merge or Transfer Assets.

(a) The Company shall not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions unless:

(1) the Company or the Person formed by or surviving or continuing any such merger consolidation or amalgamation (if other than the Company) or to which such sale, transfer, assignment, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company or similar entity organized or existing under the laws of the United States of America, any State thereof or the District of Columbia will be the surviving Person (the "Surviving Person"), provided that, if such other Person is a Subsidiary Guarantor, it shall have no assets that constitute Collateral;

(2) the Surviving Person (if other than the Company) expressly assumes all the obligations of the Company under this Indenture, the Securities and the relevant Security Documents, as applicable, pursuant to a supplemental indenture or other applicable documents or instruments;

(3) in the case of a sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all the Property of the Company, such Property shall have been transferred as an entirety or virtually as an entirety to one Person (including its Subsidiaries);

(4) at the time thereof and immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing; and

(5) the Company shall deliver, or cause to be delivered, to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this Section 5.01 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

(b) The Company shall not permit any Subsidiary Guarantor to merge, consolidate or amalgamate with or into any other Person (other than a merger of a Wholly Owned Subsidiary into such Subsidiary Guarantor, or a merger of a Subsidiary Guarantor into the Company or another Subsidiary Guarantor) or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions unless:

(1) such Subsidiary Guarantor will be the Surviving Person or the Surviving Person (if other than such Subsidiary Guarantor) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made will be an entity organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(2) the Surviving Person (if other than such Subsidiary Guarantor) expressly assumes, by a Subsidiary Guarantee or a supplement to the ABL Subsidiary Guarantee Agreement or a supplemental indenture, executed and delivered to the Trustee by such Surviving Person, the due and punctual performance and observance of all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee;

(3) at the time thereof and immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing;

(4) in the case of a Subsidiary Guarantor that is not a wholly-owned Subsidiary, such transaction or series of transactions shall also be permitted by Section 4.04; and

(5) the Company shall deliver, or cause to be delivered, to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such transaction and such Subsidiary Guarantee, if any, in respect thereto comply with this Section 5.01 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

The foregoing provisions (other than clause (3)) shall not apply to (A) any transactions which do not constitute an Asset Sale if the Subsidiary Guarantor is otherwise being released from its Subsidiary Guarantee at the time of such transaction in accordance with this Indenture and the Securities Collateral Documents or (B) any transactions which constitute an Asset Sale if the Company has complied with Section 4.06 and the Subsidiary Guarantor is released from its Subsidiary Guarantee at the time of such transaction in accordance with this Indenture and the Securities Collateral Documents.

The Surviving Person shall succeed to, and be substituted for, and may exercise every right and power of the Subsidiary Guarantor under the Subsidiary Guarantee and the applicable Subsidiary Guarantor shall be released from its obligations under this Indenture other than in the case of a lease (in which case the predecessor company shall not be released from its obligation to pay the principal of, premium, if any, and interest on the Securities). Subject to the foregoing, following the merger, consolidation or amalgamation of any Subsidiary Guarantor or the sale, transfer, assignment, conveyance or other disposition of all or substantially all a Subsidiary Guarantor's Property in any one transaction or series of transactions, all references to the "Subsidiary Guarantor" under the Subsidiary Guarantee shall be deemed to refer to the Surviving Person.

ARTICLE VI

Defaults and Remedies

Section 6.01 Events of Default. The following events shall be "Events of Default":

(a) the Company fails to make the payment of any interest on any of the Securities when the same becomes due and payable, and such failure continues for a period of 30 days;

(b) the Company fails to make the payment of any principal of, or premium, if any, on any of the Securities when the same becomes due and payable at its Maturity Date, or upon acceleration, redemption, optional redemption, required repurchase or otherwise (it being understood that Series B Securities shall not be accelerated, redeemed or otherwise repurchased prior to payment in full of Series A Securities);

(c) the Company fails to comply with Article V;

(d) the Company fails to comply for 30 days after written notice is given by the Trustee or the Holders of not less than 30% in principal amount of the Securities (with a copy to the Trustee) with any covenant or agreement in the Securities or in this Indenture (other than a failure that is the subject of the foregoing clauses (a), (b) or (c)) ;

(e) (i) a default under the ABL Credit Agreement by the Company or any Subsidiary that (x) constitutes a payment default, including a failure to pay any such Debt at final maturity (in each case after giving effect to applicable grace periods) or (y) results in acceleration of the final maturity of such Debt, (ii) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Debt, including any obligation to reimburse letter of credit obligations or to post cash collateral with respect thereto, when and as the same shall become due and payable or within any applicable grace period, or (iii) any event or condition occurs that results in any Material Debt becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Material Debt or any trustee or agent on its or their behalf to cause any such Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (e) shall not apply to any such Material Debt that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Material Debt; provided, further that this clause (e) shall not apply to any mandatory repurchase offer or other mandatory repurchase, redemption or prepayment obligation of the Company that may arise under convertible debt to the extent that the making of such mandatory repurchase by the Company is otherwise permitted under this Indenture;

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any Subsidiary, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) The Company or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely manner, any proceeding or petition described in Section 6.01(f), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) any Subsidiary Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of the Securities Collateral Documents and this Indenture) and such default continues for 20 days after notice as provided below or any Subsidiary Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Subsidiary Guarantee (the "guarantee provisions");

(i) One or more judgments for the payment of money in an aggregate amount in excess of $[38,500,000] shall be rendered against the Company, any Subsidiary or any combination thereof (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) and the same shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(j) Any ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted or could reasonably be expected to result in a Material Adverse Effect;

(k) (i) Any Lien purported to be created under any Securities Collateral Document shall cease to be a valid and perfected Lien on any material portion of the Collateral, with the priority required by the Securities or the Company or any Subsidiary shall so assert in writing, except as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Securities Collateral Documents and except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Securities Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Securities Collateral Documents or to file Uniform Commercial Code amendments relating to a Securities Party's change of name, entity type or jurisdiction of formation (solely to the extent that the Company provides the Trustee written notice thereof in accordance with this Indenture) and continuation statements or to take any other action primarily within its control with respect to the Collateral, or (ii) any Securities Collateral Document shall become invalid, or the Company or any Subsidiary shall so assert in writing; and

(l) the Company fails to make a Change of Control Offer in accordance with Section 4.12 or the Company completes a Change of Control Offer with respect to fewer than all Securities then outstanding.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (d), (i) or (m) of this Section 6.01 is not an Event of Default until the Trustee notifies the Company of such Default or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding notify the Company and the Trustee of the Default and the Company does not cure such Default within the time specified after receipt of such notice; provided that a notice of Default may not be given with respect to any action taken, and reported publicly or to holders, more than two years prior to such notice of Default. Such notice must specify the Default, demand that it be remedied and state that such notice is a "notice of Default".

The Company shall deliver to the Trustee, within 30 days after it becomes aware of the occurrence thereof, written notice in the form of an Officer's Certificate of any event that with the giving of notice or the lapse of time would become an Event of Default, its status and what action the Company is taking or proposes to take with respect thereto.

Section 6.02 Acceleration. If an Event of Default with respect to the Securities (other than an Event of Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company) shall have occurred and be continuing, the Trustee by notice to the Company, or the Holders of not less than 30% in aggregate principal amount of the Securities then outstanding by notice to the Company and the Trustee, may declare to be immediately due and payable an amount equal to 100% of the principal amount of the Securities then outstanding, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the date of such payment. Upon such a declaration, such principal, premium and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company occurs, the principal of and premium (including the Applicable Premium) and accrued and unpaid interest on all the Securities shall, automatically and without any action by the Trustee or any Holder, become and be immediately due and payable. The Holders of a majority in aggregate principal amount of the outstanding Securities by notice to the Trustee and the Company may rescind and annul such declaration of acceleration if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, or interest that has become due solely because of the acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

Without limiting the generality of the foregoing, in the event the Securities are accelerated or otherwise become due prior to the applicable maturity date, in each case, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Event of Default arising under Section 6.01(f) or Section 6.01(g) (including the acceleration of claims by operation of law)) or an

Applicable Premium Event, the amount that becomes due and payable upon such Applicable Premium Event shall include the Applicable Premium. In any such case, the Applicable Premium shall constitute part of the obligations payable by the Company (and guaranteed by the Subsidiary Guarantors) in respect of the Securities, which obligations are secured by the Collateral, and constitutes liquidated damages, not unmatured interest or a penalty, as the actual amount of damages to the holders as a result of the relevant Applicable Premium Event would be impracticable and extremely difficult to ascertain. Accordingly, the Applicable Premium is provided by mutual agreement of the Company and the Subsidiary Guarantors and the Holders as a reasonable estimation and calculation of such actual lost profits and other actual damages of such holders. Without limiting the generality of the foregoing, it is understood and agreed that upon the occurrence of any Applicable Premium Event, the Applicable Premium shall be automatically and immediately due and payable as though any Securities subject to such Applicable Premium Event were voluntarily prepaid as of such date and shall constitute part of the obligations payable by the Company (and guaranteed by the Subsidiary Guarantors) in respect of the Securities, which obligations are secured by the Collateral. The Applicable Premium shall also be automatically and immediately due and payable if the Securities are satisfied, released or discharged by foreclosure (whether by power of judicial proceeding or otherwise), deed in lieu of foreclosure or by any other means. THE COMPANY AND THE SUBSIDIARY GUARANTORS HEREBY EXPRESSLY WAIVE (TO THE FULLEST EXTENT THEY MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR OTHER LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREMIUM IN CONNECTION WITH ANY SUCH EVENTS, ANY RESCISSION OF SUCH ACCELERATION OR THE COMMENCEMENT OF ANY BANKRUPTCY OR INSOLVENCY EVENT. The Company and the Subsidiary Guarantors expressly agree (to the fullest extent it and they may lawfully do so) that with respect to the Applicable Premium payable under the terms of this Indenture: (i) the Applicable Premium is reasonable and is the product of an arm's length transaction between sophisticated business parties, ably represented by counsel; (ii) the Applicable Premium shall be payable notwithstanding the then-prevailing market rates at the time payment is made; (iii) there has been a course of conduct between the Holders and the Company and the Subsidiary Guarantors giving specific consideration in this transaction for such agreement to pay the Applicable Premium; and (iv) the Company and the Subsidiary Guarantors shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company and the Subsidiary Guarantors expressly acknowledge that their agreement to pay the Applicable Premium as herein described is a material inducement to the Holders to purchase the Securities. Nothing in this paragraph is intended to limit, restrict, or condition any of the Company's or the Subsidiary Guarantors' obligations or any of the Holders' rights or remedies hereunder.

Section 6.03 Other Remedies. Subject in all cases to the terms of the Intercreditor Agreements, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of, premium, if any, or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative and are subject in all cases to the terms of the Intercreditor Agreements.

Section 6.04 Waiver of Past Defaults. The Holders of a majority in aggregate principal amount of the Securities then outstanding by notice to the Trustee may waive an existing Default and its consequences except a Default in the payment of the principal of, premium, if any, or interest on a Security unless any such principal, premium or interest has been paid to all Holders in full. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

Section 6.05 Control by Majority. The Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Securities. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Holders (if being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such holders) or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action or following any direction hereunder, the Trustee shall be entitled to indemnification or security reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

Section 6.06 Limitation on Suits. A Holder may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) such Holder shall have previously given to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 30% in aggregate principal amount of the Securities then outstanding shall have made a written request, and such Holder or Holders shall have offered indemnity reasonably satisfactory to the Trustee to pursue a remedy;

(3) the Trustee has failed to institute such proceeding and has not received from the Holders of at least a majority in aggregate principal amount of the Securities outstanding a direction inconsistent with such request, within 60 days after such notice, request and offer; and

(4) such action is permitted under the Intercreditor Agreements.

The foregoing limitations on the pursuit of remedies by a Holder shall not apply to a suit instituted by a Holder for the enforcement of payment of the principal of and premium, if any, or interest payable with respect to such Security on or after the applicable due date specified in such Security.

Section 6.07 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, subject to the Intercreditor Agreements, the right of any Holder to receive payment of principal of, premium, if any, and interest on the Securities held by such Holder, on or after the respective due dates expressed or provided for in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 Collection Suit by Trustee. Subject in all cases to the terms of the Intercreditor Agreements, if an Event of Default specified in Section 6.01(a) or Section 6.01(b) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

Section 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, its creditors or its property and, any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders (it being understood it shall be under no obligation to do so), to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to, or, on behalf of any Holder, to authorize, accept or adopt any plan of reorganization, arrangement, adjustment or composition affecting the Securities of the applicable series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, subject to the terms of the Intercreditor Agreements, it shall pay out the money or property in the following order:

FIRST: to the Trustee and the Securities Collateral Agent for amounts due to each under Section 7.07;

SECOND: to Holders of Series A Securities for amounts due and unpaid on the Series A Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series A Securities for principal, premium, if any, and interest, respectively;

THIRD: to Holders of Series B Securities for amounts due and unpaid on the Series B Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series B Securities for principal, premium, if any, and interest, respectively; and

FOURTH: to the Company or as a court of competent jurisdiction shall direct in writing.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, the Company shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in aggregate principal amount of the Securities.

Section 6.12 Waiver of Stay or Extension Laws. The Company (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

Trustee

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, and subject in all cases to the terms of the Intercreditor Agreements, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of certificates or opinions specifically required by any provision hereof to be furnished to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01 and the provisions of the Trust Indenture Act.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section, and the provisions of this Article VII (except Section 7.01(a) and the lead-in to Section 7.01(b)) shall apply to the Trustee in its role as Registrar, Paying Agent and Custodian.

(i) The Trustee shall not be deemed to have notice of a Default or an Event of Default unless (a) a Trust Officer of the Trustee has received written notice thereof from the Company or any Holder and such notice references the Securities and this Indenture.

(j) The Trustee and the Securities Collateral Agent are authorized to, and shall enter into the Intercreditor Agreements and bind the Holders to the Intercreditor Agreements (it being understood and agree that the Trustee, the Securities Collateral Agent and each of the Holders, and their respective successors and assigns, shall be subject to, and comply with, all terms and conditions of the Intercreditor Agreements).

Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document. The Trustee may, however, in its discretion make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers; provided, however, that, subject to paragraph (b) of Section 7.01, the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(i) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

Section 7.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.04 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity, priority or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

Section 7.05 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each Holder notice of the Default or Event of Default, in the manner and to the extent provided in the Trust Indenture Act Section 313(c), within 30 days after written notice of it is received by a Trust Officer of the Trustee. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Security, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Holders.

Section 7.06 Reports by Trustee to Holders of the Notes. Within 60 days after each December 31, beginning with the December 31 following the date of this Indenture, and for so long as Securities remain outstanding, the Trustee shall deliver to the Holders of the Securities a brief report dated as of such reporting date that complies with Trust Indenture Act Section 313(a) (but if no event described in Trust Indenture Act Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with Trust Indenture Act Section 313(b). The Trustee shall also transmit by mail all reports as required by Trust Indenture Act Section 313(c).

A copy of each report at the time of its delivery to the Holders of Securities shall be delivered to the Company and filed with the Commission and each stock exchange, if any, on which the Securities are listed in accordance with Trust Indenture Act Section 313(d). The Company shall promptly notify the Trustee in writing when, if applicable, the Securities are listed on any stock exchange and of any delisting thereof.

Section 7.07 Compensation and Indemnity. The Company and the Subsidiary Guarantors, jointly and severally, shall pay to the Trustee and the Securities Collateral Agent from time to time reasonable compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company and the Subsidiary Guarantors, jointly and severally, shall reimburse the Trustee and the Securities Collateral Agent upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses

shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's and the Securities Collateral Agent's agents, counsel, accountants and experts. The Company and the Subsidiary Guarantors, jointly and severally, shall indemnify the Trustee and the Securities Collateral Agent against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company promptly of any claim of which a Trust Officer has received notice for which it may seek indemnity. Failure by the Trustee or the Securities Collateral Agent to so notify the Company shall not relieve the Company of its obligations hereunder unless the Company has been prejudiced thereby. The Company shall defend the claim, and the Trustee and the Securities Collateral Agent may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by (i) the Trustee through the Trustee's own willful misconduct or gross negligence, or (ii) the Securities Collateral Agent through the Securities Collateral Agent's own willful misconduct or gross negligence. The Company need not pay for any settlement made by the Trustee or the Securities Collateral Agent without the Company's consent, such consent not to be unreasonably withheld. All indemnifications and releases from liability granted hereunder to the Trustee and the Securities Collateral Agent shall extend to its officers, directors, employees, agents, successors and assigns.

To secure the Company's payment obligations in this Section 7.07, the Trustee and the Securities Collateral Agent shall have a lien prior to the Securities on all money or property held or collected by the Trustee and the Securities Collateral Agent other than money or property held in trust to pay principal of and interest on particular Securities.

The Company's payment obligations pursuant to this Section 7.07 shall survive the resignation or removal of the Trustee or the Securities Collateral Agent and the discharge or termination of this Indenture. Without prejudice to any other rights available to the Trustee and the Securities Collateral Agent under applicable law, but subject to the terms of the Intercreditor Agreements, when the Trustee or the Securities Collateral Agent incurs expenses after the occurrence of a Default specified in Section 6.01(f) or Section 6.01(g) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

The Trustee shall comply with the provisions of the Trust Indenture Act Section 313(b)(2) to the extent applicable.

Section 7.08 Replacement of Trustee. The Trustee may resign at any time by so notifying the Company. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee; provided that so long as no Default or Event of Default has occurred and is continuing, the Company shall have the right to consent to the successor Trustee, such consent not to be unreasonably withheld. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Securities then outstanding, and (in the case of a removal by Holders) such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall cause to be delivered a notice of its succession to Holders. The retiring Trustee shall upon payment of its outstanding fees, expenses and all amounts due it hereunder promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in aggregate principal amount of the Securities then outstanding may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Holder who has been a bona fide Holder of a Security for at least six months may petition at the expense of the Company any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any such successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

Section 7.10 Eligibility; Disqualification. There shall at all times be a Trustee hereunder that is a corporation or national banking association organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of Trust Indenture Act Sections 310(a)(1), (2) and (5). The Trustee is subject to Trust Indenture Act Section 310(b).

Section 7.11 Preferential Collection of Claims Against the Company. The Trustee is subject to Trust Indenture Act Section 311(a), excluding any creditor relationship listed in Trust Indenture Act Section 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the extent indicated therein.

ARTICLE VIII

Discharge of Indenture; Defeasance

Section 8.01 Discharge of Liability on Securities; Defeasance.

(a) When (i) the Company delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.08 or Securities for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company as provided in the second paragraph of Section 8.04) for cancelation or (ii) all outstanding Securities have become due and payable, whether at maturity or as a result of the delivery of a notice of redemption pursuant to Article III, or will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee, and the Company irrevocably deposits with the Trustee funds (comprised of cash to be held uninvested and/or U.S. Government Obligations) sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.08), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Section 8.01(c) and Section 8.02, the Company at any time may terminate (i) all of its obligations under the Securities and this Indenture ("legal defeasance option") or (ii) its obligations under Section 4.02, Section 4.03, Section 4.04, Section 4.05, Section 4.06, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.13, Section 4.14, Section 4.15, Section 4.16, Section 4.17, Section 4.18, Section 4.19, Section 4.20, Section 4.21, Section 4.22, Section 4.24 and the operation of Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(h), Section 6.01(i), Section 6.01(j), Section 6.01(k) and Section 6.01(l) (but, in the case of Section 6.01(f) and Section 6.01(g), with respect only to Subsidiaries) and the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections Section 6.01(e), Section 6.01(f), Section 6.01(g), Section 6.01(h), Section 6.01(i), Section 6.01(j), Section 6.01(k) and Section 6.01(l)(but, in the case of Sections Section 6.01(f) and Section (g), with respect only to Subsidiaries) or because of the failure of the Company to comply with the limitations contained in clauses (2) through (4) of Section 5.01(a) and Section 5.01(b). If the Company exercises its legal defeasance option or its covenant defeasance option, the Liens, as they pertain to the Securities, will be released and each Subsidiary Guarantor will be released from all its obligations under its Subsidiary Guarantee, as it pertains to the Securities.

Upon satisfaction of the conditions set forth herein and upon written request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections Section 2.04, Section 2.05, Section 2.06, Section 2.07, Section 2.08, Article VII, Section 8.05 and Section 8.06 shall survive until the Securities have been paid in full. Thereafter, the Company's obligations in Sections Section 7.07 and Section 8.05 shall survive such satisfaction and discharge.

Section 8.02 Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(a) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, which through the scheduled payments of principal and interest thereon will provide funds in an amount sufficient, or a combination thereof sufficient (without any reinvestment of the income therefrom) to pay the principal of, premium, if any, and interest on the Securities to maturity or redemption, as the case may be, and the Company shall have specified whether the Securities are being defeased to maturity or to a particular Redemption Date;

(b) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent certified public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Securities to maturity or redemption, as the case may be;

(c) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions following the deposit, the trust funds will not be subject to the effect of Section 547 of Title 11 of the United States Code;

(d) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto (other than any Default or Event of Default resulting from the borrowing of funds (and granting of related Liens) to fund the deposit);

(e) such deposit does not constitute a default under any other agreement or instrument binding on the Company;

(f) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that

(1) the Company has received from the Internal Revenue Service a ruling; or

(2) since the date of this Indenture there has been a change in the applicable Federal income tax law, to the effect, in either case, that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(g) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(h) the Company delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article VIII have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date in accordance with Article III.

Section 8.03 Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of, premium, if any, and interest on the Securities.

Section 8.04 Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors and all liability of the Trustee or such Paying Agent with respect to such money shall thereupon cease.

Section 8.05 Indemnity for Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.06 Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article VIII; provided, however, that, if the Company has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE IX

Amendments

Section 9.01 Without Consent of Holders. Without the consent of any Holders, the Company, the Subsidiary Guarantors and the Trustee may amend this Indenture, the Securities and, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, in each case without notice to:

(a) cure any ambiguity, omission, defect or inconsistency identified in an Officer's Certificate of the Company, which states that such cure is a good faith attempt by the Company to reflect the intention of the parties to this Indenture, delivered to the Trustee and the Securities Collateral Agent;

(b) provide for the assumption by a successor company of the obligations of the Company or any Subsidiary Guarantor under this Indenture, the Securities or any Securities Collateral Documents under and in accordance with this Indenture, the Securities or any Securities Collateral Document, as the case may be;

(c) provide for uncertificated Securities in addition to or in place of certificated Securities;

(d) add additional Guarantees with respect to the Securities or release Subsidiary Guarantors from Subsidiary Guarantees as provided by the terms of this Indenture and the Subsidiary Guarantees;

(e) further secure the Securities (and if such security interest includes Liens on Property of the Company, provide for releases of such Property on terms comparable to the terms on which Collateral constituting Property of Subsidiary Guarantors may be released), add to the covenants of the Company or the Subsidiary Guarantors for the benefit of the Holders or surrender any right or power herein conferred upon the Company or any Subsidiary Guarantor;

(f) make any change to this Indenture, the Securities or the Subsidiary Guarantees that does not adversely affect the rights of any Holder in any material respect upon delivery to the Trustee of an Officer's Certificate of the Company certifying the absence of such adverse effect;

(g) amend this Indenture to extend the Stated Maturity of the Securities pursuant to Section 2.16 in connection with the ABL Facility, as extended, renewed, replaced or refinanced, that remains outstanding;

(h) evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee;

(i) comply with the rules of any applicable securities depositary; provided, however, that such amendment does not materially and adversely affect the rights of holders to transfer the Securities;

(j) to comply with any requirement of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act;

(k) to provide for the release of the Collateral from the Liens in accordance with the terms of this Indenture and the Intercreditor Agreements;

(l) in the event that PIK Securities are issued in certificated form, to make appropriate amendments to reflect an appropriate minimum denomination of certificated PIK Securities, and establish minimum redemption amounts for certificated PIK Securities;

(m) make any amendment to the provisions of this Indenture relating to the transfer and legending or de-legending of the Securities; provided, however, that (i) compliance with this Indenture as so amended would not result in the Securities being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer the Securities; or

(n) to provide for the accession of any parties to the Securities Documents or the Intercreditor Agreements, as applicable (and other amendments to such documents that in either case are administrative or ministerial in nature) in connection with an incurrence of additional Debt to the extent permitted by the Securities Documents.

After an amendment under this Section 9.01 becomes effective, the Company shall deliver to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

Section 9.02 With Consent of Holders. (a) The Company, when authorized by a Board Resolution, the Subsidiary Guarantors and the Trustee may amend this Indenture, the Securities or, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, waive any past default or compliance with any provisions (except, in the case of this Indenture, as provided in Section 6.04) and the Subsidiary Guarantee provided by a Subsidiary Guarantors may be released, with the consent of the Holders of at least a majority in aggregate principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Securities). However, without the consent of each Holder affected thereby, an amendment may not:

(1) amend this Indenture to reduce the amount of Securities whose Holders are required to consent to an amendment, modification, supplement or waiver;

(2) amend this Indenture to reduce the rate of or extend the time for payment of interest or Applicable Premium on any Security;

(3) amend this Indenture to reduce the principal of or extend the Stated Maturity of any Security, except as provided in Section 9.01(g);

(4) amend this Indenture to make any Security payable in money other than that stated in the Security;

(5) amend this Indenture or any Subsidiary Guarantee to impair the right of any Holder to receive payment of principal of, premium, if any, and interest on such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Securities or any Subsidiary Guarantee (except as set forth in the Intercreditor Agreements);

(6) amend this Indenture or any Subsidiary Guarantee to subordinate the Securities or any Subsidiary Guarantee to any other obligation of the Company or the applicable Subsidiary Guarantor (except as set forth in the Intercreditor Agreements);

(7) amend this Indenture to reduce the premium payable upon the redemption of any Security or change the time (other than amendments related to notice provisions) at which any Security may be redeemed in accordance with Article III;

(8) waive a Default in the payment of principal of or premium, if any, or interest on the Securities, except a rescission of acceleration of the Securities by the Holders of at least a majority in aggregate principal amount of the Securities and a waiver of the payment default that resulted from such acceleration;

(9) at any time after the Company is obligated to make an Asset Sales Prepayment Offer with the Net Available Cash from Asset Sales, amend this Indenture to change the time at which such Asset Sales Prepayment Offer must be made or at which the Securities must be repurchased pursuant thereto;

(10) release the Company or all or substantially all of the Subsidiary Guarantors from their Guarantees, unless, in the case of a Subsidiary Guarantor, all or substantially all the Equity Interests of such Subsidiary Guarantor is sold or otherwise disposed of in a transaction permitted by this Indenture or the Intercreditor Agreements; or

(11) make any change in the amendment or waiver provisions of this Indenture that require each Holder's consent, as described in clauses (1) through (10), that is materially adverse to the Holders.

Notwithstanding anything herein to the contrary, without the consent of the Holders of at least 66 2/3% in principal amount of the Securities then outstanding, no amendment, supplement or waiver may release all or substantially all of the Collateral other than in accordance with this Indenture, the Intercreditor Agreements or the Security Documents.

(b) The foregoing Section 9.02(a) will not limit the right of the Company to amend, waive or otherwise modify any Securities Collateral Document in accordance with its terms.

(c) It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

(d) Additional Securities will be disregarded for purposes of any amendment or waiver relating to a Default or Event of Default that existed (disregarding any applicable notice, cure or grace periods) prior to the time of issuance of such additional Securities.

After an amendment under this Section 9.02 becomes effective, the Company shall deliver to each Holder at such Holder's address appearing in the Security Register a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

Section 9.03 Compliance with Trust Indenture Act. Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental indenture that complies with the Trust Indenture Act as then in effect.

Section 9.04 Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective upon the execution of such amendment or waiver by the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.05 Notation on or Exchange of Securities. If an amendment changes the terms of a Security, the Trustee may require the Holder of the Security to deliver such Security to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return such Security to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

Section 9.06 Trustee To Sign Amendments. The Trustee shall sign any amendment or release authorized pursuant to this Article IX if the amendment or release does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If such amendment or release does adversely affect the rights, duties, liabilities or immunities of the Trustee, the Trustee may but need not sign it. In signing such amendment or release the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be

provided with, and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment or release is authorized or permitted by this Indenture.

ARTICLE X

Subsidiary Guarantees

Section 10.01 Subsidiary Guarantees. Each Subsidiary Guarantor hereby unconditionally guarantees, jointly and severally, on a senior secured basis, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of, premium, if any, and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Subsidiary Guarantor, and that such Subsidiary Guarantor will remain bound under this Article X notwithstanding any extension or renewal of any Guaranteed Obligation.

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Subsidiary Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Subsidiary Guarantor waives notice of any default under the Securities or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; or (e) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Except as expressly set forth in Sections Section 5.01(b), Section 8.01(b) and Section 10.06, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Subsidiary Guarantor or would otherwise operate as a discharge of such Subsidiary Guarantor as a matter of law or equity.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of, premium, if any, or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of, premium, if any, or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or

otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Guaranteed Obligations of the Company to the Holders and the Trustee.

Each Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations guaranteed hereby until payment in full in cash of all Guaranteed Obligations. Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article VI for the purposes of such Subsidiary Guarantor's Subsidiary Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of this Section.

Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section 10.01.

Section 10.02 Contribution. Each of the Company and any Subsidiary Guarantor (a "Contributing Party") agrees that, in the event a payment shall be made by any other Subsidiary Guarantor under any Subsidiary Guarantee (the "Claiming Guarantor"), the Contributing Party shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment multiplied by a fraction, the numerator of which shall be the net worth of the Contributing Party on the date hereof and the denominator of which shall be the aggregate net worth of the Company and all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto after the Issue Date, the date of the supplemental indenture executed and delivered by such Subsidiary Guarantor).

Section 10.03 Successors and Assigns. This Article X shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 10.04 No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article X shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article X at law, in equity, by statute or otherwise.

Section 10.05 Modification. No modification, amendment or waiver of any provision of this Article X, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 10.06 Release of Subsidiary Guarantor. A Subsidiary Guarantor will be released from its obligations under this Article X (other than any obligation that may have arisen under Section 10.02):

(1) upon the sale (including any sale pursuant to any exercise of remedies by a holder of Debt of the Company or of such Subsidiary Guarantor), transfer or other disposition (including by way of consolidation or merger) of Equity Interests of such Subsidiary Guarantor; provided, however, that (i) such sale, transfer or other disposition is otherwise permitted by this Indenture, (ii) such Person is no longer a Subsidiary and (iii) the Company provides an Officer's Certificate to the Trustee to the effect that the Company will comply with its obligations under Section 4.06; or

(2) upon the sale (including any sale pursuant to any exercise of remedies by a holder of Debt of the Company or of such Subsidiary Guarantor), transfer or other disposition of all or substantially all of the assets of such Subsidiary Guarantor; provided, however, that (i) such sale, transfer or other disposition is otherwise permitted by the Senior Debt Documents and (ii) the Company provides an Officer's Certificate to the Trustee to the effect that the Company will comply with its obligations under Section 4.06; or

(3) with the written consent of the Holders of at least a majority of the aggregate principal amount of the Securities then outstanding (in accordance with Section 9.02); or

(4) upon defeasance of the Securities pursuant to Section 8.01(b); or

(5) upon the full satisfaction of the Company's obligations under this Indenture pursuant to Section 8.01(a) or otherwise in accordance with the terms of this Indenture; or

(6) upon the release or discharge of any Guarantee in respect of any Debt that resulted in the issuance after the Issue Date of the Subsidiary Guarantee by such Subsidiary Guarantor, provided that, following such release or discharge, such Subsidiary is not Guaranteeing any other Debt of the Company (other than any Guarantee that would not require such Subsidiary to Guarantee the Securities pursuant to Section 4.08); or

(7) upon the release or discharge of the Guarantee by such Subsidiary Guarantor of indebtedness under the Senior Obligations and each series of debt securities of the Company (which may be simultaneous with the release contemplated hereby), except a discharge or release by or as a result of payment under such Guarantee (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision, and that if any such Guarantee is so reinstated, such Subsidiary Guarantee shall also be reinstated to the extent that such Subsidiary Guarantor would then be required to Guarantee the Securities pursuant to Section 4.08).

At the request of the Company, the Trustee shall execute and deliver any documents, instructions, or instruments (in form and substance reasonably satisfactory to the Trustee) evidencing any such release.

Section 10.07 Execution of Supplemental Indenture for Future Subsidiary Guarantors. Each Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.08 shall promptly execute and deliver to the Trustee a supplemental indenture in the form of Exhibit D hereto pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article X and shall guarantee the Guaranteed Obligations.

ARTICLE XI
Subordination

Section 11.01 Subordination. The Company and each Subsidiary Guarantor covenants and agrees, and each Holder of a Security by its acceptance thereof, likewise covenants and agrees, that:

(a) any payment or distribution of assets of the Company or any Subsidiary Guarantor of any kind or character, whether in cash, property or securities on the Securities shall be made in the following order:

(i) FIRST: to Holders of Series A Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series A Securities for principal, premium, if any, and interest, respectively; and

(ii) SECOND: to Holders of Series B Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series B Securities for principal, premium, if any, and interest, respectively.

Section 11.02 Trustee to Effectuate Subordination. Each Holder of a Security by its, his or her acceptance thereof authorizes and directs the Trustee on its, his or her behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article XI and appoints the Trustee its, his or her attorney-in-fact for any and all such purposes.

ARTICLE XII

Miscellaneous

Section 12.01 Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail or sent by facsimile (with a hard copy delivered in person or by mail promptly thereafter) (or, if to a Holder for whom DTC is the record owner, electronically through DTC) and addressed as follows:

if to the Company:

[New Rite Aid]
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention of: Matthew Schroeder
Email: mschroeder@riteaid.com

if to the Trustee:

U.S. Bank Trust Company, National Association
West Side Flats St Paul
111 Fillmore Ave.
Saint Paul, MN 55107
Attention of: Rite Aid DIP Notes Administrator
Email: benjamin.krueger@usbank.com

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, pdf, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions. The Company agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed. Any notice or communication shall also be so mailed to any Person described in Trust Indenture Act Section 313(c), to the extent required by the Trust Indenture Act.

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 12.02 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) except in the case of Section 2.01, Section 2.02, Section 2.03, Section 3.01, Section 3.03, Section 3.06, Section 4.08 and Section 10.07, under which an opinion will not be required, an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with; provided, however, that with respect to matters of fact an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

Section 12.03 Statements Required in Certificate or Opinion. Each certificate with respect to compliance with a covenant or condition provided for in this Indenture (other than a certificate provided pursuant to Trust Indenture Act Section 314(a)(4)) shall comply with the provisions of Trust Indenture Act Section 314(e) and shall include:

(1) a statement that the individual making such certificate has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with,

Each opinion with respect to compliance with a covenant or condition provided for in this Indenture shall be in form and substance reasonably satisfactory to the party requesting such opinion and the party giving such opinion.

Section 12.04 When Securities Disregarded. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or any Subsidiary Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities that the Trustee knows are so owned shall be so disregarded. Securities so owned that have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to the Securities and that the pledgee is not the Company or any Subsidiary Guarantor.

Section 12.05 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent or co-registrar may make reasonable rules for their functions.

Section 12.06 Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.07 Governing Law. THIS INDENTURE, THE SECURITIES AND THE SUBSIDIARY GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

Section 12.08 No Recourse Against Others. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in

respect of or by reason of such obligations or their creation. By accepting a Security, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issuance of the Securities.

Section 12.09 Successors. All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.10 Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 12.11 Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.12 Waiver of Jury Trial. EACH OF THE COMPANY AND THE TRUSTEE, AND THE HOLDERS BY ACCEPTANCE OF THE SECURITIES, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 12.13 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, accidents, epidemics, pandemics, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 12.14 Submission to Jurisdiction. The parties irrevocably submit to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, City of New York, over any suit, action or proceeding arising out of or relating to this Indenture. To the fullest extent permitted by applicable law, the parties irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 12.15 Electronic Signatures. The words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to this Indenture and/or any document, notice, instrument or certificate to be signed and/or delivered in connection with this Indenture and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

Section 12.16 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by Trust Indenture Act Section 318(c), the imposed duties shall control.

Section 12.17 Communication by Holders of Notes with Other Holders of Securities.

Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, any Subsidiary Guarantor, the Trustee, the Registrar and anyone else shall have the protection of Trust Indenture Act Section 312(c).

ARTICLE XIII

Collateral

Section 13.01 Appointment and Authority of Securities Collateral Agent. The Trustee hereby irrevocably appoints, and each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the appointment of U.S. Bank Trust Company National Association as the Securities Collateral Agent under the Securities Collateral Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Subsidiary Guarantors to secure any of the Securities Obligations, together with such powers and discretion as are reasonably incidental thereto.

Section 13.02 Authorization of Actions to be Taken. Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the terms of each Securities Collateral Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of this Indenture, authorizes and directs the Securities Collateral Agent to enter into the Securities Collateral Documents to which it is a party, and authorizes and empowers the Securities Collateral Agent to bind the holders of Securities and other holders of Securities Obligations as set forth in the Securities Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of this Indenture or the Securities Collateral Documents.

Section 13.03 Authorization of Trustee.

(a) The Trustee is authorized and empowered to receive for the benefit of the Holders of Securities any funds collected or distributed to the Securities Collateral Agent under the Securities Collateral Documents to which the Securities Collateral Agent is a party and, subject to the terms of the Securities Collateral Documents and Intercreditor Agreements, to make further distributions of such funds to the Holders of Securities according to the provisions of this Indenture.

(b) Subject to the Intercreditor Agreements and at the Company's sole cost and expense, the Trustee is authorized and empowered to institute and maintain, or direct the Securities Collateral Agent to institute and maintain, such suits and proceedings as it may deem reasonably expedient to protect or enforce the Liens securing the Securities or the Securities Collateral Documents to which the Securities Collateral Agent or Trustee is a party or to prevent any impairment of Collateral by any acts that may be unlawful or in violation of the Securities Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may deem reasonably expedient, at the Company's sole cost and expense, to preserve or protect its interests and the interests of the Holders of Securities in the Collateral, including the power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair any security interest created or intended to be created by the Securities Collateral Documents or otherwise be prejudicial to the interests of Holders or the Trustee.

(c) Notwithstanding anything to the contrary herein, any enforcement of the Subsidiary Guarantees or any remedies with respect to the Collateral under the Securities Collateral Documents is subject to the provisions of the Intercreditor Agreements then in effect.

Section 13.04 Insurance.

(a) For so long as the Securities are secured by Collateral, the Company will, and will cause each of its Subsidiaries to, (i) maintain (either in the name of the Company or in such Subsidiary's own name), with financially sound and reputable insurance companies insurance in such amounts (with no greater risk retention) and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) furnish to the Securities Collateral Agent (or any representatives designated thereby), upon the request of the Securities Collateral Agent, information in reasonable detail as to the insurance so maintained.

(b) The Company hereby covenants to use commercially reasonable efforts to cause, prior to the date that is 60 days following the Issue Date (and in any event will cause, within 120 days following the Issue Date), the Securities Collateral Agent to be named (through an endorsement or amendment to the applicable policy) as an additional insured and lender's loss payee on all liability insurance policies of the Company and the Subsidiary Guarantors for which

any Senior Agent is named as an additional insured or lender's loss payee, respectively, and, if applicable, mortgagee on all property and casualty insurance policies of the Company and the Subsidiary Guarantors for which such Senior Agent is so named. If at any time there ceases to be any Senior Obligations outstanding, the Company and the Subsidiary Guarantors shall continue to cause the Securities Collateral Agent to be so named as contemplated in this paragraph with respect to any liability, property and casualty insurance policies that insure the Collateral. The Company and the Subsidiary Guarantors shall exercise commercially reasonable efforts to cause the insurance providers of such policies to endeavor to give 30 days' notice to the Securities Collateral Agent of cancellation of all such property and casualty insurance policies of the Company and the Subsidiary Guarantors (or at least 10 days' prior written notice in the case of cancellation of such issuance due to non-payment).

Section 13.05 Replacement of Securities Collateral Agent. The Securities Collateral Agent may resign at any time by so notifying the Company and the Trustee. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Securities Collateral Agent by so notifying the Securities Collateral Agent and may appoint a successor Securities Collateral Agent; provided that such successor Securities Collateral Agent is a corporation or national banking association organized and doing business under the laws of the United States or of any state thereof that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition, or an Affiliate thereof (an "Eligible Collateral Agent"); provided that so long as no Default or Event of Default has occurred and is continuing, the Company shall have the right to consent to the successor Securities Collateral Agent, such consent not to be unreasonably withheld. The Company shall remove the Securities Collateral Agent if:

(1) the Securities Collateral Agent fails to be an Eligible Collateral Agent;

(2) the Securities Collateral Agent is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Securities Collateral Agent or its property; or

(4) the Securities Collateral Agent otherwise becomes incapable of acting.

If the Securities Collateral Agent resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Securities then outstanding, and (in the case of a removal by Holders) such Holders do not reasonably promptly appoint a successor Securities Collateral Agent, or if a vacancy exists in the office of Securities Collateral Agent for any reason (the Securities Collateral Agent in such event being referred to herein as the retiring Securities Collateral Agent), the Company shall promptly appoint a successor Securities Collateral Agent.

A successor Securities Collateral Agent shall deliver a written acceptance of its appointment to the retiring Securities Collateral Agent and to the Company. Thereupon the resignation or removal of the retiring Securities Collateral Agent shall become effective, and the successor Securities Collateral Agent shall have all the rights, powers and duties of the Securities Collateral Agent under this Indenture and under the Securities Collateral Documents. The successor Securities Collateral Agent shall cause to be delivered a notice of its succession to Holders. The retiring Securities Collateral Agent shall upon payment of its outstanding fees and expenses hereunder promptly transfer all property held by it as Securities Collateral Agent to the successor Securities Collateral Agent.

If a successor Securities Collateral Agent does not take office within 60 days after the retiring Securities Collateral Agent resigns or is removed, the retiring Securities Collateral Agent or the Holders of 10% in aggregate principal amount of the Securities then outstanding may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Securities Collateral Agent.

If the Securities Collateral Agent fails to be an Eligible Collateral Agent, any Holder who has been a bona fide Holder of a Security for at least six months may petition at the expense of the Company any court of competent jurisdiction for the removal of the Securities Collateral Agent and the appointment of a successor Securities Collateral Agent.

Notwithstanding the replacement of the Securities Collateral Agent pursuant to this Section 13.05, the provisions of this Article shall continue for the benefit of the retiring Securities Collateral Agent.

Section 13.06 Release of Collateral.

(a) Collateral may be released from the Liens and security interests created by the Securities Documents at any time or from time to time in accordance with the provisions of the Securities Documents and the Intercreditor Agreements. In addition, the Company and the Subsidiary Guarantors will be entitled to the release of assets included in the Collateral from the Liens and security interests securing the Securities. Such assets constituting Collateral shall be automatically released without further action by any party, and the Trustee shall (or, if the Trustee is not then the Securities Collateral Agent, shall direct the Securities Collateral Agent to) affirmatively release the same from such Liens and security interests at the Company's sole cost and expense, under any one or more of the following circumstances without the need for any further action by any Person:

(i) as to any property or assets to enable the Company or the Subsidiary Guarantors to consummate the disposition of such property or assets to the extent not prohibited and otherwise in accordance with Section 4.06; provided, however, that if such property or assets, immediately prior thereto, were subject to any Lien securing any Obligations of the Company or Subsidiary Guarantors and such property or assets continue after such disposition to be subject to a Lien securing any such Obligations, no such release shall occur with respect to such property or assets;

(ii) in the case of the property and assets of a Subsidiary that is a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its Subsidiary Guarantee of the Securities;

(iii) if such Collateral is released from the Liens securing the Senior Obligations;

(iv) as described under Article IX of this Indenture.

(b) The security interests in all Collateral securing the Securities also will be released upon payment in full of the principal of, together with accrued and unpaid interest on, the Securities and all other Obligations under this Indenture, the Securities, the Guarantees and the Security Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest are paid, including pursuant to the satisfaction and discharge of the Indenture under Section 8.01 or upon the Company's exercise of a legal defeasance option or covenant defeasance option under this Indenture as described under Article VIII

Upon the written request of the Company pursuant to an Officer's Certificate and Opinion of Counsel stating that all conditions precedent hereunder and under the Securities Collateral Documents have been met, and upon receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Company or the Subsidiary Guarantors, as the case may be, the Securities Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Company or the Subsidiary Guarantors, shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Securities Collateral Documents.

Section 13.07 Filing, Recording and Opinions.

(a) The Company will comply with the provisions of Sections 314(b) and 314(d) of the Trust Indenture Act, in each case following qualification of this Indenture pursuant to the Trust Indenture Act. Any certificate or opinion required by Section 314(d) of the Trust Indenture Act may be made by an Officer of the Company except in cases where Section 314(d) of the Trust Indenture Act requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Company and the Subsidiary Guarantors will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act if they determine, in good faith, after consultation with counsel (which may be internal counsel), that under the terms of that section and/or any interpretation or guidance as to the meaning thereof of the Commission and its staff, including "no action" letters or exemptive orders, all or any portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released Collateral. Following such qualification, to the extent the Company is required to furnish to the Trustee an Opinion of Counsel pursuant to Section 314(b)(2) of the Trust Indenture Act, the Company will furnish such opinion not more than 60 but not less than 30 days prior to each December 31, commencing December 31, 2024.

Any release of Collateral permitted by Section 13.06 and this Section 13.07 will be deemed not to impair the Liens under this Indenture and the Security Documents in contravention thereof and any Person that is required to deliver an Officer's Certificate or Opinion of Counsel pursuant to Section 314(d) of the Trust Indenture Act, shall be entitled to rely upon the foregoing as a basis for delivery of such certificate or opinion. The Trustee may, to the extent permitted by Section 7.01 and Section 7.02, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and Opinion of Counsel.

(b) If any Collateral is released in accordance with this Indenture or any Security Document at a time when the Trustee is not itself also the Securities Collateral Agent and if the Company has delivered the certificates and documents required by the Security Documents and Section 13.06, the Trustee will deliver all documentation received by it in connection with such release to the Securities Collateral Agent.

(c) For the avoidance of doubt, under this Indenture, without complying with paragraphs (a) and (b) of this Section 13.07, the Guarantors may, among other things, without any release or consent by the Holders of the Securities or the Trustee, but otherwise in compliance with the covenants of this Indenture and the Security Documents, conduct ordinary course activities with respect to the Collateral, including (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) abandoning, terminating, canceling, releasing or making alterations in or substitutions of any leases or contracts subject to the Lien of the Security Documents; (iii) surrendering or modifying any franchise, license or permit subject to the Lien of the Security Documents which it may own or under which it may be operating; (iv) altering, repairing, replacing, changing the location or position of and adding to its structures, machinery, systems, equipment, fixtures and appurtenances; (v) granting a license of any intellectual property; (vi) selling, transferring or otherwise disposing of inventory in the ordinary course of business; (vii) collecting accounts receivable in the ordinary course of business or selling, liquidating, factoring or otherwise disposing of accounts receivable in the ordinary course of business; (viii) making cash payments (including for the repayment of Debt or interest and in connection with the Company's cash management activities) from cash that is at any time part of the Collateral in the ordinary course of business that are not otherwise prohibited by this Indenture and the Security Documents; and (ix) abandoning any intellectual property which is no longer used or useful in the Company's business. The Company shall deliver to the Trustee within 30 days following the end of each six-month period (with the second such six-month period being the end of each fiscal year), an Officer's Certificate to the effect that all releases and withdrawals during the preceding six-month period (or since the Issue Date, in the case of the first such certificate) in connection with which no consent of the holders of the Securities or the Trustee was obtained pursuant to the foregoing provisions were made in the ordinary course of the Company's or the respective Subsidiary Guarantor's business and such release and the use of proceeds in connection therewith were not prohibited by this Indenture.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

[NEW RITE AID],

By: _____
Name:
Title:

EACH OF THE SUBSIDIARY GUARANTORS LISTED ON SCHEDULE A HERETO,
[•]

By _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS SECURITIES COLLATERAL AGENT,

By: _____
Name:
Title:

SCHEDULE A

SUBSIDIARY GUARANTORS

1515 West State Street Boise, Idaho, LLC
1740 Associates, L.L.C.
4042 Warrensville Center Road – Warrensville Ohio, Inc.
5277 ASSOCIATES, INC.
5600 Superior Properties, Inc.
Apex Drug Stores, Inc.
Broadview and Wallings–Broadview Heights Ohio, Inc.
Eckerd Corporation
EDC Drug Stores, Inc.
GDF, INC.
Genovese Drug Stores, Inc.
Gettysburg and Hoover-Dayton, Ohio, LLC
Harco, Inc.
Health Dialog Services Corporation
K & B ALABAMA CORPORATION

K & B Louisiana Corporation
K & B Mississippi Corporation
K & B SERVICES, INCORPORATED
K & B TENNESSEE CORPORATION
K&B TEXAS CORPORATION
K & B, Incorporated
LAKEHURST AND BROADWAY CORPORATION
Maxi Drug North, Inc.
Maxi Drug South, L.P.
Maxi Drug, Inc.
Maxi Green Inc.
Munson & Andrews, LLC
Name Rite, L.L.C.
P.J.C. Distribution, Inc.
P.J.C. Realty Co., Inc.
PDS-1 Michigan, Inc.
Perry Drug Stores, Inc.
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont Inc.
PJC Peterborough Realty LLC
PJC Realty MA, Inc.
PJC Revere Realty LLC
PJC Special Realty Holdings, Inc.
RDS Detroit, Inc.
Read's, Inc.
RITE AID DRUG PALACE, INC.
Rite Aid Hdqtrs. Corp.
RITE AID LEASE MANAGEMENT COMPANY
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.

RITE AID OF GEORGIA, INC.
RITE AID OF INDIANA, INC.
RITE AID OF KENTUCKY, INC.
Rite Aid of Maine, Inc.
RITE AID OF MARYLAND, INC.
RITE AID OF MICHIGAN, INC.
RITE AID OF NEW HAMPSHIRE, INC.
Rite Aid of New Jersey, Inc.
RITE AID OF NEW YORK, INC.
Rite Aid of North Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of Pennsylvania, LLC
RITE AID OF SOUTH CAROLINA, INC.
RITE AID OF TENNESSEE, INC.
RITE AID OF VERMONT, INC.
Rite Aid of Virginia, Inc.
Rite Aid of Washington, D.C., Inc.
RITE AID OF WEST VIRGINIA, INC.
Rite Aid Online Store, Inc.

Rite Aid Payroll Management, Inc.
RITE AID REALTY CORP.
RITE AID ROME DISTRIBUTION CENTER, INC.
RITE AID SPECIALTY PHARMACY LLC
Rite Aid Transport, Inc.
RX CHOICE, INC.
The Lane Drug Company
Thrift Drug, Inc.
THRIFTY CORPORATION
Thrifty PayLess, Inc.
The Bartell Drug Company
JCG Holdings (USA), Inc.
JCG (PJC) USA, LLC
Rite Aid Hdqtrs. Funding, Inc.
Rite Investments Corp.
Rite Investments Corp., LLC
The Jean Coutu Group (PJC) USA, Inc.
RediClinic LLC
RCMH LLC
RediClinic Associates, Inc.
RediClinic of PA, LLC
Elixir Rx Solutions, LLC
ADVANCE BENEFITS, LLC
ASCEND HEALTH TECHNOLOGY LLC
Design Rx, LLC
Design Rx Holdings LLC
DESIGNRXCLUSIVES, LLC
Elixir Savings, LLC
Elixir Holdings, LLC
Elixir Rx Options, LLC
Elixir Rx Solutions, LLC
Elixir Rx Solutions of Nevada, LLC
Elixir Puerto Rico, Inc.
FIRST FLORIDA INSURERS OF TAMPA, LLC
Hunter Lane, LLC
Laker Software, LLC
Elixir Pharmacy, LLC
Rx Initiatives L.L.C.
Tonic Procurement Solutions, LLC

SCHEDULE 1.01

PERMITTED HOLDERS

[List of holders to come]

[FORM OF FACE OF SECURITY]

[Insert Regulation S Temporary Global Security Legend][17]

[Insert the Global Security Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the IAI Note Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable, pursuant to the provisions of the Indenture]

[17] Include only for Regulation S Temporary Note.

[UNRESTRICTED][RULE 144A][REGULATION S][TEMPORARY REGULATION S][IAI]
GLOBAL SECURITY

No.:_____ [Up to]**$_____

15.000% Third-Priority Series A Senior Secured PIK Note

CUSIP No. [●]

ISIN No. [●]

[NEW RITE AID], a Delaware limited liability company, promises to pay to Cede & Co., or registered assigns, the principal sum [as set forth on the Schedule of Increases or Decreases annexed hereto] on the Maturity Date.

Interest Payment Dates: [•] and [•], commencing on [•], 2024.

Record Dates: [•] and [•].

Maturity Date: [•], 2031 (the "Initial Maturity Date"); *provided* that, if on the date that is 30 calendar days prior to the then stated maturity date of the Securities, the ABL Facility, as extended, renewed, replaced or refinanced, remains outstanding, then each Holder consents to the entry by the Trustee and the Company into a supplemental indenture to extend the Initial Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility (the "Shifting Maturity Date"), with such supplemental indenture to provide that the Holders consent to the entry by the Trustee and the Company into an additional supplemental indenture to extend the Shifting Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility, as extended, renewed, replaced or refinanced, if such facility remains outstanding on such Shifting Maturity Date.

* Insert for Definitive Securities.

Additional provisions of this Security are set forth on the other side of this Security.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

[NEW RITE AID],

By _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated:

U.S. Bank Trust Company, National Association,

as Trustee, certifies
that this is one of
the Securities referred
to in the Indenture.

By: _____
Authorized Signatory

[FORM OF REVERSE SIDE OF SECURITY]

15.000% Third-Priority Series A Senior Secured PIK Notes due 2031

1. Interest

(a) [NEW RITE AID], a Delaware limited liability company (such company, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above and in the manner specified in paragraph (b) below.

(b) PIK Interest (as defined herein) on the Securities will be payable (x) with respect to Securities represented by one or more Global Securities registered in the name of, or held by, The Depository Trust Company (the "Depositary") or its nominee on the relevant record date, by increasing the principal amount of the outstanding Global Securities by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1.00) and (y) with respect to Securities represented by Definitive Securities, by issuing PIK Securities in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the period (rounded up to the nearest $1.00), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Securities in certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of holders. Following an increase in the principal amount of the outstanding Global Securities as a result of a PIK Payment, the Global Securities will bear interest on such increased principal amount from and after the date of such PIK Payment. All Securities issued pursuant to a PIK Payment will mature on the Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Securities issued on the Issue Date. Any certificated PIK Securities will be issued with the description PIK on the face of such PIK Securities.

(c) The Company will pay such PIK Interest quarterly on each Interest Payment Date, commencing [•], 2024. Interest on the Securities will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from [•], 2024. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate per annum borne by the Securities plus 1% per annum, and it shall pay interest on overdue installments of interest at the rate per annum borne by the Securities to the extent lawful.

[(d) Until this Regulations S Temporary Global Security is exchanged for one or more Regulation S Permanent Global Securities, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Security shall in all other respects be entitled to the same benefits as the other Securities under the Indenture.][18]

2. Method of Payment

(a) Except as provided in this Paragraph 2, interest on the Securities shall be payable by increasing the principal amount of the then outstanding Securities by an amount equal to the amount of interest for the applicable interest period then due and owing or by issuing PIK Securities.

(b) Interest paid on the Securities through an increase in the principal amount of the outstanding Securities or through the issuance of PIK Securities is herein referred to as "PIK Interest" to the extent all interest due on an Interest Payment Date is so paid.

(c) Interest for the last interest period ending at the Maturity Date of the Securities shall be payable solely in cash. Notwithstanding anything herein to the contrary, the payment of accrued interest in connection with any redemption of Securities pursuant to Article III of the Indenture or in connection with any repurchase of Securities pursuant to Section 4.06 of the Indenture shall be made solely in cash.

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[18] To be included only in Regulation S Temporary Global Security.

(d) The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered Holders at the close of business on the [•] day (whether or not a Business Day) next preceding the Interest Payment Date even if Securities are canceled after the record date and on or before the Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depositary. The Company will make all payments in respect of a Definitive Security (including principal, premium, if any, and interest), by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Securities may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Securities, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank Trust Company National Association, a banking association organized and existing under the laws of the United States of America (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Securities under an Indenture dated as of [•], 2024 (the "Indenture"), among the Company, the Subsidiary Guarantors named therein, the Trustee and the Securities Collateral Agent. Terms defined in the Indenture and not defined in the Securities have the meanings ascribed thereto in the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Securities are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms.

The Securities are senior secured obligations of the Company and the Subsidiary Guarantors. The Company's obligations under the Securities are Guaranteed, subject to certain limitations, by the Subsidiary Guarantors pursuant to Subsidiary Guarantees, subject to release of the Subsidiary Guarantees as provided in the Indenture or such Subsidiary Guarantee. This Security is one of the Original

Securities referred to in the Indenture issued in an aggregate principal amount of $225,000,000. The Securities include the Original Securities and an unlimited aggregate principal amount of additional Securities that may be issued under the Indenture. The Original Securities and such additional Securities are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Debt, enter into consensual restrictions upon the payment of certain dividends and distributions by such Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Company and each Subsidiary Guarantor to consolidate or merge with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of the Property of the Company or such Subsidiary Guarantor.

5. Optional Redemption

The Company may choose to redeem the Securities at any time; provided, however, that if the ABL Facility remains outstanding, the Securities may only redeemed at such time as the Payment Conditions are satisfied. If it does so, it may redeem all or any portion of the Securities, at once or over time, after giving the required notice under the Indenture.

To redeem the Securities, the Company must pay a redemption price equal to 100% of the principal amount of the Securities to be redeemed and accrued and unpaid interest, if any, to, but not including, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date). Any notice to Holders of such a redemption shall include the appropriate calculation of the Redemption Price, but need not include the Redemption Price itself. The actual redemption price must be set forth in an Officer's Certificate delivered to the Trustee no later than two Business Days prior to the Redemption Date and the Trustee shall have no responsibility for calculating such redemption price.

Notice of any redemption upon any corporate transaction or other event (including any Equity Offering, Incurrence of Debt, Change of Control or other transaction) may be given prior to the completion thereof. In addition, any redemption described above or notice thereof may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a corporate transaction or other event. If any redemption is so subject to the satisfaction of one or more conditions precedent, the notice thereof shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), and/or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date as so delayed, and/or that such notice may be rescinded at any time by the Company if the Company determines in its sole discretion that any or all of such conditions will not be satisfied (or waived). For the avoidance of doubt, if any redemption date shall be delayed as contemplated by this paragraph and the terms of the applicable notice of redemption, such redemption date as so delayed may occur, subject to the Applicable Procedures, at any time after the original redemption date set forth in the applicable notice of redemption and after the satisfaction (or waiver) of any applicable conditions precedent, including, without limitation, on a date that is less than 10 days after the original redemption date or more than 60 days after the applicable notice of redemption. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

If an optional Redemption Date is on or after a record date and on or before an Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Security is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Securities shall be subject to repurchase.

6. Sinking Fund

The Securities are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be sent at least 10 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his or her registered address. Securities in denominations larger than $1.00 may be redeemed in part but only in whole multiples of $1.00. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions

thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

Notice of redemption, whether in connection with an Equity Offering or otherwise, may be given prior to the completion thereof, and any such redemption or notice may, at the Company's option and discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering or other transaction. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company's discretion, such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Company and the Subsidiary Guarantors from their obligations with respect to such redemption).

8. Prepayment Offer Upon Asset Sale and Repurchase of Securities at the Option of Holders upon Change of Control

When the aggregate amount of Net Available Cash exceeds of $[50.0] million following its application in accordance with Section 4.06(b) of the Indenture, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, the Company will be required to make an offer to purchase (the "Asset Sales Prepayment Offer") the Securities, which offer shall be in the amount of the Allocable Proceeds, on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentence and provided that all Holders have been given the opportunity to tender their Series A Securities for purchase in accordance with the Indenture, the Company will be required to make the Asset Sales Prepayment Offer with respect to the Series B Securities, which offer shall be in the amount of any remaining Allocable Proceeds on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth herein. For the avoidance of doubt, the Asset Sales Prepayment Offers with respect to Series A Securities and Series B Securities can be conducted concurrently provided that Series A Securities are repurchased in priority to Series B Securities and no Series B Securities are repurchased unless all Series A Securities have been repurchased. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentences and provided that all Holders have been given the opportunity to tender their Securities for purchase in accordance with the Indenture, the Company or such Subsidiary may use such remaining amount for any purpose permitted by the Indenture and the amount of Net Available Cash will be reset to zero.

To the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, upon a Change of Control, any Holder will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Securities of such Holder at a purchase price equal to 101% of the principal amount of the Securities to be repurchased plus accrued and unpaid interest, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

9. Guarantees; Security

The Indenture provides that, under certain circumstances, the Securities will be guaranteed pursuant to Subsidiary Guarantees. Subsidiary Guarantees may be released in various circumstances, including in certain circumstances without the consent of Holders.

The Indenture provides that, under certain circumstances, the Securities or Subsidiary Guarantees must be secured by Liens on certain Property of the Subsidiary Guarantors. Liens securing the Securities or Subsidiary Guarantees may be released in various circumstances, including in certain circumstances without the consent of Holders. The actions of the Trustee, the Securities Collateral Agent and the Holders and the application of proceeds from the enforcement of any remedies with respect to any Collateral are limited pursuant to the terms of the Securities Documents and the Intercreditor Agreements.

10. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of $1.00 and whole multiples in excess thereof of $1.00. A Holder may transfer or exchange Securities in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or to transfer or exchange any Securities for a period of 10 days prior to a selection of Securities to be redeemed or 10 days before an Interest Payment Date.

11. Persons Deemed Owners

Subject to the provisions of the Indenture, the registered Holder of this Security may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Securities and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Securities to redemption or maturity, as the case may be.

14. Amendment, Waiver, Deemed Consents, Releases

Subject to the terms of the Intercreditor Agreements and subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Securities or, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, may be amended without prior notice to any Holder but with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of at least a majority in principal amount of the outstanding Securities.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the appointment of U.S. Bank Trust Company National Association as the Securities Collateral Agent under the Securities Collateral Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Subsidiary Guarantors to secure any of the Securities Obligations, together with such powers and discretion as are reasonably incidental thereto.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the terms of each Securities Collateral Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of the Indenture, authorizes and directs the Securities Collateral Agent to enter into the Securities Collateral Documents to which it is a party, and authorizes and empowers the Securities Collateral Agent to bind the holders of Securities and other holders of Securities Obligations as set forth in the Securities Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of the Indenture or the Securities Collateral Documents.

The foregoing will not limit the right of the Company to amend, waive or otherwise modify any Securities Collateral Documents in accordance with its terms.

The consent of the Holders is not necessary to approve the particular form of any proposed amendment. It shall be sufficient if such consent approves the substance of the proposed amendment.

15. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Securities then outstanding, subject to certain limitations, may declare all the Securities to be immediately due and payable. Certain events of bankruptcy or insolvency are Events of Default and shall result in the Securities being immediately due and payable upon the occurrence of such Events of Default without any further act of the Trustee or any Holder.

Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture and solely to the extent permitted by the Intercreditor Agreements. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security reasonably satisfactory to it. Subject to certain limitations, including as set forth in the Intercreditor Agreements, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power under the Indenture. The Holders of a majority in aggregate principal amount of the Securities then outstanding, by written notice to the Company and the Trustee, may rescind any declaration of acceleration and its consequences if the rescission would not conflict with any judgment or decree, and if all existing Events of Default have been cured or waived except nonpayment of principal, premium or interest that has become due solely because of the acceleration.

16. Intercreditor Agreements

By accepting a Security, each Holder is authorizing the Trustee and the Securities Collateral Agent to enter into the Intercreditor Agreements on its behalf. Holders will be permitted to take enforcement action with respect to the Collateral only to the extent permitted under and in accordance with the Intercreditor Agreements. The Security and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the Intercreditor Agreements shall govern and control. Each Holder (a) consents to the subordination of Liens provided for in the Intercreditor Agreements, (b) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements and (c) authorizes and instructs the Securities Collateral Agent to enter into the Intercreditor Agreements as the applicable junior agent on behalf of such Holder.

17. Trustee Dealings with the Company

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

A director, officer, employee, incorporator or shareholder, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company or any Subsidiary under the Securities or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Security, each holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

19. Successors

Subject to certain exceptions set forth in the Indenture, when a successor assumes all the obligations of its predecessor under the Securities and the Indenture in accordance with the terms of the Indenture, the predecessor will be released from those obligations. All assignments shall be subject to the terms of the Intercreditor Agreements.

20. Authentication

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

21. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

23. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption or repurchase as a convenience to holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption or repurchase and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Security.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

_____

Your Signature

Signature Guarantee:

Date:

_____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

Sign exactly as your name appears on the other side of this Security.

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is $[ ]. The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 (Asset Sale) of the Indenture, check the box:

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 of the Indenture, state the amount:

$ _____*

Date: _____

Your Signature

Sign exactly as your name appears on the other side of this Security.

Signature Guarantee:_____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

*($1.00 or an integral multiple of $1.00 in excess thereof; provided that the unpurchased portion of a Security must be in a principal amount of $1.00 or an integral multiple of $1.00 in excess thereof)

[FORM OF FACE OF SECURITY]

[Insert Regulation S Temporary Global Security Legend][19]

[Insert the Global Security Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the IAI Note Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable, pursuant to the provisions of the Indenture]

[19] Include only for Regulation S Temporary Note.

[UNRESTRICTED][RULE 144A][REGULATION S][TEMPORARY REGULATION S][IAI]
GLOBAL SECURITY

No.:_____ [Up to]**$_____

15.000% Third-Priority Series B Senior Secured PIK Note

CUSIP No. [●]

ISIN No. [●]

[NEW RITE AID], a Delaware limited liability company, promises to pay to Cede & Co., or registered assigns, the principal sum [as set forth on the Schedule of Increases or Decreases annexed hereto] on the Maturity Date.

Interest Payment Dates: [●] and [●], commencing on [●], 2024.

Record Dates: [●] and [●].

Maturity Date: [●], 2031 (the "Initial Maturity Date"); *provided* that, if on the date that is 30 calendar days prior to the then stated maturity date of the Securities, the ABL Facility, as extended, renewed, replaced or refinanced, remains outstanding, then each Holder consents to the entry by the Trustee and the Company into a supplemental indenture to extend the Initial Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility (the "Shifting Maturity Date"), with such supplemental indenture to provide that the Holders consent to the entry by the Trustee and the Company into an additional supplemental indenture to extend the Shifting Maturity Date to the date that is 91 calendar days after the maturity date of the ABL Facility, as extended, renewed, replaced or refinanced, if such facility remains outstanding on such Shifting Maturity Date.

* Insert for Definitive Securities.

Additional provisions of this Security are set forth on the other side of this Security.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

[NEW RITE AID],

By _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated:

U.S. Bank Trust Company, National Association

as Trustee, certifies
that this is one of
the Securities referred
to in the Indenture.

By: _____
Authorized Signatory

[FORM OF REVERSE SIDE OF SECURITY]

15.000% Third-Priority Series B Senior Secured PIK Notes due 2031

1. Interest

(a) [NEW RITE AID], a Delaware limited liability company (such company, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above and in the manner specified in paragraph (b) below.

(b) PIK Interest (as defined herein) on the Securities will be payable (x) with respect to Securities represented by one or more Global Securities registered in the name of, or held by, The Depository Trust Company (the "Depositary") or its nominee on the relevant record date, by increasing the principal amount of the outstanding Global Securities by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1.00) and (y) with respect to Securities represented by Definitive Securities, by issuing PIK Securities in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the period (rounded up to the nearest $1.00), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Securities in certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of holders. Following an increase in the principal amount of the outstanding Global Securities as a result of a PIK Payment, the Global Securities will bear interest on such increased principal amount from and after the date of such PIK Payment. All Securities issued pursuant to a PIK Payment will mature on the Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Securities issued on the Issue Date. Any certificated PIK Securities will be issued with the description PIK on the face of such PIK Securities.

(c) The Company will pay such PIK interest quarterly on each Interest Payment Date, commencing [•], 2024. Interest on the Securities will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from [•], 2024. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate per annum borne by the Securities plus 1% per annum, and it shall pay interest on overdue installments of interest at the rate per annum borne by the Securities to the extent lawful.

[(d) Until this Regulations S Temporary Global Security is exchanged for one or more Regulation S Permanent Global Securities, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Security shall in all other respects be entitled to the same benefits as the other Securities under the Indenture.][20]

2. Method of Payment

(a) Except as provided in this Paragraph 2, interest on the Securities shall be payable by increasing the principal amount of the then outstanding Securities by an amount equal to the amount of interest for the applicable interest period then due and owing or by issuing PIK Securities.

(b) Interest paid on the Securities through an increase in the principal amount of the outstanding Securities or through the issuance of PIK Securities is herein referred to as "PIK Interest" to the extent all interest due on an Interest Payment Date is so paid.

(c) Interest for the last interest period ending at the Maturity Date of the Securities shall be payable solely in cash. Notwithstanding anything herein to the contrary, the payment of accrued interest in connection with any redemption of Securities pursuant to Article III of the Indenture or in connection with any repurchase of Securities pursuant to Section 4.06 of the Indenture shall be made solely in cash.

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[20] To be included only in Regulation S Temporary Global Security.

(d) The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered Holders at the close of business on the [•] day (whether or not a Business Day) next preceding the Interest Payment Date even if Securities are canceled after the record date and on or before the Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depositary. The Company will make all payments in respect of a Definitive Security (including principal, premium, if any, and interest), by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Securities may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Securities, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank Trust Company National Association, a banking association organized and existing under the laws of the United States of America (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Securities under an Indenture dated as of [•], 2024 (the "Indenture"), among the Company, the Subsidiary Guarantors named therein, the Trustee and the Securities Collateral Agent. Terms defined in the Indenture and not defined in the Securities have the meanings ascribed thereto in the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Securities are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms.

The Securities are senior secured obligations of the Company and the Subsidiary Guarantors. The Company's obligations under the Securities are Guaranteed, subject to certain limitations, by the Subsidiary Guarantors pursuant to Subsidiary Guarantees, subject to release of the Subsidiary Guarantees as provided in the Indenture or such Subsidiary Guarantee. This Security is one of the Original

Securities referred to in the Indenture issued in an aggregate principal amount of $125,000,000. The Securities include the Original Securities and an unlimited aggregate principal amount of additional Securities that may be issued under the Indenture. The Original Securities and such additional Securities are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Debt, enter into consensual restrictions upon the payment of certain dividends and distributions by such Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Company and each Subsidiary Guarantor to consolidate or merge with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of the Property of the Company or such Subsidiary Guarantor.

5. Optional Redemption

The Company may choose to redeem the Securities at any time; provided, however, that if the ABL Facility remains outstanding, the Securities may only redeemed at such time as the Payment Conditions are satisfied. If it does so, it may redeem all or any portion of the Securities, at once or over time, after giving the required notice under the Indenture. Notwithstanding anything herein to the contrary, the Company cannot elect to redeem Series B Securities pursuant to this paragraph until after all of Series A Securities have been redeemed in full (provided that the redemptions in full of Series A Securities and Series B Securities can take place concurrently).

To redeem the Securities, the Company must pay a redemption price equal to 100% of the principal amount of the Securities to be redeemed and accrued and unpaid interest, if any, to, but not including, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date). Any notice to Holders of such a redemption shall include the appropriate calculation of the Redemption Price, but need not include the Redemption Price itself. The actual redemption price must be set forth in an Officer's Certificate delivered to the Trustee no later than two Business Days prior to the Redemption Date and the Trustee shall have no responsibility for calculating such redemption price.

Notice of any redemption upon any corporate transaction or other event (including any Equity Offering, Incurrence of Debt, Change of Control or other transaction) may be given prior to the completion thereof. In addition, any redemption described above or notice thereof may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a corporate transaction or other event. If any redemption is so subject to the satisfaction of one or more conditions precedent, the notice thereof shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), and/or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date as so delayed, and/or that such notice may be rescinded at any time by the Company if the Company determines in its sole discretion that any or all of such conditions will not be satisfied (or waived). For the avoidance of doubt, if any redemption date shall be delayed as contemplated by this paragraph and the terms of the applicable notice of redemption, such redemption date as so delayed may occur, subject to the Applicable Procedures, at any time after the original redemption date set forth in the applicable notice of redemption and after the satisfaction (or waiver) of any applicable conditions precedent, including, without limitation, on a date that is less than 10 days after the original redemption date or more than 60 days after the applicable notice of redemption. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

If an optional Redemption Date is on or after a record date and on or before an Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Security is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Securities shall be subject to repurchase.

6. Sinking Fund

The Securities are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be sent at least 10 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his or her registered address. Securities in denominations larger than $1.00 may be redeemed in part but only in whole multiples of $1.00. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

Notice of redemption, whether in connection with an Equity Offering or otherwise, may be given prior to the completion thereof, and any such redemption or notice may, at the Company's option and discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering or other transaction. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company's discretion, such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Company and the Subsidiary Guarantors from their obligations with respect to such redemption).

8. Prepayment Offer Upon Asset Sale and Repurchase of Securities at the Option of Holders upon Change of Control

When the aggregate amount of Net Available Cash exceeds of $[50.0] million following its application in accordance with Section 4.06(b) of the Indenture, to the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, the Company will be required to make an offer to purchase (the "Asset Sales Prepayment Offer") the Securities, which offer shall be in the amount of the Allocable Proceeds, on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentence and provided that all Holders have been given the opportunity to tender their Series A Securities for purchase in accordance with this Indenture, the Company will be required to make the Asset Sales Prepayment Offer with respect to the Series B Securities, which offer shall be in the amount of any remaining Allocable Proceeds on a pro rata basis according to principal amount at maturity, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date), in accordance with the procedures (including prorating in the event of oversubscription) set forth herein. For the avoidance of doubt, the Asset Sales Prepayment Offers with respect to Series A Securities and Series B Securities can be conducted concurrently provided that Series A Securities are repurchased in priority to Series B Securities and no Series B Securities are repurchased unless all Series A Securities have been repurchased. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentences and provided that all Holders have been given the opportunity to tender their Securities for purchase in accordance with this Indenture, the Company or such Subsidiary may use such remaining amount for any purpose permitted by this Indenture and the amount of Net Available Cash will be reset to zero.

To the extent permitted by the terms of any Senior Debt Documents or the Intercreditor Agreements, upon a Change of Control, any Holder will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Securities of such Holder at a purchase price equal to 101% of the principal amount of the Securities to be repurchased plus accrued and unpaid interest, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

9. Guarantees; Security

The Indenture provides that, under certain circumstances, the Securities will be guaranteed pursuant to Subsidiary Guarantees. Subsidiary Guarantees may be released in various circumstances, including in certain circumstances without the consent of Holders.

The Indenture provides that, under certain circumstances, the Securities or Subsidiary Guarantees must be secured by Liens on certain Property of the Subsidiary Guarantors. Liens securing the Securities or Subsidiary Guarantees may be released in various

circumstances, including in certain circumstances without the consent of Holders. The actions of the Trustee, the Securities Collateral Agent and the Holders and the application of proceeds from the enforcement of any remedies with respect to any Collateral are limited pursuant to the terms of the Securities Documents and the Intercreditor Agreements.

10. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of $1.00 and whole multiples in excess thereof of $1.00. A Holder may transfer or exchange Securities in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or to transfer or exchange any Securities for a period of 10 days prior to a selection of Securities to be redeemed or 10 days before an Interest Payment Date.

11. Persons Deemed Owners

Subject to the provisions of the Indenture, the registered Holder of this Security may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Securities and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Securities to redemption or maturity, as the case may be.

14. Amendment, Waiver, Deemed Consents, Releases

Subject to the terms of the Intercreditor Agreements and subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Securities or, subject to any other consent required under the terms of the applicable Securities Collateral Documents, such Securities Collateral Documents, may be amended without prior notice to any Holder but with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of at least a majority in principal amount of the outstanding Securities.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the appointment of U.S. Bank Trust Company, National Association as the Securities Collateral Agent under the Securities Collateral Documents for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Subsidiary Guarantors to secure any of the Securities Obligations, together with such powers and discretion as are reasonably incidental thereto.

Each holder of Securities, by its acceptance thereof, will be deemed to have consented and agreed to the terms of each Securities Collateral Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of the Indenture, authorizes and directs the Securities Collateral Agent to enter into the Securities Collateral Documents to which it is a party, and authorizes and empowers the Securities Collateral Agent to bind the holders of Securities and other holders of Securities Obligations as set forth in the Securities Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of the Indenture or the Securities Collateral Documents.

The foregoing will not limit the right of the Company to amend, waive or otherwise modify any Securities Collateral Documents in accordance with its terms.

The consent of the Holders is not necessary to approve the particular form of any proposed amendment. It shall be sufficient if such consent approves the substance of the proposed amendment.

15. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Securities then outstanding, subject to certain limitations, may declare all the Securities to be immediately due and payable. Certain events of bankruptcy or insolvency are Events of Default and shall result in the Securities being immediately due and payable upon the occurrence of such Events of Default without any further act of the Trustee or any Holder.

Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture and solely to the extent permitted by the Intercreditor Agreements. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security reasonably satisfactory to it. Subject to certain limitations, including as set forth in the Intercreditor Agreements, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power under the Indenture. The Holders of a majority in aggregate principal amount of the Securities then outstanding, by written notice to the Company and the Trustee, may rescind any declaration of acceleration and its consequences if the rescission would not conflict with any judgment or decree, and if all existing Events of Default have been cured or waived except nonpayment of principal, premium or interest that has become due solely because of the acceleration.

16. Intercreditor Agreements

By accepting a Security, each Holder is authorizing the Trustee and the Securities Collateral Agent to enter into the Intercreditor Agreements on its behalf. Holders will be permitted to take enforcement action with respect to the Collateral only to the extent permitted under and in accordance with the Intercreditor Agreements. The Security and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the Intercreditor Agreements shall govern and control. Each Holder (a) consents to the subordination of Liens provided for in the Intercreditor Agreements, (b) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements and (c) authorizes and instructs the Securities Collateral Agent to enter into the Intercreditor Agreements as the applicable junior agent on behalf of such Holder.

17. Trustee Dealings with the Company

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

A director, officer, employee, incorporator or shareholder, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company or any Subsidiary under the Securities or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Security, each holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

19. Successors

Subject to certain exceptions set forth in the Indenture, when a successor assumes all the obligations of its predecessor under the Securities and the Indenture in accordance with the terms of the Indenture, the predecessor will be released from those obligations. All assignments shall be subject to the terms of the Intercreditor Agreements.

20. Authentication

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

21. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

23. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption or repurchase as a convenience to holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption or repurchase and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Security.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

_____

Your Signature

Signature Guarantee:

Date:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

Sign exactly as your name appears on the other side of this Security.

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is $[ ]. The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 (Asset Sale) of the Indenture, check the box:

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 of the Indenture, state the amount:

$ _____*

Date: _____

Your Signature

Sign exactly as your name appears on the other side of this Security.

Signature Guarantee:_____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

*($1.00 or an integral multiple of $1.00 in excess thereof; provided that the unpurchased portion of a Security must be in a principal amount of $1.00 or an integral multiple of $1.00 in excess thereof)

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[New Rite Aid]
[__]

[TRUSTEE]

Re: 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031;
15.000% Third-Priority Series B Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "Transferor") owns and proposes to transfer the Securit[y][ies] or interest in such Securit[y][ies] specified in Annex A hereto, in the principal amount of $_____ in such Securit[y][ies] or interests (the "Transfer"), to _____ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Security is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Security for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S TEMPORARY GLOBAL SECURITY, THE REGULATION S PERMANENT GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Temporary Global Security, the Regulation S Permanent Global Security and/or the Restricted Definitive Security Indenture and the Securities Act.

3. ☐ CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A GLOBAL SECURITY OR A DEFINITIVE SECURITY PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Securities and Restricted Definitive Securities and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof; or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144, Rule 903 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Security or Restricted Definitive Securities and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit B-1 to the Indenture and (2) if such Transfer is in respect of a principal amount of Securities at the time of Transfer of less than $100,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Securities and in the Indenture and the Securities Act.

4. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY OR OF AN UNRESTRICTED DEFINITIVE SECURITY.

(a) ☐ CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 to a Person who is not an affiliate (as defined in Rule 144) of the Company under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture.

(b) ☐ CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act to a Person who is not an affiliate (as defined in Rule 144) of the Company and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture.

(c) ☐ CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 to a Person who is not an affiliate (as defined in Rule 144) of the Company and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities or Restricted Definitive Securities and in the Indenture.

5. ☐ CHECK IF TRANSFEROR IS AN AFFILIATE OF THE COMPANY.

6. ☐ CHECK IF TRANSFEREE IS AN AFFILIATE OF THE COMPANY.

The Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Security (CUSIP [ ]), or

(ii) ☐ Regulation S Global Security (CUSIP [ ]), or

(b) ☐ a Restricted Definitive Security.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Security (CUSIP [ ]), or

(ii) ☐ Regulation S Global Security (CUSIP [ ]), or

(iii) ☐ Unrestricted Global Security (CUSIP [ ]), or

(b) ☐ a Restricted Definitive Security; or

(c) ☐ an Unrestricted Definitive Security,
in accordance with the terms of the Indenture.

EXHIBIT B-1

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

[New Rite Aid]
[__]

U.S. Bank Trust Company, National Association

Re: 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031;
15.000% Third-Priority Series B Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount of Definitive Security, we confirm that:

1. We understand that any subsequent transfer of the Securities or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Securities or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Securities have not been registered under the Securities Act, and that the Securities and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Securities or any interest therein, we will do so only (A) to the Company, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Securities at the time of transfer of less than $100,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to an effective registration statement under the Securities Act, (F) in accordance with Rule 144 under the Securities Act or (G) in accordance with another exemption from the registration requirements of the Securities Act, and we further agree to provide to any Person purchasing the Definitive Security from us in a transaction meeting the requirements of clauses (A) through (G) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Securities or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Securities purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Securities, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Securities or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

6. We understand that the Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

_____
[Insert Name of Accredited Investor]

By: _____
Name:
Title:

Dated:

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[New Rite Aid]
[__]

U.S. Bank Trust Company, National Association

Re: 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031;
15.000% Third-Priority Series B Senior Secured PIK Notes due 2031

Reference is hereby made to the Indenture, dated as of [__], 2024 (the "Indenture"), among [New Rite Aid], the Guarantors named therein, the Trustee and the Securities Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "Owner") owns and proposes to exchange the Securit[y][ies] or interest in such Securit[y][ies] specified herein, in the principal amount of $_____ in such Securit[y][ies] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SECURITY FOR UNRESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL SECURITY

a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a beneficial interest in an Unrestricted Global Security in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Securities and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the beneficial interest in an Unrestricted Global Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

b) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

c) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security for a beneficial interest in an Unrestricted Global Security, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

d) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Unrestricted Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act, (iv) the Unrestricted Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

2) EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES FOR RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES

a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO RESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a Restricted Definitive Security with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Security is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Security issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Security and in the Indenture and the Securities Act.

b) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's Restricted Definitive Security for a beneficial interest in the [CHECK ONE] [ ] 144A Global Security [ ] Regulation S Global Security, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Security and in the Indenture and the Securities Act.

3) ☐ CHECK IF OWNER IS AN AFFILIATE OF THE COMPANY.

4) ☐ CHECK IF OWNER IS EXCHANGING THIS SECURITY IN CONNECTION WITH AN EXPECTED TRANSFER TO AN AFFILIATE OF THE COMPANY.

The Securities and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreement. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and a Security, the terms and provisions of the Intercreditor Agreements shall govern and control.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and are dated _____.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of , among [GUARANTOR] (the "New Subsidiary Guarantor"), a subsidiary of [NEW RITE AID] (or its successor), a Delaware limited liability company (the "Company"), the Company on behalf of itself and the Subsidiary Guarantors (the "Existing Subsidiary Guarantors") under the indenture referred to below, and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, "Trustee") and as Securities Collateral agent (in such capacity, "Securities Collateral Agent") under the indenture referred to below.

W I T N E S S E T H :

WHEREAS the Company and the Existing Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture (the "Indenture") dated as of [•], 2024, providing for the issuance of an unlimited aggregate principal amount of 15.000% Third-Priority Series A Senior Secured PIK Notes due 2031 and 15.000% Third-Priority Series B Senior Secured PIK Notes due 2031 (collectively, the "Securities");

WHEREAS Section 4.08 of the Indenture provides that under certain circumstances the Company is required to cause the New Subsidiary Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Subsidiary Guarantor shall unconditionally guarantee all the Company's obligations under the Securities pursuant to a Subsidiary Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee, the Company and the Existing Subsidiary Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, the Company, the Existing Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

1. Agreement to Guarantee. The New Subsidiary Guarantor hereby agrees, jointly and severally, on a senior secured basis, with all other Subsidiary Guarantors, to unconditionally guarantee the Company's obligations under the Securities and the Indenture on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by all other applicable provisions of the Indenture.

2. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

3. Intercreditor Agreement. This Supplemental Indenture and the rights and obligations evidenced thereby are subordinate in the manner and to the extent set forth in, and are otherwise subject to the terms and provisions of, the Intercreditor Agreements. In the event of any conflict between the terms and provisions of the Intercreditor Agreements and this Supplemental Indenture, the terms and provisions of the applicable Intercreditor Agreements shall govern and control.

4. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT REFERENCE TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.**

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture and shall not be responsible for the recitals contained herein, all which recitals are made solely by the other parties hereto.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NEW SUBSIDIARY GUARANTOR],

by

_____

Name:
Title:

[NEW RITE AID],
on behalf of itself and the
existing subsidiary guarantors, by

_____

Name:
Title:

U.S. Bank Trust Company, National Association,
as trustee, by

_____

Name:
Title:

U.S. Bank Trust Company, National Association,
as Securities Collateral agent, by

Name:
Title:

Annex I

Subordination Terms

See attached.

Exhibit 99.T3E.1

KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Aparna Yenamandra, P.C. (admitted *pro hac vice*)
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Co-Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re: RITE AID CORPORATION, *et al*., Debtors.[1]	Chapter 11 Case No. 23-18993 (MBK) (Jointly Administered)

DISCLOSURE STATEMENT RELATING TO THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF RITE AID CORPORATION AND ITS DEBTOR AFFILIATES

[1] The last four digits of Debtor Rite Aid Corporation's tax identification number are 4034. A complete list of the Debtors in these Chapter 11 Cases and each such Debtor's tax identification number may be obtained on the website of the Debtors' claims and noticing agent at https://restructuring.ra.kroll.com/RiteAid. The location of Debtor Rite Aid Corporation's principal place of business and the Debtors' service address in these Chapter 11 Cases is 1200 Intrepid Avenue, 2nd Floor, Philadelphia, Pennsylvania 19112.

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126, 11 U.S.C. §§ 1125, 1126. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS OR INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF RITE AID CORPORATION AND ITS DEBTOR AFFILIATES. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE IX HEREIN.

HOLDERS OF CLAIMS OR INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN EVENTS AND ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN IN ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS AND OPERATIONS. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS AND OPERATIONS AND THEIR FUTURE RESULTS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY SEEK TO OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION,

FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE XI OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY, INCLUDING ARTICLE IX, ENTITLED "RISK-FACTORS" BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE HEREIN.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS AND FORWARD-LOOKING STATEMENTS

The Plan and Disclosure Statement have neither been filed with, nor approved or disapproved by the Securities and Exchange Commission (the "SEC") or any similar federal, state, local, or foreign federal regulatory authority and neither the SEC nor any such similar regulatory authority has passed upon the accuracy or adequacy of the information contained in this Disclosure Statement or the Plan. The issuance of securities on or after the Effective Date will not have been registered pursuant to a registration statement filed with the SEC under the Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state under any state securities law ("Blue-Sky Laws"). Any representation to the contrary is a criminal offense. The securities may not be offered or sold within the United States or to, or for the account or benefit of, United States persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of other jurisdictions.

The Debtors will rely on section 1145(a) of the Bankruptcy Code to exempt from registration under the Securities Act and Blue-Sky Laws the offer, issuance, and distribution, if applicable, of the 1145 Securities, and to the extent such exemption is not available, then such 1145 Securities will be offered, issued, and distributed under the Plan pursuant to other applicable exemptions from registration under the Securities Act and any other applicable securities laws. Neither the Solicitation nor this Disclosure Statement constitutes an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized.

The Private Placement Securities will be offered, issued, and distributed in reliance upon section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or another available exemption from registration and similar applicable state securities laws, will be considered "restricted securities," and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom. Each recipient of New Common Stock distributed other than in reliance upon section 1145(a) of the Bankruptcy Code shall be required to make customary representations to the Debtors including that each is an "accredited investor" (within the meaning of Rule 501(a) of the Securities Act) or a qualified institutional buyer (as defined under Rule 144A promulgated under the Securities Act).

This Disclosure Statement contains "forward-looking statements" within the meaning of United States securities laws. Statements containing words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "model," "can," "could," "may," "should," "will," "would," or similar words or the negative thereof, constitute "forward-looking statements." However, not all forward-looking statements in this Disclosure Statement may contain one or more of these identifying terms. Forward-looking statements are based on the Debtors' current expectations, beliefs, assumptions, and estimates. These statements are subject to significant risks, uncertainties and assumptions that are difficult to predict and could cause actual results to differ materially and adversely from those expressed or implied in the forward-looking statements. The Debtors consider all statements regarding anticipated or future matters, including the following, to be forward-looking statements:

- **Business strategy;**
- **Technology;**
- **Financial condition, revenues, cash flows, and expenses;**

- **The adequacy of the Debtors' capital resources and liquidity;**
- **Levels of indebtedness, liquidity, and compliance with debt covenants;**
- **Financial strategy, budget, projections, and operating results;**
- **The amount, nature, and timing of capital expenditures;**
- **Availability and terms of capital;**
- **Successful results from the Debtors' operations;**

- **The integration and benefits of asset and property acquisitions or the effects of asset and property acquisitions or dispositions on the Debtors' cash position and levels of indebtedness;**
- **Costs of conducting the Debtors' other operations;**
- **Delays in filing reports with the SEC and modifications to previously reported financial results as a result of the application of accounting standards;**
- **General economic and business conditions;**
- **Effectiveness of the Debtors' risk management activities;**
- **Counterparty credit risk;**
- **The outcome of pending and future litigation;**
- **Uncertainty regarding the Debtors' future operating results;**
- **Plans, objectives, and expectations;**
- **Risks in connection with acquisitions;**
- **The potential adoption of new governmental regulations; and**
- **The Debtors' ability to satisfy future cash obligations.**

Statements concerning these and other matters are not guarantees of the Company's future performance. There are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be different from those they may project, and the Debtors undertake no obligation to update the projections made herein. These risks, uncertainties and factors may include the following: (a) the Debtors' ability to confirm and consummate the Plan; (b) the potential that the Debtors may need to pursue an alternative transaction if the Plan is not confirmed; (c) the Debtors' ability to reduce their overall financial leverage; (d) the potential adverse impact of the Chapter 11 Cases on the Debtors' operations, management, and employees; (e) the risks associated with operating the Debtors' businesses during the Chapter 11 Cases; (f) customer responses to the Chapter 11 Cases; (g) the Debtors' inability to discharge or settle claims during the Chapter 11 Cases; (h) the Debtors' plans, objectives, business strategy, and expectations with respect to future financial results and liquidity, including the ability to finance operations in the ordinary course of business; (i) the Debtors' levels of indebtedness and compliance with debt covenants; (j) additional post-restructuring financing requirements; (k) the amount, nature, and timing of the Debtors' capital expenditures and cash requirements, and the terms of capital available to the Debtors'; (l) the effect of competitive products, services, or procuring by competitors; (m) the outcome of pending and future litigation claims; (n) the proposed restructuring and costs associated therewith; (o) the effect of natural disasters, pandemics, and general economic and political conditions on the Debtors; (p) the Debtors' ability to implement cost-reduction initiatives in a timely manner; (q) adverse tax changes; (r) the terms and conditions of the Exit Facilities and the New Common Stock, to be entered into, or issued, as the case may be, pursuant to the Plan; (s) the results of renegotiating certain key commercial agreements and any disruptions to relationships with landlords, suppliers, partners, among others; (t) compliance with laws and regulations; and (u) each of the other risks identified in this Disclosure Statement. Due to these uncertainties, you cannot be assured that any forward-looking statements will prove to be correct. The Debtors are under no obligation to (and expressly disclaim any obligation to) update or alter any forward-looking statements whether as a result of new information, future events, or otherwise, unless instructed to do so by the Bankruptcy Court.

You are cautioned that all forward-looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The projections and forward-looking information contained herein and attached hereto are only estimates, and the

timing and amount of actual distributions to Holders of Allowed Claims and Allowed Interests, among other things, may be affected by many factors that cannot be predicted. Any analyses, estimates, or recovery projections may or may not turn out to be accurate. We undertake no obligation to update or revise the forward-looking statements included in the Plan and Disclosure Statement, whether as a result of new information, future events or otherwise.

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EXHIBITS[2]

EXHIBIT A Plan of Reorganization

EXHIBIT B [*Reserved*]

EXHIBIT C Organizational Structure Chart

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EXHIBIT E Financial Projections

EXHIBIT F NAS Claimants Proposals

2 Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

Rite Aid Corporation ("Rite Aid") and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors," or the "Company"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the *Second Amended Joint Chapter 11 Plan of Reorganization of Rite Aid Corporation and Its Debtor Affiliates* (the "Plan"),[1] filed contemporaneously herewith. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

II. PRELIMINARY STATEMENT

Rite Aid has been on the front lines of delivering healthcare services and retail products to millions of Americans for more than 60 years. A trusted and iconic brand with a long history of serving hundreds of American communities, Rite Aid's mission is to connect everyday care, drive down healthcare costs, and promote whole health for life. Rite Aid's retail pharmacy employs more than 5,500 pharmacists and operates approximately 1,700 pharmacies in sixteen states.

Rite Aid has a storied history of growth and success. Starting from one store in Scranton, Pennsylvania, Rite Aid grew into a Fortune 200 company. With more than $24 billion of revenue in fiscal year 2023, the Company employs more than 40,000 people and fills almost 150 million prescriptions every year. Rite Aid filed these Chapter 11 Cases to implement through the Plan a comprehensive restructuring transaction that will ensure Rite Aid can continue to serve customers and patients and deliver on its core mission for years to come.

Prepetition Operational and Financial Circumstances Leading to These Chapter 11 Cases

Despite its proud heritage, a confluence of operational and financial factors stressed Rite Aid's financial condition and required a comprehensive reorganization through the Bankruptcy Code, culminating in the commencement of these Chapter 11 Cases on October 15, 2023 (the "Petition Date"):

- ***Substantial Debt Obligations***. Prepetition, Rite Aid had approximately $4.0 billion in funded debt obligations and paid approximately $200 million annually in interest. Debt-service obligations limited Rite Aid's liquidity and constrained its ability to execute on its turnaround initiatives and in-store investments.

- ***Financial and Operational Headwinds***. Rite Aid's financial performance was further impacted by record inflation; elevated labor costs to retain in-demand pharmacist and corporate talent; declining reimbursement rates from third-party payors; reduced demand for front-end merchandise and COVID vaccines; increased shrink costs which are also impacting the rest of the industry; and the loss of key accounts at Elixir, its pharmacy benefit manager ("PBM") business unit which recently sold to MedImpact Healthcare Systems, Inc ("MedImpact"). These headwinds increased operating costs and decreased revenues.

- ***Sub-Optimal Retail Footprint***. The Company's store portfolio was burdened by unprofitable stores which were difficult to effectively exit absent the tools available in chapter 11. These stores challenged the Company's earnings profile, turnaround initiatives, and free cash flow. Even where the Company had been able to close stores, it was burdened by millions of dollars of annual "dead rent" costs due to its inability to exit underlying leases outside of a chapter 11 process.

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1 Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

- ***Liquidity and Trade Challenges***. The Company was and continues to be heavily reliant on trade credit. As restructuring-related news and rumors swirled prior to the Petition Date, trade terms contracted. The Company faced working capital constraints as vendors increasingly demanded security deposits and cash-on-delivery (or cash-in-advance) for goods. In fact, prepetition, the Company's liquidity position decreased by more than $100 million due to trade contraction in September and early October.

- ***Litigation Overhang***. The Company has a large and varied litigation claims portfolio, including more than 1,600 opioid-related suits. Rite Aid also defends significant contract disputes, government investigations, and securities matters. The Company's extensive litigation portfolio was expensive to manage, drained liquidity, required substantial time and attention from key executives, and complicated the ability to explore out-of-court alternatives, particularly when combined with other operational headwinds.

- ***Competitive Pressures***. Rite Aid continues to operate in a highly competitive pharma-retail space. Traditional competitors include other (and much bigger) retail drugstore chains, like CVS and Walgreens; independent drugstores; supermarkets like Kroger; and mass merchandisers like Walmart and Target. Further, online retailers like Amazon and online pharmacies like Capsule, which have different cost structures, have increased competition.

Proactive Measures to Address Headwinds and Ensure Smooth Transition to Reorganization

Prepetition, Rite Aid took proactive action to address these headwinds through a variety of measures, over a number of years:

- ***Liability Management Transactions***. The Company executed several transactions to reduce indebtedness and borrowing costs, including a 2020 exchange of senior notes due in 2023 for the 2026 Secured Notes; a 2021 redemption of certain outstanding notes at par; and a series of cash tender offers in 2022 for outstanding notes. These transactions extended the Company's runway to explore additional turnaround opportunities. The Company explored other, out-of-court alternatives.

- ***Strategic Debt Paydowns***. In recent years, the Company reduced interest expense by paying down approximately $280 million of the 2025 Secured Notes, $52 million of the 2027 Unsecured Notes, and $27 million of the 2028 Unsecured Notes.

- ***Cost-Saving Measures***. Over the past several years, the Company explored and executed several cost-saving measures and operational improvements. The Company closed over 200 underperforming stores; initiated a series of restructuring plans to reorganize the executive management team and reduce managerial layers; rationalized its front-end retail offerings to free up working capital and refresh its merchandise assortment; and optimized its pricing and promotional strategies.

- ***Sale-Leaseback Transactions***. The Company took advantage of favorable real estate markets in each of 2021, 2022, and 2023, to sell dozens of owned properties (including distribution centers) and enter into long-term leases with the purchasers. These transactions resulted in net proceeds of approximately $178 million in 2021, $57 million in 2022, and $73 million in 2023.

- ***Advisor Engagement***. Rite Aid engaged Guggenheim Securities, LLC ("Guggenheim Securities") in December 2022 and Kirkland & Ellis LLP in April 2023 to assist Rite Aid in analyzing its financing needs and to explore capital structure alternatives and restructuring options. The Company also engaged Alvarez & Marsal North America, LLC ("Alvarez & Marsal") in May 2023 to conduct a footprint assessment, assist with the business plan and transformation, accelerate cost savings and, if necessary, support contingency preparations. In addition, Rite Aid engaged Jeffrey Stein as a consultant in June 2023, and Mr. Stein became the Company's Chief Executive Officer and Chief Restructuring Officer contemporaneously with the Petition Date.

- ***Footprint Rationalization and Rite Aid 2.0 Business Plan***. Rite Aid developed the Company's business plan over the course of the summer of 2023 ("Rite Aid 2.0"). The Company with the assistance of its advisors, also undertook an intensive, store-level evaluation that tested the stores' financial performance, rent relative to market, supply chain, and other operational and geographic considerations influencing the competitive landscape. Based on that analysis, the Company identified a series of stores for closure, which would allow the Company to focus on the remaining portfolio and its ability to invest capital into the remaining stores.

- ***Asset Sales***. In parallel with Rite Aid's turnaround efforts, the Company, with the assistance of Guggenheim Securities, began a marketing process for Elixir, the pharmacy benefit manager. The Company used the chapter 11 process to complete the Elixir marketing process, culminating in the sale of Elixir effective February 1, 2024 to MedImpact. The Company has also launched a marketing process for the retail business that remains ongoing as of the filing of this Disclosure Statement.

- ***Corporate Governance Refresh***. The Board formed a Special Committee that met weekly (or more frequently) to consider the strategic and financial alternatives available to the Company. In addition, Rite Aid proactively evaluated its corporate governance structure and engaged six seasoned Disinterested Directors with substantial restructuring experience to assist its boards.

- ***Stakeholder Engagement***. In parallel with these efforts, Rite Aid engaged with key stakeholders across its capital structure in the hopes of consummating a deleveraging, out-of-court transaction. Over several months, Rite Aid engaged with a large group of its secured noteholders (the "Ad Hoc Secured Noteholder Group") regarding options to strengthen its balance sheet and right-size its capital structure; the agent on its prepetition ABL Facility, regarding potential financing options; and various governmental agencies and litigation claimants regarding consensual resolutions of several investigations and claims.

Key Developments in the Chapter 11 Cases

As the Company proceeded with the initiatives described above, it became evident that a restructuring through chapter 11 would best position Rite Aid for long-term success. Negotiations between the Company and its stakeholders regarding the terms of a comprehensive restructuring accelerated during the summer of 2023. Following months of diligence and extensive, arm's-length negotiations, Rite Aid and the Ad Hoc Secured Noteholder Group, in consultation with the DIP Agents, had reached an agreement in principle regarding the terms of such a restructuring on October 15, 2023, and concurrently commenced the Chapter 11 Cases. The restructuring term sheet (the "Restructuring Term Sheet"), attached as Exhibit A to the First Day Declaration [Docket No. 20], memorialized the terms of that agreement in principle at the time. To facilitate consummation of the restructuring, Rite Aid also obtained nearly $3.5 billion of committed postpetition debtor-in-possession financing, comprised of the DIP ABL Facility, the DIP FILO Facility, and the DIP Term Loan Facility. The Company filed, on the first day of the cases, initial versions of this Disclosure Statement and the Plan, a confirmation scheduling motion, global bidding procedures, and lease rejection procedures, among other customary "first day" motions and filings.

Since the commencement of these cases, the Company has taken important steps to advance its restructuring goals:

- ***"First Day" Relief.*** Obtained all crucial "first day" relief, on a final basis, enabling the Company to smoothly transition its operations into chapter 11;

- ***DIP Facilities.*** Obtained approval of the DIP Facilities on a final basis with the support of key stakeholder constituencies (including the Committees and the Ad Hoc Secured Noteholder Group), providing continued access to sufficient liquidity for the Company to achieve its restructuring objectives;

- ***Interim McKesson Agreement.*** Reached agreement with McKesson on the terms of an interim postpetition supply agreement, ensuring the go-forward supply of critical medicines and avoiding the need to litigate the Debtors' adversary complaint;

- ***Footprint Rationalization.*** Effectuated (a) the rejection of 643 leases resulting in approximately $171 million in annual occupancy savings and (b) the sale of 5 leases for cash proceeds of approximately $1.754 million—each resulting in significant cost savings and cash proceeds as contemplated by "Rite Aid 2.0";

- ***Elixir Sale Process.*** Obtained court approval of and, on February 1, 2024, consummated the sale of the Elixir Acquired Assets; and

- ***Retail Sale Process.*** Continued engagement with various interested parties around the terms of potential qualified bids for some or all of the Company's retail assets, including multiple extensions of the Qualified Bid Deadline (as defined in the Bidding Procedures) to facilitate the best possible bids for the Company's assets.

The U.S. Trustee appointed the UCC and the TCC on November 2, 2023. Following the appointment of the Committees, the Company and its advisors devoted significant time and resources to providing diligence and formal discovery productions to and engaging with the Committees and their advisors on key issues and case developments, including regarding the structure of the Restructuring Transactions contemplated by the initial Restructuring Term Sheet and the initial Plan, the treatment of each Committees' constituencies, and final approval and terms of the DIP Facilities, among others. Regarding document production and diligence sharing, the Company has produced more than 1.1 million pages of diligence and discovery to the Committees.

In connection with the settlement reached pursuant to the Final Financing Order, the Debtors, the Committees, the Ad Hoc Secured Noteholder Group, the DIP Agents, and other key stakeholders agreed on the terms of a global mediation process (the "Mediation"), with Hon. Judge Shelly C. Chapman (Ret.) as mediator.

Global Settlement and the Restructuring Transactions Contemplated in the Plan

The Plan is the product of the Mediation and additional extensive, hard-fought negotiations between the Debtors and parties in interest, including the DIP Agents, the Ad Hoc Secured Noteholder Group, the Committees, the U.S. Department of Justice (the "DOJ"), McKesson Corporation ("McKesson"), an ad hoc group of States (formed through the States' Attorneys General), and many others. Indeed, through the Plan, the Debtors have negotiated a series of Restructuring Transactions, and will effectuate several agreements in principle, subject to final documentation, resolving many of the key issues in these cases. Through the Plan the Debtors will achieve:

- The deleveraging of Rite Aid's balance sheet by more than $2 billion through the Restructuring Transactions;

- Agreement in principle with McKesson with regard to the settlement of, among other things, the treatment of the McKesson Claim and the terms of the go-forward McKesson New Contract

- The global settlement and resolution of long-running litigation, including regarding certain opioid-related litigation, and other disputes;

- $57 million in new money capital from certain members of the Ad Hoc Secured Noteholder Group, pursuant to the AHG New Money Commitment Agreement;

- The Debtors' active pursuit of the sales process in connection with their retail pharmacy business;

- Subject to conditions of effectiveness of the Plan, emergence from chapter 11 as a revitalized, streamlined "Rite Aid 2.0" business focused on the Debtors' core retail pharmacy business, with enhanced liquidity through access to the Exit Facility, the Takeback Notes, and the new money commitment described above, subject to any Other Asset Sales that may occur between now and the Effective Date;

- A path forward for the Debtors' monetization of the MedImpact Term Loan, including a framework for submission by certain members of the Ad Hoc Secured Noteholder Group of a backstopped stalking horse bid for the MedImpact Term Loan, which will ensure the Debtors receive the highest and best consideration for the MedImpact Term Loan, pursuant to the Plan; and

- Through the Committee Settlement set forth in the Plan, the good-faith compromise and settlement of Claims and controversies among the Debtors, the Committees, the Ad Hoc Secured Noteholder Group, and the DIP Lenders, which settlement includes the provision of cash (the Committees Initial Cash Contribution and the Committees Post-Emergence Cash Contribution), GUC Equity Trust Interests, Litigation Trust Class A Interests, and other consideration as set forth in Article III.B.6 of the Plan to Holders of Allowed General Unsecured Claims.

The centerpiece of the Restructuring Transactions contemplated in the Plan is the Plan Restructuring. Broadly summarizing, and as more fully provided in the Plan and this Disclosure Statement, under the Plan Restructuring, subject to the outcome of any Sale Transaction Restructuring (described in greater detail below), Holders of Allowed Senior Secured Notes Claims, including such Holders in the Ad Hoc Secured Noteholder Group, will become the go-forward majority owners of the revitalized "Rite Aid 2.0" business, receiving among other consideration described herein and in the Plan (such as the Takeback Notes, the CMSR Recovery, and interests in a Litigation Trust), 90% of New Common Stock less certain deductions, including on account of the GUC Equity Pool.

The Debtors believe that Holders of Allowed General Unsecured Claims will receive through the Plan and the Committee Settlement substantially improved consideration relative to what they would otherwise receive in a liquidation, including cash payments, among other consideration, to Holders of General Unsecured Claims, who the Debtors believe would otherwise receive no recovery in a liquidation. This consideration includes assets to be placed in a Liquidation Trust formed pursuant to the Plan, to include substantial cash payments, including an upfront cash payment of $20 million in the aggregate and post-emergence cash payments of up to $27.5 million (the Committees Initial Cash Consideration and the Committees Post Emergence Cash Consideration, respectively, each as defined in the Plan), Assigned Claims, the proceeds of the Assigned Claims, Assigned Insurance Rights, the Tort Claim Insurance Proceeds and the Litigation Trust Class A Interests. Holders of Allowed General Unsecured Claims will receive interests in the GUC Equity Trust, which will hold the GUC Equity Pool, which is 10% of New Common Stock, subject to (a) reasonable and customary minority protections, (b) certain agreed-upon anti-dilution protections, and (c) dilution on account of the New Common Stock issued pursuant to the Management Incentive Plan.

In all, the Plan, and the Restructuring Transactions contemplated therein, represent the culmination of a herculean effort from the Debtors and their stakeholders to preserve a fundamentally sound and critically important pharmacy business. Despite the many challenges that Rite Aid faced on the eve of these chapter 11 cases, the Debtors are now poised to pursue confirmation of a plan that will put the Reorganized Debtors on strong financial and operational footing and continue to serve the daily healthcare needs of millions of Americans. The Debtors strongly believe that the Plan is in the best interests of their estates and represents the best available alternative at this time. The Debtors are confident that they can implement the Restructuring Transactions contemplated by the Plan to ensure their long-term viability and success. Accordingly, the Debtors strongly recommend that Holders of Claims entitled to vote to accept the Plan.

III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all holders of claims or interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim you hold and whether you held that Claim as of the Voting Record Date (as defined in the Plan). Each category of Holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below:

Class	Claims and Interests	Status	Voting Rights
Class 1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 3	ABL Facility Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 4	FILO Term Loan Facility Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 5	Senior Secured Notes Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
Class 7	Intercompany Claims	Unimpaired / Impaired	Not Entitled to Vote (Deemed to Accept) / Not Entitled to Vote (Deemed to Reject)
Class 8	Intercompany Interests	Unimpaired / Impaired	Not Entitled to Vote (Deemed to Accept) / Not Entitled to Vote (Deemed to Reject)
Class 9	Existing Equity Interests in Rite Aid	Impaired	Not Entitled to Vote (Deemed to Reject)
Class 10	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

D. What is the "toggle" feature of the Plan?

The Plan will implement the Plan Restructuring unless the Debtors pivot or "toggle" to a Sale Transaction Restructuring that is determined to provide superior value relative to the Plan Restructuring. If the Debtors "toggle" to the Sale Transaction Restructuring, Claims and Interests will receive the proposed treatment under the Plan for a Sale Transaction Restructuring. As a result, Holders of Claims will receive recoveries under the Plan on a much quicker timeline than if the Plan did not include a "toggle" feature, which reduces expenses and permits the Debtors to emerge in either scenario on the expedited timeline currently contemplated.

A vote to accept the Plan is a vote to approve both the Plan Restructuring, including any Other Asset Sales, and a Sale Transaction Restructuring. If the Debtors "toggle" to a Sale Transaction Restructuring pursuant to the Plan, the Debtors will file and serve

a notice of such Sale Transaction by the Sale Transaction Notice Deadline, which shall be the same date as the Plan Supplement Deadline (as defined in the Disclosure Statement Order). Restructuring that includes the identity of the successful bidder.

E. What is the Restructuring Transaction under the Plan?

Under the Plan, the Debtors are pursuing a Restructuring Transaction through either the (i) Plan Restructuring, the Debtors' baseline restructuring proposal, or (ii) the Sale Transaction Restructuring.

1. Plan Restructuring.

The Plan Restructuring means the transactions and reorganization contemplated by, and pursuant to, the Plan in accordance with Article IV.C of the Plan. The Plan Restructuring will only occur if certain agreed-upon conditions are satisfied, unless otherwise waived, extended, or modified. If the agreed-upon conditions do not materialize, the Restructuring Transaction will toggle to the Sale Transaction Restructuring described below.

2. Sale Transaction Restructuring.

As the Debtors pursue the Plan Restructuring, they will continue to engage with all parties regarding the Sale Transaction Restructuring. Should any Sale Transaction Restructuring materialize that proves more value maximizing than the Plan Restructuring, the Debtors will "toggle" and pursue such a sale(s).

A Sale Transaction Restructuring is described further in Article IV.D of the Plan, and means one or more sale(s) of some, all, or substantially all of the Debtors' assets pursuant to the Bidding Procedures, consummated through one or more Sale Orders, including a Credit Bid Transaction and an Alternative Sale Transaction, that results, in the aggregate, in the disposition of all or substantially all of the Debtors' assets through one or more sale transactions. In a Credit Bid Transaction, Holders of Senior Secured Notes Claims could purchase all, substantially all, or a material portion of the Debtors' Assets, except for the Elixir Acquired Assets, pursuant to a Purchase Agreement on account of a Credit Bid.[2] In an Alternative Sale Transaction, one or more third parties would purchase all or substantially all of certain Retail Acquired Assets.

In the event of a Sale Transaction Restructuring, treatment of certain Classes of Claims will toggle as described in Article III.B of the Plan, with Holders of Senior Secured Notes Claims and General Unsecured Claims receiving their Pro Rata shares of Distributable Proceeds, if any, pursuant to the Waterfall Recovery described in the Plan. For the avoidance of doubt, Holders of General Unsecured Claims shall receive the consideration set forth in the Committee Settlement in either a Plan Restructuring or a Sale Transaction Restructuring, including such adjustments as are necessary to provide Holders of General Unsecured Claims with the economic equivalent of the Committee Settlement.

For more information regarding the Restructuring Transaction, please see Article IV of the Plan.

F. When will I be informed if the Debtors "toggle" to a Sale Transaction Restructuring?

The Debtors continue to engage with multiple parties regarding a potential Sale Transaction Restructuring. If the Debtors "toggle" to a Sale Transaction Restructuring pursuant to the Plan, the Debtors will file and serve a notice of such Sale Transaction Restructuring by the Sale Transaction Notice Deadline that includes the identity of the successful bidder.

G. What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to Holders of Claims or Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Moreover, the Debtors, the Disinterested Directors, and the Committees continue to investigate and evaluate potential estate claims. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

2 At this time, the Required AHG Noteholders have not submitted a credit bid.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND ARE THEREFORE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.[3]

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims (in millions)**	**Projected Recovery Under the Plan**
1	Other Secured Claims	Each Holder of an Allowed Other Secured Claim, unless such Holder agrees to less favorable treatment, shall receive, at the option of the Debtors, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim: (i) payment in full in Cash; (ii) the collateral securing its Other Secured Claim; (iii) Reinstatement of its Other Secured Claim; or (iv) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired in accordance with Section 1124 of the Bankruptcy Code.	**TBD**	**100%**
2	Other Priority Claims	Each Holder of an Allowed Other Priority Claim, except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, shall receive, at the option of the applicable Debtor or Wind-Down Debtor, as applicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim: (i) payment in full in Cash; or (ii) such other treatment consistent with section 1129(a)(9) of the Bankruptcy Code.	**TBD**	**100%**
3	ABL Facility Claims	To the extent any Allowed ABL Facility Claim remains outstanding on the Effective Date, and except to the extent that a Holder of an Allowed ABL Facility Claim and the Debtor against which such Allowed ABL Facility Claim is asserted agree to less favorable treatment, each Holder of an Allowed ABL Facility Claim shall receive, at the option of the applicable Holder of an Allowed ABL Facility Claim, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim: (i) payment in full in Cash; or (ii) its Pro Rata share of the Exit ABL Facility Loans issued under the Exit ABL Facility.	**$0[4]**	**100%**
4	FILO Term Loan Facility Claims	To the extent any Allowed FILO Term Loan Facility Claims remain outstanding, and except to the extent that a Holder of an Allowed FILO Term Loan Facility Claim and the Debtor against which such Holder asserts a Claim agree to less favorable treatment for such Holder, each Holder of an	**$0[5]**	**100%**

		Allowed FILO Term Loan Facility Claim shall receive, at the option of the applicable Holder of an Allowed FILO Term Loan Facility Claim, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim: (i) payment in full in Cash; or (ii) its Pro Rata share of Exit FILO Term Loan Facility Loans issued under the Exit FILO Term Loan Facility.		

The recoveries set forth below may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions. "Allowed" means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim or request for payment of an Administrative Claim, as applicable, Filed by the Claims Bar Date or the Administrative Claims Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed) in accordance with the terms of the Bar Date Order; (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not Disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in
3 the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or Disputed, and for which no Proof of Claim is or has been timely Filed (where such Proof of Claim is required to be Filed), is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. For the avoidance of doubt: (x) a Proof of Claim or request for payment of an Administrative Claim, as applicable, Filed after the Claims Bar Date or the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim or agreement in writing by the Debtors and the Holder of such late-Filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. "Allow" and "Allowing" shall have correlative meanings.

4 The obligations arising under the ABL Facility were converted into DIP ABL Obligations pursuant to the terms of the Financing Orders.

5 The obligations arising under the FILO Term Loan Facility were converted into DIP FILO Facility obligations pursuant to the terms of the Financing Orders.

5	Senior Secured Notes Claims	Except to the extent that a Holder of an Allowed Senior Secured Notes Claim and a Debtor against which such Allowed Senior Secured Notes Claim is asserted agree to less favorable treatment, on the Effective Date, each Holder of a Senior Secured Notes Claim shall receive, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim: (i) in the event of a Plan Restructuring: (1) its Pro Rata share of (A) 90% of the New Common Stock, subject to dilution on account of the New Common Stock issued pursuant to the Management Incentive Plan, (B) the Takeback Notes, (C) the CMSR Recovery, (D) up to $2.5	**$1,226.9**	**Unspecified**[6]

		million from the proceeds of the sale of unoccupied real estate of the Debtors that is not part of the Reorganized Debtors, distributed on the first anniversary of the Effective Date, and (E) the Litigation Trust Class B Interests; and (2)(A) if the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures, (I) such Holder's MedImpact NewCo Subscription Rights and (II) such Holder's Pro Rata share of the MedImpact NewCo Notes issued on account of the Final MedImpact Term Loan Bid – Senior Secured Notes Claims Amount, subject to dilution by the MedImpact Backstop Fee NewCo Notes, the MedImpact Rights Offering NewCo Notes, and the MedImpact Unsubscribed NewCo Notes; or (B) if the MedImpact Term Loan Backstop Parties do not acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures, such Holder's Pro Rata share of Cash available for distribution to Holders of Senior Secured Notes Claims in accordance with Section (II)(A) of Exhibit E of the Final Financing Order; or (ii) in the event of a Sale Transaction Restructuring, its Pro Rata share of the Distributable Proceeds, if any, pursuant to the Waterfall Recovery.		
6	General Unsecured Claims[7]	As a settlement of all open disputes with the Debtors, the Holders of DIP Claims, and the Holders of Senior Secured Notes Claims, each Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim, a portion of the Litigation Trust Assets and the GUC Equity Trust Interests, as set forth in the UCC / TCC Recovery Allocation Agreement and in accordance with the Litigation Trust Documents, the GUC Equity Trust Documents, and any GUC Sub-Trust Documents, including: (i) the Committees Initial Cash Consideration, (ii) the Committees Post-Emergence Cash Consideration, (iii) 100% of the GUC Equity Trust Interests; (iv) the Tort Claim Insurance Proceeds, and (v) Litigation Trust Class A Interests. *(c) [Channeling:* As of the Effective Date, in accordance with the Plan and the Litigation Trust Documents, any and all liability of the Debtors and/or the Reorganized Debtors for any and all Tort Claims shall automatically, and without further act, deed or court order, be channeled exclusively to, and all of the Debtors' and Reorganized Debtors' liability for such claims shall be assumed by, the Litigation Trust or any applicable GUC Sub-Trust. Each Tort Claim shall be asserted exclusively against the Litigation Trust or GUC Sub-Trust and resolved solely in accordance with the terms, provisions and procedures of the Litigation Trust Documents or GUC Sub-Trust Documents. The sole recourse of any Person, Entity, or other party on account of any Tort Claim, whether or not the Holder thereof participated	**TBD**[8]	**Unspecified**

		in the Chapter 11 Cases and whether or not such Holder Filed a Proof of Claim in the Chapter 11 Cases, shall be to the Litigation Trust or GUC Sub-Trust as and to the extent provided in the Litigation Trust Documents and GUC Sub-Trust Documents. Notwithstanding anything to the contrary herein, Holders of Tort Claims are enjoined from asserting against any Debtor (or their Affiliates) or any Reorganized Debtor (or their Affiliates) any Tort Claim and may not proceed in any manner against any Debtor (or their Affiliates) or Reorganized Debtor (or their Affiliates) on account of any Tort Claim in any other forum whatsoever, including any state, federal, or non-U.S. court or administrative or arbitral forum, and are required to pursue Tort Claims exclusively against the Litigation Trust or GUC Sub-Trust, solely as and to the extent provided in the Litigation Trust Documents and GUC Sub-Trust Documents.]		

As described herein, the Ad Hoc Secured Noteholder Group supports this approach under the Plan Restructuring. Because the Debtors do not want to prejudice the sale process by disclosing estimated recoveries for Holders of Allowed Senior Secured Notes Claims and Holders of Allowed General Unsecured Claims, such recoveries are not estimated herein. For more detail, please see Article G of this Disclosure Statement entitled, "Valuation." The Debtors have discussed this approach with counsel to the Ad Hoc Secured Noteholder Group.

[6]

[7] For the avoidance of doubt, General Unsecured Claims do not include any Senior Secured Notes Deficiency Claims.

Many of the Claims in Class 6 (General Unsecured Claims) are contingent, unliquidated, and/or disputed. The Proofs of Claim filed on account of such Claims often do not state a Claim amount. Moreover, many that do include a Claim amount assert unsupported amounts or amounts that the Debtors have yet to be able to reconcile. The information necessary to conclusively determine the amount of Claims in Class 6 is generally not available from the Proofs of Claim. Accordingly, such an estimate of the aggregate value of Claims in Class 6 is not currently provided.

[8]

7	Intercompany Claims	Each Intercompany Claim shall be, at the option of the Debtors, and, in the event of a Plan Restructuring or a Credit Bid Transaction, with the consent of the Required AHG Noteholders, Reinstated, set off, settled, distributed, contributed, cancelled, or released without any distribution on account of such Intercompany Claim, or such other treatment as is reasonably determined by the Debtors.	**N/A**	**N/A**
8	Intercompany Interests	Each Intercompany Interest shall be, at the option of the Debtors, and, in the event of a Plan Restructuring or a Credit Bid Transaction, with the consent of the Required AHG Noteholders, Reinstated, set off, settled, distributed, contributed, cancelled, or released without any distribution on account of such Intercompany Interest, or such other treatment as is reasonably determined by the Debtors.	**N/A**	**N/A**
9	Existing Equity Interests in Rite Aid	All Existing Equity Interests in Rite Aid will be cancelled and extinguished, and Holders of Existing	**N/A**	**N/A**

		Equity Interests in Rite Aid shall receive no recovery on account of such Interests.		
10	Section 510(b) Claims	Section 510(b) Claims shall be discharged, cancelled, released, and extinguished without any distribution to Holders of such Claims.	**N/A**	**N/A**

H. What will I receive from the Debtors if I hold an Administrative Claim, Professional Fee Claim, Priority Tax Claim, or DIP Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, Priority Tax Claims, and DIP Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

1. Administrative Claims.

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court; *provided* that, in the event of a Sale Transaction Restructuring or an Other Asset Sale, any Allowed Administrative Claim that is an Assumed Liability under a Purchase Agreement shall be an obligation of the applicable Purchaser and shall not be an obligation of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors; *provided*, *further*, that, in the event of a Sale Transaction Restructuring, any Allowed Administrative Claim that is not an Assumed Liability under any Purchase Agreement shall instead be satisfied solely from the Administrative / Priority Claims Reserve; *provided, further*, that in the event of the Plan Restructuring or the Credit Bid Transaction, (i) the aggregate amount of Cash distributed to Holders of Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Tax Claims, and Allowed Other Secured Claims, and (ii) the treatment of such Claims shall be acceptable to the Required AHG Noteholders. For the avoidance of doubt, any McKesson Claim that is an Administrative Claim shall be treated in accordance with the terms of the McKesson Settlement.

Except for Professional Fee Claims, DIP Claims, Disinterested Director Fee Claims, AHG Notes Ticking Fee Claims, and MedImpact Termination Fee Claims, and unless previously Filed, subject to the terms of any Sale Orders, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors or the Wind-Down Debtors, as applicable, no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Reorganized Debtors or the Wind-Down Debtors and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims, DIP Claims, Disinterested Director Fee Claims, AHG Notes Ticking Fee Claims, and MedImpact Termination Fee Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Debtors, or the property of any of the foregoing, and such Administrative Claims shall be deemed released as of the Effective Date without the need

for any objection from the Debtors, the Wind-Down Debtors, or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Payment of Fees and Expenses under Financing Orders.

On the Effective Date, the Debtors shall pay all accrued and unpaid fees, expenses, disbursements, contribution or indemnification obligations, including without limitation, attorneys' and agents' fees, expenses, and disbursements incurred by each of the DIP Agents, the DIP Lenders, the Prepetition Agent, the Ad Hoc Secured Noteholder Group, and the Trustees, whether incurred prior to or after the Petition Date, in each case to the extent payable or reimbursable under or pursuant to the Financing Orders, the DIP Credit Agreements, the Prepetition Credit Agreement, or the Indentures, as applicable (subject to any applicable conditions set forth in the Financing Orders). Such fees, expenses, disbursements, contribution, or indemnification obligations shall constitute Allowed Administrative Claims. Nothing herein shall require the DIP Agents, DIP Lenders, the Prepetition Agent, the Trustees, or their respective Professionals, to File applications, a Proof of Claim, or otherwise seek approval of the Court as a condition to the payment of such Allowed Administrative Claims. For the avoidance of doubt, nothing herein shall be deemed to impair, discharge, or negatively impact or affect the rights of the DIP Agents, Prepetition Agent, or the Trustees to exercise any charging Liens pursuant to the terms of the DIP Credit Agreements, the Indentures, or the Prepetition Credit Agreement, as applicable, subject to any applicable intercreditor agreements.

3. Professional Fee Claims.

(a) **Final Fee Applications and Payment of Professional Fee Claims.**

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors or the Wind-Down Debtors (or the authorized signatories to the Professional Fee Escrow Account, after consultation with the Plan Administrator), as applicable, shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

(b) **Professional Fee Escrow Account.**

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, Claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, or the Wind-Down Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Wind-Down Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Wind-Down Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account and such Allowed Professional Fee Claims shall also be payable from the Wind-Down Reserve. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Wind-Down Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

(c) **Professional Fee Amount.**

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors, the DIP Agents, and/or the Committees before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors and the DIP Agents no later than five days before the anticipated Effective Date;

provided that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional, with such estimate provided to the DIP Agents. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account in consultation with the Required AHG Noteholders. For the avoidance of doubt, to the extent that the hourly and monthly fees (but not success fees) and expenses of the Committees and the Committees' Professionals incurred on or after March 26, 2024 are less than $7.5 million (consisting of (i) $1.5 million in connection with certain agreed-upon compensation litigation matters and (ii) $6.0 million for all other fees and expenses of the Committees and the Committees' Professionals incurred on or after March 26, 2024, excluding fees and expenses described in the preceding clause (i)), the Committees' Initial Cash Consideration shall be increased by an amount equal to the difference between (a) $7.5 million and (b) the fees and expenses actually incurred by the Committees and the Committees' Professionals during the aforementioned period.

(d) **Post-Effective Date Fees and Expenses.**

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses incurred by the Professionals. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors or the Wind-Down Debtors, as applicable, may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that the Purchaser(s) shall not be liable or otherwise responsible for the payment of any Professional Fee Claims.

After the Effective Date, to the extent the Senior Trustees provide services or incur expenses, including professional fees, related to the Plan or the applicable indenture, including with respect to the effectuation of any distributions under the Plan or any action the Debtors request to be taken in furtherance of the Plan, the reasonable and documented fees and expenses of the Trustees, including professional fees, shall be paid in the ordinary course by the Debtors or the Debtors' successor-in-interest. Notwithstanding this section, the Trustees shall have the right to exercise their respective charging liens under the applicable indentures against distributions on account of the respective Notes Claims for the payment of the Trustees' fees and expenses, to the extent not otherwise paid.

4. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code; *provided* that (a) any Allowed Priority Tax Claim that is an Assumed Liability under a Purchase Agreement shall be an obligation of the applicable Purchaser, shall not be an obligation of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, (b) in the event of a Sale Transaction Restructuring pursuant to Article IV.D of the Plan, any Allowed Priority Tax Claim that (i) is an Assumed Liability under a Purchase Agreement shall be an obligation of the applicable Purchaser, shall not be an obligation of the Debtors or the Wind-Down Debtor, and shall not be satisfied from the Administrative / Priority Claims Reserve and (ii) is not an Assumed Liability under a Purchase Agreement shall be satisfied solely from the Administrative / Priority Claims Reserve, and (c) the aggregate amount of Cash distributed to Holders of Allowed Priority Tax Claims shall be acceptable to the Required AHG Noteholders.

5. DIP Claims.

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements, including principal, interest, fees, costs, other charges, and expenses. Upon the satisfaction of the Allowed DIP Claims in accordance with the terms of the Plan, the Final Financing Order, and the Purchase Agreement, all Liens and security interests granted to secure such obligations shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

Pursuant to the DIP Credit Agreement, all distributions pursuant to Article II.E of the Plan shall be made to the applicable DIP Agent for distributions to the applicable DIP Lenders in accordance with the DIP Credit Agreements and DIP Documents unless otherwise agreed upon in writing by such DIP Agent and the Debtors. The DIP Agents shall hold or direct distributions for the benefit of the applicable Holders of DIP Claims. Each DIP Agent shall retain all rights as DIP Agent under the DIP Documents in connection with the delivery of the distributions to the DIP Lenders. The DIP Agents shall not have any liability to any person with respect to distributions made or directed to be made by such DIP Agents.

(a) **DIP ABL Claims.**

Except to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for each Allowed DIP ABL Claim, each Holder of an Allowed DIP ABL Claim shall receive: (a) in the event of a Plan Restructuring, at the option of the applicable Holder of an Allowed DIP ABL Claim, (i) its Pro Rata share of the Exit ABL Facility or (ii) payment in full in Cash on the Effective Date; or (b) in the event of a Sale Transaction Restructuring, either, at each of the DIP ABL Lenders' discretion, (i) payment in full in Cash on the Effective Date or (ii) its Pro Rata share of the Exit ABL Facility.

(b) **DIP FILO Claims.**

Except to the extent that a Holder of an Allowed DIP FILO Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for each Allowed DIP FILO Claim, each Holder of an Allowed DIP FILO Claim shall receive: (a) in the event of a Plan Restructuring, at the option of the applicable Holder of an Allowed DIP FILO Claim, (i) its Pro Rata share of the Exit FILO Term Loan Facility or (ii) payment in full in Cash on the Effective Date; or (b) in the event of a Sale Transaction Restructuring, either, at each of the DIP FILO Lenders' discretion, (i) payment in full in Cash on the Effective Date or (ii) its Pro Rata share of the Exit FILO Term Loan Facility.

(c) **DIP Term Loan Claims.**

Except to the extent that a Holder of an Allowed DIP Term Loan Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for each Allowed DIP Term Loan Claim, each Holder of an Allowed DIP Term Loan Claim shall receive payment in full in Cash on the Effective Date.

6. AHG New-Money Commitment Agreement Claims and MedImpact Term Loan Backstop Commitment Agreement Claims.

As of the Effective Date, in accordance with, and subject to, the terms and conditions of the AHG New-Money Commitment Agreement and the MedImpact Term Loan Backstop Commitment Agreement, the Claims of the AHG New-Money Commitment Parties and the MedImpact Term Loan Backstop Parties on account of the AHG Notes Ticking Fee and the MedImpact Termination Fee shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the AHG New-Money Commitment Agreement and the MedImpact Term Loan Backstop Commitment Agreement, and the MedImpact Termination Fee, if any, and the AHG Notes Ticking Fee, shall each be an Allowed Administrative Claim under section 503(b) of the Bankruptcy Code.

(a) **MedImpact Termination Fee.**

Except to the extent that a Holder of an Allowed MedImpact Termination Fee Claim (if any) agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for each such Claim, each Holder thereof shall receive payment in full in Cash on or prior to the Effective Date in accordance with, and subject to, the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement.

(b) **AHG Notes Ticking Fee Claims.**

Except to the extent that a Holder of an Allowed AHG Notes Ticking Fee Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for each such Claim, each Holder thereof shall receive (i) if the AHG New-Money Commitment Agreement is not terminated, AHG Notes issued on or prior to the Effective Date or (ii) if the AHG New-Money Commitment Agreement is terminated, payment in full in Cash, if so entitled, in each case, in accordance with, and subject to, the terms and conditions of the AHG New-Money Commitment Agreement.

I. Are any regulatory approvals required to consummate the Plan?

The Debtors anticipate that regulatory filings and subsequent approvals may be required to consummate the Plan, should a Plan Restructuring proceed, prior to and after any change of ownership or control resulting from a sale of the Debtors' ownership interests in order to continue healthcare-related operations (e.g., operation of the pharmacies) and to receive reimbursement from healthcare programs. The Debtors are also subject to the expiration of applicable antitrust waiting periods and/or approval by certain antitrust authorities. However, to the extent any such regulatory approvals or other authorizations, consents, rulings, or documents are necessary to implement and effectuate the Plan, it is a condition precedent to the Effective Date that they be obtained. With respect to the Sale Transaction Restructuring contemplated by the Plan, while regulatory filings and subsequent approvals may not be required as conditions to close the Sale Transaction Restructuring, they may be required as a practical matter because Purchasers will have to obtain new state healthcare licenses and/or new Medicare or Medicaid enrollments, among other requirements.

J. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to reorganize their businesses. It is possible that any alternative may provide Holders of Claims with less than they would have received pursuant to the Plan.

K. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court and entry of the Confirmation Order on the docket of the Chapter 11 Cases. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as reasonably practicable thereafter, as specified in the Plan. See Article XI of this Disclosure Statement, entitled "Confirmation of the Plan," which begins on page 144, for a discussion of the conditions precedent to consummation of the Plan.

L. What are the sources of Cash and other consideration required to fund the Plan?

All amounts necessary for the Debtors and, if applicable, the Wind-Down Debtors, to make payments or distributions pursuant to the Plan shall be (in each case subject to the terms of the Purchase Agreement(s) and the Sale Order, as applicable) obtained from the proceeds of the issuance of New Common Stock, Exit Facilities, Takeback Notes, the MedImpact NewCo Notes (if any), the CMSR Distribution, the AHG Notes, Cash of the Debtors, and any additional Cash consideration provided under one or more Purchase Agreements, in accordance with the terms thereof. Unless otherwise agreed, distributions required by the Plan on account of Allowed Claims that are Assumed Liabilities under a Purchase Agreement shall be the sole responsibility of the applicable Purchaser.

1. The New Common Stock.

In the event of a Plan Restructuring, on the Effective Date, New Rite Aid is authorized to issue or cause to be issued and shall, as provided for in the Restructuring Transactions Memorandum, issue the New Common Stock for distribution to the Holders of Allowed Senior Secured Notes Claims and the GUC Equity Trust in accordance with the terms of the Plan and the New Corporate Governance Documents (including the New Shareholders Agreement) without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule, or the vote, consent, authorization, or approval of any Person. The New Common Stock shall be issued and distributed free and clear of all Liens, Claims, and other Interests. All of the New Common Stock issued pursuant to the Plan, as contemplated by the Plan Restructuring, shall be duly authorized and validly issued and shall be fully paid and non-assessable.

2. Exit Facilities.

On the Effective Date, New Rite Aid shall enter into the Exit Facilities on the terms set forth in the Exit Facilities Documents. To the extent not already approved, Confirmation shall be deemed approval of the Exit Facilities Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by New Rite Aid in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of New Rite Aid to enter into and execute the Exit Facilities Credit Agreement, and such other Exit Facilities Documents as may be required to effectuate the Exit Facilities.

On the Effective Date or such date as otherwise approved by the Sale Order, all of the Liens and security interests to be granted in accordance with the Exit Facilities Documents, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facilities Documents; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the respective Exit Facilities Documents; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, New Rite Aid and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

3. MedImpact Term Loan Sales Process, Rights Offering, and NewCo Notes.

(a) **MedImpact Term Loan Sales Process**

In accordance with, and subject to, the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement, following the Confirmation Date, the Debtors shall commence or continue, as applicable, the MedImpact Term Loan Sales Process in accordance with the MedImpact Term Loan Bidding Procedures. Entry of the MedImpact Term Loan Bidding Procedures Order, which shall be entered on or before the Confirmation Date, shall (i) constitute Bankruptcy Court approval of the MedImpact Term Loan Sales Process, (ii) authorize the Debtors' entry into and performance under the MedImpact Term Loan Backstop Commitment Agreement and constitute Bankruptcy Court approval thereof, including the payment of the MedImpact Term Loan Backstop Commitment Premium or the MedImpact Termination Fee, as applicable, in accordance with the terms thereof, and (iii) approve the MedImpact Term Loan Bidding Procedures. The Cash proceeds of the sale of the MedImpact Term Loan shall be applied pursuant to Section (II)(A) of Exhibit E to the Final Financing Order, unless otherwise agreed as among the DIP Agents and the Required AHG Noteholders.

(b) **Creation of MedImpact Term Loan NewCo and MedImpact Term Loan Rights Offering**

If the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures and the MedImpact Term Loan Backstop Commitment Agreement, the following provisions shall be in effect, subject in all respects to the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement:

On or prior to the Effective Date, the Debtors shall create the MedImpact Term Loan NewCo and enter into the MedImpact Term Loan Stalking Horse Bidder Documentation and the MedImpact NewCo Notes Documentation. Pursuant to the MedImpact Term Loan Rights Offering Procedures[, prior to the Effective Date,] the Debtors shall distribute the MedImpact NewCo Subscription Rights to Eligible Holders in accordance with the Plan, the MedImpact Term Loan Backstop Commitment Agreement, and the MedImpact Term Loan Rights Offering Procedures. Eligible Holders shall be entitled to participate in the MedImpact Term Loan Rights Offering up to a maximum amount of each Eligible Holder's Pro Rata share of the MedImpact Aggregate Rights Offering Amount.

The MedImpact Term Loan Rights Offering will be backstopped, severally and not jointly, by the MedImpact Term Loan Backstop Parties pursuant to the MedImpact Term Loan Backstop Commitment Agreement. 20% of the MedImpact Rights Offering NewCo Notes to be sold and issued pursuant to the MedImpact Term Loan Rights Offering shall be reserved for the MedImpact Term Loan Backstop Parties pursuant to the MedImpact Term Loan Backstop Commitment Agreement. MedImpact Term Loan NewCo will pay the MedImpact Term Loan Backstop Commitment Premium to the MedImpact Term Loan Backstop Parties no later than the Effective Date in accordance with the terms and conditions set forth in the MedImpact Term Loan Backstop Commitment Agreement and the Plan.

Upon exercise of the MedImpact NewCo Subscription Rights pursuant to the terms of the MedImpact Term Loan Backstop Commitment Agreement and the MedImpact Term Loan Rights Offering Procedures, MedImpact Term Loan NewCo shall be authorized to issue the applicable principal amount of MedImpact Rights Offering NewCo Notes issuable pursuant to such exercise. Pursuant to the MedImpact Term Loan Backstop Commitment Agreement, if after following the procedures set forth in the MedImpact Term Loan Rights Offering Procedures, there remain any unexercised subscription rights, the MedImpact Term Loan Backstop Parties shall purchase, severally and not jointly, their applicable portion of the aggregate principal amount of the MedImpact Rights Offering NewCo Notes associated with such unexercised subscription rights in accordance with the terms and conditions set forth in the MedImpact Term Loan Backstop Commitment Agreement and the MedImpact Term Loan Rights Offering Procedures.

On the Effective Date, upon the consummation of the MedImpact Term Loan Rights Offering, the issuance of the MedImpact NewCo Notes and the transfer of the MedImpact Term Loan to MedImpact Term Loan NewCo, the Debtors shall transfer all equity or other ownership or residual interests in MedImpact Term Loan NewCo to the MedImpact NewCo Trustee or its designee in a manner acceptable to the Debtors and the MedImpact Term Loan Backstop Parties.

(c) **MedImpact NewCo Notes**

If the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures and the MedImpact Term Loan Backstop Commitment Agreement, the following provisions shall be in effect, subject to the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement:

On the Effective Date, the MedImpact Term Loan NewCo shall issue the MedImpact NewCo Notes on the terms set forth in the MedImpact NewCo Notes Documentation. To the extent not already approved, Confirmation shall be deemed approval of the MedImpact NewCo Notes Documentation, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the MedImpact Term Loan NewCo in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of the MedImpact Term Loan NewCo to enter into and execute the MedImpact NewCo Notes Indenture, and such other MedImpact NewCo Notes Documentation as may be required to issue the MedImpact NewCo Notes.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, on the Effective Date, all of the Liens and security interests to be granted in accordance with the MedImpact NewCo Notes Documentation, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the MedImpact NewCo Notes Documentation; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the MedImpact NewCo Notes Documentation; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, the MedImpact Term Loan NewCo and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

4. The SCD Trust and the AHG Notes.

On or prior to the Effective Date, subject to the terms and conditions of the AHG New-Money Commitment Agreement, the Debtors shall create the SCD Trust and enter into the SCD Trust Documentation and the AHG Notes Documentation. On or prior to the Effective Date, subject to the terms and conditions of the AHG New-Money Commitment Agreement, the SCD Trust shall, and to the maximum extent permitted by applicable law, (a) (i) hold all right, title, and interest to no less than $[350,000,000] of the SCD Claim, which the Debtors shall transfer from Debtor Ex Options, LLC to the SCD Trust, (b) issue, or cause to be issued, the AHG Notes to the applicable AHG New-Money Commitment Parties in accordance with the AHG Notes Documentation, (c) be vested with all requisite authority to distribute the CMSR Recovery in accordance with the Plan and the terms and conditions of the AHG New-Money Commitment Agreement, and (d) following receipt of the proceeds of the CMS Receivable, be vested with all requisite authority to distribute sufficient Cash to the Reorganized Debtors to fund any mandatory prepayments required under the terms of the Exit Facilities Documents from the proceeds of such CMS Receivable. To the extent not already approved, Confirmation shall be deemed approval of the AHG Notes Documentation and the SCD Trust Documentation, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the SCD Trust in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of the SCD Trust to enter into and execute the SCD Trust Documentation, the AHG Notes Purchase Agreement, the AHG Notes Indenture, and such other AHG Notes Documentation as may be required to issue the AHG Notes.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, the Elixir Intercreditor Agreement shall provide, among other things, that distributions from EIC on account of the SCD Claim shall be allocated (i) *first*, to the SCD Trust in an amount sufficient to repay $57,000,000 in Cash of the AHG Notes; (ii) *second*, to the SCD Trust for the benefit of the Exit Lenders in an amount sufficient to repay the [Exit ABL Facility] in the amount of $60,000,000 (which amount shall be applied to fund an immediate prepayment under the Exit FILO Term Loan Facility); (iii) *third*, to the extent Excess Availability is less than $700,000,000, to the SCD Trust for the benefit of the Exit Lenders, in an amount equal to the lesser of $57,000,000 and the amount necessary to fund a prepayment under the Exit ABL Facility to cause Excess Availability to equal $700,000,000 (which amount shall be used to fund an immediate prepayment under the Exit ABL Facility); (iv) *fourth*, to the extent the aggregate amount of proceeds of the CMS Receivable paid to the SCD Trust to repay in full in Cash the SCD Notes and to fund distributions under the Plan pursuant to clause (v) below are $285,000,000, (the "Creditor Distribution"), except to the extent that SCD Trust receives less than $285,000,000 to repay in full in Cash the AHG Notes and to fund distributions under the Plan, in which case the Creditor Distribution will be reduced on a dollar-by-dollar basis by each dollar the SCD Trust receives under $285,000,000 to repay in full in Cash the AHG Notes and to fund distributions under the Plan, until the Creditor Distribution reaches zero, provided that the Creditor Distribution shall not be less than zero; and (v) *fifth*, to the SCD Trust in an amount equal to all remaining proceeds of the CMS Receivable (which amount the SCD Trust shall use to fund a distribution pursuant to Article III.B.5 of the Plan.). The Debtors may, with the consent of the DIP Agents and the Required AHG Noteholders, enter into one or more alternative transactions or structuring arrangements with respect to the transactions, arrangements, and distributions described in this paragraph and the preceding paragraph, which alternative transactions, arrangements, and distributions shall be economically neutral with respect to the Creditor Distribution.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, on the Effective Date, all of the Liens and security interests to be granted in accordance with the AHG Notes Documentation, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the AHG Notes Documentation; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the AHG Notes Documentation; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, the SCD Trust and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect

such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

The Cash proceeds of the AHG Notes shall be used to pay down the loans outstanding under the DIP ABL Facility, thereby reducing the DIP ABL Claims on a dollar-for-dollar basis.

5. Takeback Notes.

On the Effective Date, in the event of a Plan Restructuring, New Rite Aid shall enter into the Takeback Notes on the terms set forth in the Takeback Notes Documents. To the extent not already approved, Confirmation shall be deemed approval of the Takeback Notes Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by New Rite Aid in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of New Rite Aid to enter into and execute the Takeback Indenture, and other such Takeback Notes Documents as may be required to effectuate the Takeback Notes.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Takeback Notes Documents, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Takeback Notes Documents; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the respective Takeback Notes Documents; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent New Rite Aid and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

6. Cash on Hand.

Except as otherwise provided in the Plan, the Debtors, Reorganized Debtors, or Wind-Down Debtors, as applicable, shall use Cash on hand to fund distributions to certain Holders of Claims solely in accordance with the terms of the Plan, including any Cure Costs in connection with a Plan Restructuring.

7. Creation of the Administrative / Priority Claims Reserve and the Wind-Down Reserve.

On or before the Effective Date, in the event of a Sale Transaction Restructuring, each of the Administrative / Priority Claims Reserve and Wind-Down Reserve shall be funded in accordance with the Purchase Agreement, the Sale Order, and section 1129 of the Bankruptcy Code, as applicable, and subject to the applicable consent rights of the Required AHG Noteholders.

8. Payment of Cure Costs.

In the event of a Sale Transaction Restructuring or an Other Asset Sale, the Debtors or Purchaser shall pay all Cure Costs, if any, pursuant to sections 365 or 1123 of the Bankruptcy Code and in accordance with the Purchase Agreement(s) and Sale Order(s).

M. What is the effect of the Plan on the Debtors' ongoing businesses?

1. Plan Restructuring.

In the event of the Plan Restructuring and on the Effective Date, in accordance with the terms of the New Corporate Governance Documents, the New Rite Aid Board shall be appointed, and New Rite Aid shall adopt the New Corporate Governance Documents; *provided* that each Disinterested Director of the Debtors shall retain authority following the Effective Date with respect to matters relating to Professional Fee Claim requests by Professionals acting at their authority and discretion in accordance with the terms of the Plan. Each Disinterested Director shall not have any of their privileged and confidential documents, communications, or information transferred (or deemed transferred) to New Rite Aid, the Reorganized Debtors, or any other Entity without such director's prior written consent. Each Disinterested Director of the Debtors retains the right to review, approve, and make decisions, as well as to file papers and be heard before the Bankruptcy Court, on all matters under such director's continuing authority.

2. Sale Transaction Restructuring.

In the event of a Sale Transaction Restructuring, on and after the Effective Date, the Wind-Down Debtors shall continue in existence for purposes of (a) resolving Disputed Claims, (b) making distributions on account of Allowed Claims as provided hereunder, (c) establishing and funding the Administrative / Priority Claims Reserve and the Wind-Down Reserve, (d) enforcing and prosecuting claims, interests, rights, and privileges under the Causes of Action in an efficacious manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith, (e) filing appropriate tax returns, (f) complying with its continuing obligations under the Purchase Agreement(s), if any, (g) liquidating all assets of the Wind-Down Debtors, and (h) otherwise administering the Plan. The Wind-Down Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (x) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court and (y) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Wind-Down Debtors to File motions or substitutions of parties or counsel in each such matter.

In the event of a Credit Bid Transaction, on or prior to the Effective Date, New Rite Aid and certain direct or indirect subsidiaries (as applicable) shall be formed for the purpose of acquiring all of the Acquired Assets and assuming all of the Assumed Liabilities.

N. Are there risks to owning the New Common Stock upon emergence from chapter 11?

Yes. *See* Article IX of the Disclosure Statement, entitled "Risk Factors," which begins on page 120.

O. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well, which objections potentially could give rise to litigation. See Article IX.A of this Disclosure Statement which begins on page 120.

In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting Classes. The Bankruptcy Court may confirm the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, which allow the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code. See Article XI.F of this Disclosure Statement which begins on page 146.

P. What is the Management Incentive Plan and how will it affect the distribution I receive under the Plan?

On the Effective Date, the New Rite Aid Board shall adopt and implement the Management Incentive Plan as determined by the New Rite Aid Board and in accordance with the MIP Documents.

Q. What is the GUC Equity Trust?

The GUC Equity Trust is one or more trusts and/or sub-trusts (including as a sub-trust of a single trust that also includes the Litigation Trust as a sub-trust) established prior to or on the Effective Date pursuant to, and in accordance with, Article IV.E.2 of the Plan to hold the GUC Equity Trust Assets for the benefit of Holders of Allowed General Unsecured Claims pursuant to the applicable GUC Equity Trust Agreement. For the avoidance of doubt, the GUC Equity Trust and the Litigation Trust may be sub-trusts within a single trust, as mutually agreed between the Debtors, the Committees, and the GUC Equity Trustee.

On or prior to the Effective Date, the Debtors shall take all reasonably necessary steps to establish the GUC Equity Trust as one or more standalone trusts and/or sub-trusts in accordance with the Plan, *provided, however*, that the Debtors will not be required to take any actions which would result in holders of New Common Stock exceeding 300 holders. Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect, except to the extent the Debtors and the Committees determine otherwise in their reasonable discretion to treat all or any portion of the GUC Equity Trust as a "qualified settlement fund," "disputed ownership fund," or otherwise, to treat the GUC Equity Trust as a "widely held fixed investment trust" under section 1.671-5 of the Treasury Regulations and the GUC Equity Trustee will report consistently therewith. Such treatment is assumed with respect to the following discussion. In accordance therewith, neither the GUC Equity Trust nor GUC Equity Trustee shall have the power to vary the investment of the GUC Equity Trust within the meaning of section 301.7701-4(c) of the Treasury Regulations. For U.S. federal income tax purposes, each holder of a GUC Equity Trust Interest will generally be required to include their pro rata share of each item of income, gain, deduction, loss, or credit attributable to the GUC Equity Trust Assets.

To the extent the Debtors and the Committees determine in their reasonable discretion to treat all or any portion of the GUC Equity Trust as a "disputed ownership fund" under section 1.468B-9 of the Treasury Regulations or a "qualified settlement fund" under section 1.468B-1 of the Treasury Regulations, any appropriate elections with respect thereto shall be made, and such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return may be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

No request for a ruling from the IRS will be sought on the classification of the GUC Equity Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the GUC Equity Trust. If the IRS were to successfully challenge the classification of the GUC Equity Trust as a widely held fixed investment trust, the federal income tax consequences to the GUC Equity Trust and the holders of GUC Equity Trust Interests could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the GUC Equity Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

The GUC Equity Trust will file information tax returns with the IRS and provide tax information statements to holders of GUC Equity Trust Interests consistently with the rules of section 1.671-5 of the Treasury Regulations and any other applicable provisions of law, including information regarding items of income, gain, deduction, loss or credit attributable to the GUC Equity Trust Assets. Each holder of GUC Equity Trust Interests must report on its federal income tax return its share of all such items.

If, as of the Effective Date, the UCC / TCC Recovery Allocation Agreement is not in full force and effect, the GUC Equity Trustee shall hold the GUC Equity Trust Assets for the benefit of the Holders of the GUC Equity Trust Interests as later determined in accordance with the terms of the UCC / TCC Recovery Allocation Agreement. The GUC Equity Trust Interests shall be distributed in accordance with the UCC / TCC Recovery Allocation Agreement.

R. What is the Litigation Trust?

The Litigation Trust is one or more trusts and/or sub-trusts (including as a sub-trust of a single trust that also includes the GUC Equity Trust as a sub-trust) established on or prior to the Effective Date pursuant to, and in accordance with, Article IV.E.3 of the Plan. On the Effective Date, the Debtors shall take all necessary steps to establish the Litigation Trust as one or more standalone trust and/or sub-trusts in accordance with the Plan and the Litigation Trust Documents, including as set forth in the Litigation Trust Cooperation Agreement. Notwithstanding anything to the contrary herein, the Debtors and the Reorganized Debtors, as applicable, shall transfer the Litigation Trust Assets to the Litigation Trust, which, except to the extent the Debtors and the Committees determine otherwise in their reasonable discretion to treat all or any portion of the Litigation Trust as a "qualified settlement fund," "disputed ownership fund," "widely held fixed investment trust," and/or otherwise, shall be a "liquidating trust" as that term is used under section 301.7701-4(d) of the Treasury Regulations, and such treatment is assumed with respect to the following discussion. For the avoidance of doubt, in the event of any transfer of the Litigation Trust Assets to the Litigation Trust, the provisions set forth herein shall continue to govern all matters associated with the prosecution, settlement, or collection upon any Causes of Action transferred to the Litigation Trust.

The Litigation Trust shall be established for the purposes of liquidating the Litigation Trust's assets, reconciling claims asserted against the Debtors and the Reorganized Debtors, and distributing the proceeds thereof in accordance with the Plan, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the Litigation Trust and the purposes described in the Plan. Upon the transfer of the Debtors' or the Reorganized Debtors' assets to the Litigation Trust, the Debtors and the Reorganized Debtors will have no reversionary or further interest in or with respect to the Litigation Trust Assets. To the extent beneficial interests in the Litigation Trust are deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests; *provided* that, for the avoidance of doubt, to the extent the GUC Equity Trust is established as a sub-trust under the Litigation Trust, such GUC Sub-Trust shall be governed by the GUC Equity Trust provisions set forth in Article IV.E.2 of the Plan. Prior to any transfer of the Litigation Trust Assets to the Litigation Trust, the Committees may designate trustee(s) for the Litigation Trust for the purposes of administering the Litigation Trust, as more fully described in the Litigation Trust Documents. The reasonable costs and expenses of the trustee(s) shall be paid from the Litigation Trust.

S. Does the Plan preserve Causes of Action?

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VII and Article X of the Plan, and the terms of the Committee Settlement, the Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action other than the Assigned Claims and the Assigned Insurance Rights, whether arising before or after the Petition Date and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) that constitute Elixir Acquired Assets or Retail Acquired Assets, (b) exculpated or released (including, without limitation, by the Debtors) pursuant to the releases and exculpations contained in the Plan, including in Article X, or (c) waived in accordance with Article IV.R of the Plan which in the case of the foregoing (b) or (c) shall be deemed released and waived by the Debtors and the Reorganized Debtors or the Wind-Down Debtors, as applicable, as of the Effective Date.

The Debtors and the Wind-Down Debtors, as applicable, shall waive any Avoidance Action against the Commonwealth of Massachusetts on account of, or relating to, the Massachusetts OAG Agreement, and the Confirmation Order shall serve as approval by the Bankruptcy Court of the release of such Claims. Additionally, each of the California AG Proofs of Claim is an Allowed General Unsecured Claim. The Debtors and the Wind-Down Debtors, as applicable, shall waive any Avoidance Action against the California AG, or any mediate or immediate transferee of the California AG, on account of, or relating to, the California AG Agreement, and the Confirmation Order shall serve as approval by the Bankruptcy Court of the release of such Claims.

The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, may pursue such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights), as appropriate, in accordance with the best interests of the Reorganized Debtors and the Wind-Down Debtors, as applicable. The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall retain and may exclusively enforce any and all such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights). The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall have the exclusive right, authority, and discretion to determine and to initiate, File, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights) and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Reorganized Debtors or the Wind-Down Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as assigned or transferred to the Purchaser in accordance with the Purchase Agreement(s) or otherwise expressly provided in the Plan, including Article IV and Article X of the Plan. Unless any such Causes of Action against an Entity are expressly waived (including pursuant to Article IV.R of the Plan), relinquished, exculpated, released, compromised, assigned, or transferred to a Purchaser in accordance with a Purchase Agreement, or settled in the Plan or a Final Order, the Reorganized Debtors and the Wind-Down Debtors expressly reserve all such Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, Claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

Notwithstanding anything to the contrary in the Plan, in the Plan Supplement or in the Confirmation Order, the Debtors shall preserve and transfer and/or assign to the Litigation Trust, the Assigned Claims and the Assigned Insurance Rights and the right to commence, prosecute, or settle all Assigned Claims and Assigned Insurance Rights belonging to such Debtors or their Estates, subject to the occurrence of the Effective Date and the other terms and conditions set forth in the Plan; *provided*, that, subject to the terms and conditions of the Plan, (a) the Litigation Trust or GUC Sub-Trust(s) shall be the successor-in-interest to the Debtors' rights, title, and interest in any Assigned Claims and Assigned Insurance Rights, (b) the Litigation Trust or GUC Sub-Trust(s) as may be applicable, shall have exclusive standing to pursue the Assigned Claims and Assigned Insurance Rights, and (c) the Litigation Trustee or GUC Sub-Trust Trustee(s), pursuant to the Committee Settlement Documents, shall have the right to commence, prosecute, or settle such Assigned Claims and Assigned Insurance Rights and to decline to do any of the foregoing in its discretion and without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court. In pursuing any Assigned Claim or Assigned Insurance Right, the Litigation Trust or GUC Sub-Trust(s) shall be entitled to the tolling provisions provided under section 108 of the Bankruptcy Code, and shall succeed to the Debtors' rights with respect to the time periods in which an Assigned Claim or Assigned Insurance Right may be bought under section 546 of the Bankruptcy Code. The Litigation Trust or GUC Sub-Trust(s) shall be entitled to recover on any Assigned Claims or Assigned Insurance Rights as a result of the Settlement of Tort Claims described in Article IV.B of the Plan and/or any settlement or judgment with respect to the other Assigned Claims and no consent shall be necessary for the Litigation Trust or GUC Sub-Trust(s) to transfer such the proceeds of any such Assigned Claims or Assigned Insurance Rights once received from an insurer or other third-party. For the avoidance of doubt, the Litigation Trust or applicable GUC Sub-Trust shall be solely responsible for effectuating all distributions on account of the Litigation Trust Assets for General Unsecured Claims.

T. Will there be releases, exculpation, and injunction granted to parties in interest as part of the Plan? [9]

Yes, the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and are an essential element of the negotiations among the Debtors and key stakeholders in obtaining their support for the Plan.

The Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the DIP Facilities, the Plan, and multiple other interrelated key transactions that together will maximize and preserve the going-concern value of the Debtors for the benefit of all parties in interest. Accordingly, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions. Each Holder of Claims or Interests will have the ability to exempt itself from the definition of "Releasing Party," which procedures will be determined pursuant to the Confirmation Order. By not consenting to the Third-Party Release, such Holder will forgo the benefit of obtaining the releases set forth in Article X of the Plan if such party would otherwise by a Released Party.

9 Release provisions remain subject to Mediation and the completion of any ongoing diligence efforts by the Disinterested Directors at the applicable Debtor Entities.

IMPORTANTLY, THE FOLLOWING PARTIES ARE INCLUDED IN THE DEFINITION OF "RELEASING PARTIES" AND WILL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY, INDIVIDUALLY, AND COLLECTIVELY RELEASED AND DISCHARGED ALL CLAIMS AND CAUSES OF ACTION AGAINST THE DEBTORS AND THE RELEASED PARTIES, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, EACH SOLELY IN THEIR CAPACITY AS SUCH: [(A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE WIND-DOWN DEBTORS; (D) THE AGENTS; (E) THE TRUSTEES; (F) THE PREPETITION SECURED PARTIES; (G) THE DIP SECURED PARTIES; (H) THE SENIOR SECURED NOTEHOLDERS (INCLUDING THE AD HOC SECURED NOTEHOLDER GROUP AND EACH OF ITS MEMBERS); (I) EACH OF THE LENDERS UNDER THE EXIT FACILITIES; (J) THE COMMITTEES AND EACH MEMBER OF THE COMMITTEES; (K) THE LITIGATION TRUSTEE AND THE GUC EQUITY TRUSTEE; (L) IN THE EVENT OF ANY SALE TRANSACTION RESTRUCTURING OR OTHER ASSET SALE, THE PURCHASER(S); (M) THE MEDIMPACT TERM LOAN BACKSTOP PARTIES, MEDIMPACT TERM LOAN NEWCO, AND THE MEDIMPACT NEWCO TRUSTEE; (N) THE AHG NEW-MONEY COMMITMENT PARTIES AND THE SCD TRUSTEE;

(O) ALL HOLDERS OF CLAIMS THAT VOTE TO ACCEPT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED FOR IN THE PLAN; (P) ALL HOLDERS OF CLAIMS THAT ARE DEEMED TO ACCEPT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED BY THE PLAN; (Q) ALL HOLDERS OF CLAIMS WHO ABSTAIN FROM VOTING ON THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED BY THE PLAN; (R) ALL HOLDERS OF CLAIMS WHO VOTE TO REJECT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED BY THE PLAN; (S) ALL HOLDERS OF GENERAL UNSECURED CLAIMS WHO ARE DEEMED TO REJECT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED FOR IN THE PLAN;[10] (T) EACH CURRENT AND FORMER AFFILIATE OF EACH ENTITY IN CLAUSES (A) THROUGH (S); AND (U) EACH RELATED PARTY OF EACH ENTITY IN CLAUSES (A) THROUGH CLAUSE (S). FOR THE AVOIDANCE OF DOUBT AND NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, HOLDERS OF TORT CLAIMS SHALL NOT BE DEEMED TO RELEASE THE DEBTORS, PROVIDED, HOWEVER, THAT ANY RECOVERY FROM ANY SUCH TORT CLAIM AGAINST THE DEBTORS (AND THEIR AFFILIATES), THE REORGANIZED DEBTORS (AND THEIR AFFILIATES), AND/OR THE WIND-DOWN DEBTORS, AS APPLICABLE, INCLUDING BY WAY OF SETTLEMENT OR JUDGMENT, SHALL BE LIMITED TO THE LITIGATION TRUST ASSETS, AS APPLICABLE, AND NO PERSON, ENTITY, OR PARTY SHALL EXECUTE, GARNISH, OR OTHERWISE ATTEMPT TO COLLECT ANY SUCH RECOVERY FROM ANY ASSETS OTHER THAN THE LITIGATION TRUST ASSETS, EXCEPT TO THE EXTENT AND ONLY AS NECESSARY TO TRIGGER ANY INSURANCE CARRIER'S OBLIGATION TO PAY SUCH LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ANY OF THE DEBTORS' CURRENT AND FORMER DIRECTORS AND OFFICERS THAT ARE NOT A DEBTOR RELATED PARTY SHALL NOT BE A RELEASING PARTY.]

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[10] As explained in the Disclosure Statement, the Solicitation Materials will not include a form or mechanism for Holders to opt-out of the releases set forth in the Plan. Solicitation of elections with respect to Holder releases will occur after Confirmation of the Plan, pursuant to the Confirmation Order or separate Court order, and will not occur pursuant to the Solicitation Materials; *provided* that, for the avoidance of doubt, such solicitation will be completed prior to the Effective Date of the Plan. The Debtors shall consult with the Committees and the Required AHG Noteholders regarding such solicitation process and the solicitation process shall be consistent with the Committee Settlement and reasonably acceptable to the Committees as it relates to the solicitation process for general unsecured creditors.

Based on the foregoing, the Debtors believe that the releases, exculpation, and injunction provisions in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Third Circuit. Moreover, the Debtors will present evidence at the Combined Hearing to demonstrate the basis for and propriety of the release and exculpation provisions. The release, exculpation, and injunction provisions that are contained in the Plan are copied in pertinent part below.

THE SOLICITATION MATERIALS WILL NOT INCLUDE A FORM OR MECHANISM FOR HOLDERS OF CLAIMS OR INTERESTS TO OPT-OUT OF THE THIRD-PARTY RELEASE. SOLICITATION OF OPT-OUT ELECTIONS WILL OCCUR AFTER CONFIRMATION OF THE PLAN, PURSUANT TO THE CONFIRMATION ORDER OR SEPARATE COURT ORDER AND WILL NOT OCCUR PURSUANT TO THE SOLICITATION MATERIALS; PROVIDED THAT, FOR THE AVOIDANCE OF DOUBT, SUCH SOLICITATION WILL BE COMPLETED PRIOR TO THE EFFECTIVE DATE OF THE PLAN. THE RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS OF THE PLAN REMAIN THE SUBJECT OF MEDIATION.

1. Settlement, Compromise, and Release of Claims and Interests.

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, the assets of the Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, are being and shall be used for the satisfaction of expense obligations and/or the payment of Claims only in the manner set forth in the Plan and shall not be available for any other purpose. Except as otherwise specifically provided in the Plan, the Confirmation Order, or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, compromise, and release, effective as of the Effective Date, of Claims, including General Unsecured Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors or the Wind-Down Debtors, as applicable), Interests, controversies, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the

Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date (including any Causes of Action or Claims based on theories or allegations of successor liability), any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. Therefore, notwithstanding anything in section 1141(d)(3) to the contrary, all Persons or Entities who have held, hold, or may hold Claims or Interests based upon any act, omission, transaction, or other activity of any kind or nature related to the Debtors, the Reorganized Debtors, the Wind-Down Debtors, or the Chapter 11 Cases, that occurred prior to the Effective Date, other than as expressly provided in the Plan, shall be precluded and permanently enjoined on and after the Effective Date from interfering with the use and distribution of the Debtors' assets in the manner contemplated by the Plan. The Confirmation Order shall be a judicial determination of the settlement, discharge, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

Notwithstanding anything herein or in the Plan to the contrary, and for the avoidance of doubt, the Debtors, and/or the Wind-Down Debtors, as applicable, shall not be released from liability for any Tort Claims; *provided*, *however*, that any recovery from any such Tort Claim against the Debtors (or their Affiliates) and/or the Wind-Down Debtors (or their Affiliates), as applicable, including by way of settlement or judgment, shall be limited to the Litigation Trust Assets and shall in no circumstances extend to the Reorganized Debtors, and no Person, Entity, or party shall execute, garnish, or otherwise attempt to collect any such recovery from any assets other than the Litigation Trust Assets, except to the extent and only as necessary to trigger any insurance carrier's obligation to pay such liability.

2. Release of Liens.

On the Effective Date, concurrently with the Consummation of the Restructuring Transaction and except as otherwise set forth in the Purchase Agreement, as applicable, the Retail Acquired Assets shall be transferred to and vest in New Rite Aid free and clear of all Liens, Claims, charges, interests, or other encumbrances pursuant to sections 363(f) and 1141(c) of the Bankruptcy Code and in accordance with the terms of the Confirmation Order, the Plan, and the Purchase Agreement(s), each as applicable. Without limiting the foregoing, except as otherwise provided in the Purchase Agreement(s), the Plan, the Plan Supplement, the Exit Facilities Documents, the Takeback Notes Documents, the MedImpact NewCo Notes Documentation (if applicable), the AHG Notes Documentation, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of an Other Secured Claim, satisfaction in full of the portion of the Other Secured Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims that the Debtors elect to Reinstate in accordance with Article III of the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, and compromised, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors or the Wind-Down Debtors, as applicable, to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases, and the Debtors and their successors and assigns shall be authorized to file and record such terminations or releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens. Notwithstanding anything to the contrary in the Plan, the Liens securing the DIP Claims shall not be released and such Liens shall remain in full force and effect until the DIP Claims are paid in full in Cash or otherwise treated in a manner consistent with Article II.E of the Plan.

3. Debtor Release.

[Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is hereby deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Debtors and their Estates and, if applicable, the Wind-Down Debtors, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, or through, for, or because of, the foregoing Entities, from any and all claims and Causes of Action, including any Avoidance Actions and any derivative claims, asserted or assertable on behalf of any of the Debtors, their Estates, and the Wind-Down Debtors (if applicable), whether liquidated or unliquidated, fixed or contingent, accrued or unaccrued, known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in Law, equity, contract, tort, or under federal or state statutory of common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that the Debtors, their Estates, and the Wind-Down Debtors (if applicable), or their Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), or the Estates, the Chapter 11 Cases, the Restructuring Transactions, their capital structure, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Chapter 11 Cases and related adversary proceedings, the Debtors' out-of-court restructuring efforts, intercompany transactions between or among a Debtor and another Debtor, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Definitive Documents, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Definitive Documents, the pursuit of Consummation of the Plan, the Mediation (including the negotiations with respect thereto), the pursuit of the Restructuring Transaction, the Committee Settlement, the Committee Settlement Documents, the UCC / TCC Recovery Allocation Agreement, the AHG New-Money Commitment Agreement, the MedImpact Term Loan Backstop Commitment Agreement, the MedImpact Term Loan Rights Offering, the MedImpact Term Loan Rights Offering Procedures, the MedImpact Term Loan Sales Process, the administration and implementation of the Plan equitization (if applicable) or the Wind-Down (if applicable), the restructuring of any Claim or Interest before or during the Chapter 11 Cases, in all cases upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. For the avoidance of doubt, nothing contained in the Plan, including Article X.C of the Plan, shall release, compromise, impair, or in any way affect any Assigned Claims, Assigned Insurance Rights or Tort Claims Insurance Proceeds and no Assigned Claims against any Excluded Parties shall be released; *provided, further*, that nothing herein or in the Plan or the Confirmation Order shall operate as a release of, and the Debtors shall not release, any Assigned Claim against any Excluded Parties or any claims or Causes of Action arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of any court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to section 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019, of the releases described in Article X.C of the Plan by the Debtors, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in Article X.C of the Plan is: (i) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the Restructuring Transactions and implementing the Plan; (ii) a good-faith settlement and compromise of the Claims released by the Debtor Release; (iii) in the best interests of the Debtors and all Holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; (vi) a sound exercise of the Debtors' business judgment; and (vii) a bar to any of the Debtors or their respective Estates or, if applicable, the Reorganized Debtors or the Wind-Down Debtors asserting any claim or Cause of Action related thereto, of any kind, against any of the Released Parties or their property.]

4. Third-Party Release.

[Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is hereby deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Releasing Parties, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action derivatively, by or through the foregoing Entities, in each case solely to the extent of the Releasing Parties' authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law, from any and all claims and Causes of Action, whether liquidated or unliquidated, fixed or contingent, known or unknown, foreseen or unforeseen, matured or unmatured, asserted or unasserted, accrued or unaccrued, existing or hereafter arising, whether in Law, equity, contract, tort, or arising under federal or state statutory or common law, or any other applicable international foreign or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their estates, Affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them, including any derivative claims asserted or assertable on behalf of any of the Debtors, would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof) or the Estates, the Chapter 11 Cases, their capital structure, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' out-of-court restructuring efforts, intercompany transactions between or among a Debtor and another Debtor, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Definitive Documents, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Definitive Documents, the pursuit of Consummation of the Plan, the Mediation (including the negotiations with respect thereto), the pursuit of the Restructuring Transaction, the Committee Settlement, the Committee Settlement Documents, the UCC / TCC Recovery Allocation Agreement, the AHG New-Money Commitment Agreement, the MedImpact Term Loan Backstop Commitment Agreement, the MedImpact Term Loan Rights Offering, the MedImpact Term Loan Rights Offering Procedures, the MedImpact Term Loan Sales Process, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the administration and implementation of the Plan Restructuring (if applicable) and the Wind-Down (if applicable), in all cases based upon any act or omission, transaction, agreement, event, or other occurrence related to the Debtors taking place on or before the Effective Date; *provided, that*, notwithstanding anything herein, in the Plan, the Plan Supplement or the Confirmation Order to the contrary, the Debtors and/or the Wind-Down Debtors, as applicable, shall not be released from liability for any Tort Claims; *provided*, *however*, that any recovery from any such Tort Claim against the Debtors (or their Affiliates) and/or the Wind-Down Debtors (or their Affiliates), as applicable, including by way of settlement or judgment, shall be limited to the Litigation Trust Assets, and shall in no circumstances extend to the Reorganized Debtors, and no Person, Entity, or party shall execute, garnish, or otherwise attempt to collect any such recovery from any assets other than the Litigation Trust Assets, except to the extent and only as necessary to trigger any insurance carrier's obligation to pay such liability. For the avoidance of doubt, nothing contained in the Plan, including Article X.D of the Plan, shall release, compromise, impair, or in any way affect any Assigned Claims, Assigned Insurance Rights, or Tort Claims Insurance Proceeds and no Assigned Claims against any Excluded Parties shall be released; *provided, further*, that nothing in the Plan or the Confirmation Order shall operate as a release of, and the Debtors shall not release, Assigned Claims against any Excluded Parties or any Claims or Causes of Action arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of any court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Article X.D of the Plan, which include by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in Article X.D of the Plan is: (i) consensual; (ii) given in exchange for the good and valuable consideration provided by the Released Parties; (iii) a good-faith settlement and compromise of such claims and Causes of Action; (iv) in the best interests of the Debtors, their Estates, and all Holders of Claims and Interests; (v) fair, equitable, and reasonable; (vi) given and made after due notice and opportunity for hearing; (vii) a sound exercise of the Debtors' business judgment; and (viii) a bar to any of the Releasing Parties or the Debtors or their respective Estates or, if applicable, the Reorganized Debtors or the Wind-Down Debtors, asserting any claim or Cause of Action related thereto, of any kind, against any of the Released Parties or their property.

Without limiting the foregoing, from and after the Effective Date, any Entity that is given the opportunity to opt out of the releases contained in Article X.D of the Plan in accordance with the Plan and does not exercise such opt out may not assert any Claim or other Cause of Action against any Released Party based on or relating to, or in any manner arising from, in whole or in part, the Debtors or the Reorganized Debtors. From and after the Effective Date, any Entity that opted out of (or otherwise did not participate in) the releases contained in Article X.D of the Plan in accordance with the Plan may not assert any Claim or other Cause of Action against any Released Party for which it is asserted or implied that such Claim or Cause of Action is not subject to the releases contained in Article X.C of the Plan without first obtaining a Final Order from the Bankruptcy Court (a) determining, after notice and a hearing, that such Claim or Cause of Action is not subject to the releases contained in Article X.C of the Plan and (b) specifically authorizing such Person or Entity to bring such Claim or Cause of Action against any such Released Party. For the avoidance of doubt, the terms of this paragraph shall not apply to the Plan Administrator. The Bankruptcy Court will have sole and exclusive jurisdiction to determine whether a Claim or Cause of Action constitutes a direct or derivative claim, is colorable and, only to the extent legally permissible and as provided for in Article XI of the Plan, the Bankruptcy Court shall have jurisdiction to adjudicate the underlying Claim or Cause of Action.[11] Notwithstanding anything herein to the contrary, and for the avoidance of doubt, the Debtors shall not be released from liability for any Tort Claims; *provided, however*, that any recovery from any such Tort Claim against the Debtors (or their Affiliates) and/or the Wind-Down Debtors (or their Affiliates), as applicable, including by way of settlement or judgment, shall be limited to the Litigation Trust Assets and shall in no circumstances extend to the Reorganized Debtors or the Wind-Down Debtors, and no Person, Entity, or other party shall execute, garnish, or otherwise attempt to collect any such recovery from any assets other than the Litigation Trust Assets and the GUC Equity Pool, except to the extent and only as necessary to trigger any insurance carrier's obligation to pay such liability.

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[11] The Solicitation Materials will not include a form or mechanism for Holders of Claims or Interests to Opt-Out of the Third-Party Release. Solicitation of Opt-Out Elections will occur after Confirmation of the Plan, pursuant to the Confirmation Order or separate Court order and will not occur pursuant to the Solicitation Materials; provided, that for the avoidance of doubt, such solicitation will be completed prior to the Effective Date. of the Plan. The forms for the Opt-Out Election will be incorporated in the Plan Supplement, and will be filed with sufficient notice in advance of the Combined Hearing.

For the avoidance of doubt and notwithstanding anything to the contrary herein, in the Plan Supplement, the Confirmation Order or otherwise, any recovery on behalf of claims or Causes of Action (if any) contributed to the Litigation Trust or a GUC Sub-Trust against any officer or director of Rite Aid or any of its directors or officers not released by the Debtors in accordance with the Plan (including those not included in the definition of Debtor Related Parties) shall be expressly limited to proceeds of the applicable Insurance Policies, and no Person, Entity, or otherwise shall attempt to collect on assets of any officer or director of Rite Aid or any of its directors or officers not released by the Debtors in accordance with the provisions of the Plan (including those not included in the definition of Debtor Related Parties), except to the extent and only as necessary to trigger any insurance carrier's obligation to pay such liability, and all such directors and officers shall have the full protections of any existing D&O Liability Insurance Policies.

5. Exculpation.

[Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any claim or Cause of Action for any act or omission arising prior to the Effective Date in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation or filing, or Consummation of the Plan, any Definitive Documents, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation of the Plan, the Mediation (including the negotiations with respect thereto), the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), except for claims or Causes of Action in each case arising out of or related to any act or omission that is determined in a Final Order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan; *provided, however*,

that no Person or Entity that is not an Exculpated Party shall be entitled to rely on the exculpation provided for in Article X.E of the Plan, including by asserting Article X.E of the Plan as a defense or the basis for a claim or Cause of Action in its own name (whether directly or derivatively, and, whether or not in the capacity as a subrogee, assignee, or successor to an Exculpated Party, except to the extent that such relation renders such Person or Entity an Exculpated Party in its own right). For the avoidance of doubt, nothing contained in the Plan, including Article X.E of the Plan, shall release, compromise, impair, or in any way affect any Assigned Claims, Assigned Insurance Rights, or Tort Claims Insurance Proceeds and no Excluded Party shall be Exculpated for any Assigned Claims; *provided, further*, that nothing in the Plan or the Confirmation Order shall operate as a release of, and the Debtors shall not release, Claims or Causes of Action against any Excluded Parties or any claims or Causes of Action arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of any court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct.

For the avoidance of doubt, the Committees, each of their members, and the advisors to the Committees' and their members shall be Exculpated Parties and shall be exculpated for any Claims or Causes of Action associated with the formulation, preparation, dissemination, negotiation or filing, or Consummation of the Plan, any Definitive Documents, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation of the Plan, the Mediation (including the negotiations with respect thereto), the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), the Committee Settlement, the Settlement of Tort Claims, the UCC / TCC Recovery Allocation Agreement, or any of the Committee Settlement Documents.

The Exculpated Parties have, and upon Consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

The exculpation will be in addition to, and not a limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability; *provided*, *however*, that notwithstanding anything herein to the contrary, nothing in the Plan shall affect, limit, or release in any way any performance obligations of any party or Entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan (including any Purchase Agreement and any documents in connection therewith).]

6. Injunction.

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released pursuant to Article X.C of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of Liens pursuant to Article X.B of the Plan), or are subject to exculpation pursuant to Article X.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors (or their Affiliates), the Reorganized Debtors (or their Affiliates) (if applicable), the Wind-Down Debtors (or their Affiliates) (if applicable), the GUC Equity Trust, the Litigation Trust, the Exculpated Parties, or the Released Parties: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (iii) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (iv) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities unless such Holder has Filed a motion requesting the right

to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities released or settled pursuant to the Plan. For the avoidance of doubt, nothing contained in the Plan, including Article X.F of the Plan, shall release, compromise, impair, or in any way affect any Assigned Claims. Article X.F of the Plan shall not apply to Tort Claims, which shall be subject to Article X.G of the Plan.

No Person or Entity may commence or pursue a claim or Cause of Action of any kind against the Debtors (or their Affiliates), the Reorganized Debtors (or their Affiliates) (if applicable), the Wind-Down Debtors (or their Affiliates) (if applicable), the GUC Equity Trust (with respect to General Unsecured Claims), the Litigation Trust (with respect to General Unsecured Claims), the Exculpated Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action subject to Article X.C, Article X.D, or Article X.E of the Plan, without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim of any kind, and (ii) specifically authorizing such Person or Entity to bring such Claim or Cause of Action against any such Debtor (or their Affiliates), Reorganized Debtor (or their Affiliates), Wind-Down Debtor (or their Affiliates), GUC Equity Trust, Litigation Trust, Exculpated Party, or Released Party.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Except as otherwise set forth in the Confirmation Order, each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in Article X.F of the Plan.

For the avoidance of doubt and notwithstanding section 1141(d)(3) of the Bankruptcy Code, as of the Effective Date, except as otherwise specifically provided in the Plan and Sale Order, all Persons or Entities who have held, hold, or may hold Claims or Interests that are treated under the Plan shall be precluded and permanently enjoined on and after the Effective Date from enforcing, pursuing, or seeking any setoff or relief with respect to such Claim or Interest from the Debtors (or their Affiliates), the Estates, the Purchaser, or, if applicable, the Reorganized Debtors (or their Affiliates) or the Wind-Down Debtors (or their Affiliates), except for the receipt of the payments or distributions, if any, that are contemplated by the Plan from the Reorganized Debtors or the Wind-Down Debtors, as applicable, or otherwise contemplated under the Sale Order. Such injunction will not enjoin Persons or Entities that do not consent to the Third-Party Release from pursuing any direct (but not derivative) Claims or Cause of Action such Persons or Entities may have against Released Parties other than the Debtors, the Estates, the Purchaser, the Reorganized Debtors (if applicable), or the Wind-Down Debtors (if applicable).

7. Channeling Injunction.

(a) **Terms.**

Pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, all Persons or Entities that have held or asserted or that hold or assert any Tort Claim shall be permanently and forever stayed, restrained, barred, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payments, satisfaction, recovery or judgment of, on or with respect to any Tort Claim from or against any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates), including:

(i) commencing, conducting or continuing, in any manner, whether directly or indirectly, any suit, action or other proceeding, in each case, of any kind, character or nature, in any forum in any jurisdiction with respect to any Tort Claims, against or affecting any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates), or any property or

interests in property of any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) with respect to any Tort Claims;

(ii) enforcing, levying, attaching, collecting or otherwise recovering, by any means or in any manner, either directly or indirectly, any judgment, award, decree or other order against any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) or against the property of any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) with respect to any Tort Claims;

(iii) creating, perfecting or enforcing, by any means or in any manner, whether directly or indirectly, any Lien of any kind against any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates)or the property of any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) with respect to any Tort Claims;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, whether directly or indirectly, in respect of any obligation due to any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) or against the property of any Debtor (or its Affiliates) or Reorganized Debtor (or its Affiliates) with respect to any Tort Claims; and

(v) taking any act, by any means or in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Definitive Documents, with respect to any Tort Claims.

(b) **Reservations.**

Notwithstanding anything to the contrary in Article X.G of the Plan or the Confirmation Order, this Channeling Injunction shall not stay, restrain, bar or enjoin:

(i) the rights of Holders of Tort Claims to the treatment afforded them under the Plan and the Definitive Documents, including the rights of Holders of Tort Claims to assert such Tort Claims in accordance with the Plan and the Litigation Trust Documents;

(ii) the rights of Persons to assert any claim, debt, litigation, or liability for payment of expenses against the Litigation Trust and/or any GUC Sub-Trust as provided in the Litigation Trust Documents;

(iii) the rights of the Litigation Trust and/or GUC Sub-Trust to pursue, litigate, collect on and enforce Assigned Insurance Rights and the Assigned Claims in accordance with the terms of the Plan;

(iv) the Litigation Trust and/or any GUC Sub-Trust from enforcing its rights, on behalf of itself, against the Debtors or the Reorganized Debtors in accordance with the terms of the Plan; or

(v) the Litigation Trustee(s) and/or any GUC Sub-Trust Trustee(s) from assigning and/or transferring the Assigned Insurance Rights to Holders for Tort Claims of Allowed Tort Claims subject to reasonable restrictions so as not to interfere with, in-crease costs to, or impede the efforts of, the Litigation Trust, and/or any GUC Sub-Trust, as further described in the Litigation Trust Documents, *provided*, however, that any such assignee or transferee shall remain subject to the terms and conditions of the Plan and the Confirmation.

(c) **Modifications.**

There can be no modification, dissolution or termination of this Channeling Injunction, which shall be a permanent injunction.

(d) **Non-Limitation of Channeling Injunction.**

Except as expressly set forth in paragraph (2) of Article X.G of the Plan, nothing in the Plan or the Litigation Trust Documents shall be construed in any way to limit the scope, enforceability or effectiveness of this Channeling Injunction issued in connection with the Plan.

(e) **Bankruptcy Rule 3016 Compliance.**

The Debtors' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

8. Insurer Injunction.

(a) **Terms.**

In accordance with section 105(a) of the Bankruptcy Code, upon the occurrence of the Effective Date, all Persons that have held or asserted or that hold or assert any Claim based on, arising under or attributable to an Insurance Policy (excluding (a) the Unassigned Insurance Policies and (b) the Unassigned Insurance Rights) shall be, and hereby are, permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery on account of any such Claim based on, arising under or attributable to such Insurance Policy from or against any insurer, including:

(i) commencing, conducting or continuing, in any manner any action or other proceeding of any kind (including an arbitration or other form of alternate dispute resolution) against any insurer, or against the property of any insurer, on account of any Claim based on, arising under or attributable to an Insurance Policy;

(ii) enforcing, attaching, levying, collecting, or otherwise recovering, by any manner or means, any judgment, award, decree, or other order against any insurer, or against the property of any insurer, on account of any Claim based on, arising under or attributable to an Insurance Policy;

(iii) creating, perfecting or enforcing in any manner any Lien of any kind against any insurer, or against the property of any insurer, on account of any Claim based on, arising under or attributable to an Insurance Policy;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, whether directly or indirectly, against any obligation due to any insurer, or against the property of any insurer, on account of any Claim based on, arising under or attributable to an Insurance Policy; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan applicable to any Claim based on, arising under or attributable to an Insurance Policy.

(b) **Reservations.**

The provisions of this Insurer Injunction shall not preclude the Litigation Trust from pursuing any Claim based on, arising under or attributable to an Insurance Policy excluding (a) the Unassigned Insurance Policies and (b) the Unassigned Insurance Rights, or any other claim that may exist under any such Insurance Policy against any insurer, or enjoin the rights of the Litigation Trust to prosecute any action based on or arising from the Insurance Policies or the rights of the Litigation Trust to assert any claim, debt, obligation, Cause of Action or liability for payment against an insurer based on or arising from the Insurance Policies. The provisions of this Insurer Injunction are not issued for the benefit of any insurer, and no such insurer is a third-party beneficiary of this Insurer Injunction. This Insurer Injunction shall not (a) enjoin, impair or affect (i) any claims between or among insurers; or (ii) the rights of current and former directors, officers, employees and authorized agents of the Debtors or (b) prohibit any current and former directors, officers, employees, and authorized agents of the Debtors from seeking insurance coverage in their capacities as such under the D&O Liability Insurance Policies.

Notwithstanding anything to the contrary in Article X.H of the Plan, the Litigation Trustee shall have the right to assign and/or transfer Assigned Insurance Rights for Tort Claims to Holders of Allowed Tort Claims subject to reasonable restrictions so as not to interfere with, increase costs to, or impede the efforts of, the Litigation Trust, as further described in the Litigation Trust Documents; *provided, however*, that any assignee or transferee shall remain bound by the provisions in the Plan (including, for the avoidance of doubt, Article X.D of the Plan).

Notwithstanding anything to the contrary in the Plan (including this Insurer Injunction), the Plan Supplement, the Confirmation Order, or otherwise, no Person, Entity, or party, including the Litigation Trust and the Litigation Trustee (including any successors, beneficiaries, transferees, and assigns), shall oppose any effort by any current or former director, officer, or employee of the Debtors or Reorganized Debtors or any its subsidiaries and Affiliates to seek defense cost coverage under the Insurance Policies (including under the D&O Liability Insurance Policies and including with respect to Assigned Claims).

(c) **Modifications.**

To the extent the Litigation Trustee makes a good faith determination that some or all of the proceeds of the Assigned Claims, including the Tort Claim Insurance Proceeds, (excluding (a) the Unassigned Insurance Policies and (b) the Unassigned Insurance Rights) are substantially unrecoverable by the Litigation Trust, the Litigation Trust with the consent of the Debtors and Reorganized Debtors, as applicable, shall have the authority at any time, upon written notice to any affected insurer, to terminate, reduce or limit the scope of this Insurer Injunction with respect to any insurer, provided that any termination, reduction, or limitation of this Insurer Injunction (i) shall apply in the same manner to all beneficiaries of the Litigation Trust and (ii) shall comply with any procedures set forth in the Litigation Trust Documents.

9. Controlled Substance Injunction.

From and after the date on which the Controlled Substance Injunction Order is entered by the Bankruptcy Court, the Debtors and the Reorganized Debtors, as applicable, and any successors to the Debtors' and the Reorganized Debtors' business operations relating to the manufacture and sale of opioid Product(s) in the United States and its territories shall abide by the Controlled Substance Injunction as set forth in Exhibit A attached to the Plan.

The Debtors and the Reorganized Debtors, as applicable, consent to the entry of a final judgment or consent order upon the Effective Date imposing all of the provisions of the Controlled Substance Injunction in the state court of each of the Settling States (as defined in the Controlled Substance Injunction), as applicable. The Debtors and the Reorganized Debtors agree that seeking entry or enforcement of such a final judgment or consent order in accordance with the Controlled Substance Injunction will not violate any other injunctions or stays that it will seek, or may otherwise apply, in connection with these Chapter 11 Cases or Confirmation.

Each of the Settling States has agreed to be bound by, and each of the Settling States shall be bound by, the terms of the Controlled Substance Injunction, including, for the avoidance of doubt, the release provisions set forth therein. For the avoidance of doubt, as set forth in the Controlled Substance Injunction, the terms of the Controlled Substance Injunction are not effective until after the Effective Date.

10. Preservation of Setoff Rights.

Notwithstanding anything in Article X of the Plan to the contrary or in a Sale Order, any right of setoff or recoupment is preserved against the Debtors, the Purchasers in the event of a Sale Transaction Restructuring or an Other Asset Sale, and any of their affiliates and successors to the extent such right(s) exist under applicable law and subject to the Debtors', Purchasers', and any of their Affiliates' and successors', as applicable, right to contest any such right(s) of setoff or recoupment; *provided*, *however*, that notwithstanding the foregoing or anything in the Plan to the contrary, the right of any Entity or Holder of a Claim or Interest to assert setoff or recoupment as a defense or affirmative defense to claims brought against them is expressly preserved to the extent permitted by applicable law and shall not be impaired, enjoined, precluded, restricted, or otherwise limited by the Plan or the Confirmation Order.

Notwithstanding anything to the contrary in the Plan, nothing in the Plan or the Confirmation Order shall modify the rights, if any, of any counterparty to any Executory Contract or Unexpired Lease to assert any right of setoff or recoupment that such party may have under applicable bankruptcy law or non-bankruptcy law, including, but not limited to, the (i) ability, if any, of such parties to setoff or recoup a security deposit held pursuant to the terms of their Unexpired Lease(s) with the Debtors, under the Plan, (ii) assertion of rights or setoff or recoupment, if any, in connection with the claim reconciliation process, or (iii) assertion of setoff or recoupment as a defense, if any, to any claim or action by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors.

11. Protections Against Discriminatory Treatment.

To the maximum extent provided by section 525 of the Bankruptcy Code and the supremacy clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, or another Entity with whom the Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

12. Document Retention.

On and after the Effective Date, the Reorganized Debtors and the Wind-Down Debtors, as applicable, may maintain documents in accordance with the Litigation Trust Cooperation Agreement and the Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors or the Wind-Down Debtors, as applicable, in accordance with the Litigation Trust Cooperation Agreement or in connection with the terms of the Purchase Agreement(s). The Litigation Trust shall bear the costs of the document retention by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors necessary for the "Cooperation" provision in Article IV.E.6 of the Plan.

13. Reimbursement or Contribution.

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever Disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

14. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect on and following the Effective Date in accordance with their terms.

15. Subordination Rights.

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims or controversies and the Bankruptcy Court's finding that such compromise or

settlement is in the best interests of the Debtors, the Estates, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

U. What is the deadline to properly execute, complete, and submit Ballots (*i.e.*, vote)?

All Ballots must be properly executed, completed, and submitted so that they are **actually received** by Kroll by April 15, 2024, at 4:00 p.m. (prevailing Eastern Time) (the "Voting Deadline").

V. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims or Interests that are entitled to vote on the Plan. All Ballots (including master Ballots and pre-validated Ballots) for Holders of Claims in Class 5 must be properly completed, executed, and delivered, so that the applicable Ballot is **actually received** by the Debtors' proposed claims and noticing agent, Kroll Restructuring Administration LLC ("Kroll" or the "Claims and Noticing Agent") **on or before April 15, 2024, at 4:00 p.m., prevailing Eastern Time**. *See* Article X of this Disclosure Statement, entitled "Solicitation and Voting Procedures" for more information.

W. Why is the Bankruptcy Court holding a Combined Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan (the "Confirmation Hearing") and recognizes that any party in interest may object to Confirmation of the Plan. In addition, the Debtors are seeking approval of this Disclosure Statement on a final basis at such Confirmation Hearing (the "Combined Hearing"). The Combined Hearing will be scheduled by the Bankruptcy Court, and all parties in interest will be served notice of the time, date, and location of the Combined Hearing once scheduled. The Combined Hearing may be adjourned from time to time without further notice.

X. What is the purpose of the Combined Hearing?

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

Y. When is the Combined Hearing set to occur?

The Bankruptcy Court has scheduled the Combined Hearing for April 22, 2024, at 10:00 a.m. (prevailing Eastern Time). The Combined Hearing may be adjourned from time to time without further notice.

Objections to Confirmation of the Plan and approval of the Disclosure Statement on a final basis must be filed and served on the Debtors, and certain other parties, by no later than April 15, 2024, at 4:00 p.m. (prevailing Eastern Time) in accordance with the Combined Hearing Notice that accompanies this Disclosure Statement and the Disclosure Statement Order.

Z. Will any party have significant influence over the corporate governance and operations of the Post-Effective Date Debtors?

On the Effective Date, in accordance with the terms of the New Corporate Governance Documents, the New Rite Aid Board shall be appointed, and New Rite Aid shall adopt the New Corporate Governance Documents; *provided* that each Disinterested Director of the Debtors shall retain authority following the Effective Date with respect to matters relating to Professional Fee Claim requests by Professionals acting at their authority and discretion in accordance with the terms of the Plan. Each Disinterested Director shall not have any of their privileged and confidential documents, communications, or information transferred (or deemed transferred) to New Rite Aid, the Reorganized Debtors, or any other Entity without such director's prior written consent. Each Disinterested Director of the Debtors

retains the right to review, approve, and make decisions, as well as to file papers and be heard before the Bankruptcy Court, on all matters under such director's continuing authority.

AA. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' proposed Claims and Noticing Agent via one of the following methods:

By calling the telephone number included in your Ballot, or by contacting the Claims and Noticing Agent by phone at:
844-274-2766 (US/Canada, toll-free)
646-440-4878 (International, toll)

By regular mail, hand delivery, or overnight mail at:
Rite Aid Corporation Ballot Processing Center
c/o Kroll Restructuring Administration LLC
850 Third Avenue, Suite 412
Brooklyn, New York 11232

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims and Noticing Agent at the address above or by downloading the exhibits and documents from the website of the claims and noticing agent at https://restructuring.ra.kroll.com/riteaid (free of charge) or the Bankruptcy Court's website at https://www.njb.uscourts.gov (for a fee).

BB. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors, the Committees, the DIP Lenders, McKesson, and the Ad Hoc Secured Noteholder Group reached a global settlement in principle to be implemented through the Plan. The Debtors believe that the settlements, as set forth in the Plan, provide for the best, and only available, alternative to the Debtors' creditors, provide a greater recovery (or potential for recovery) compared to a liquidation, and provide the greatest chance for the Debtors to emerge from chapter 11 as a going concern.

IV. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. Rite Aid's Background and Current Operations.

1. The Beginning of the Rite Aid Story.

In 1962, Alex Grass, a lawyer-turned-entrepreneur, opened a discount drugstore in Scranton, Pennsylvania. He named it Thrift D Discount Center.

Mr. Grass's business was a quick success, and the Company grew rapidly. In 1963, Thrif D opened five more drugstores, extending into New York. The next year, Thrif D expanded into New Jersey and Virginia. By 1966, there were 36 stores in five Northeast and Mid-Atlantic states, including its first in-store pharmacy in New Rochelle, New York.

In 1968, the Company changed its name to "Rite Aid Corporation" and made its first public offering, issuing 350,000 shares on the American Stock Exchange. In 1970, Rite Aid Corporation moved to the New York Stock Exchange, where its common stock traded until October 31, 2023.

After going public, Rite Aid continued to grow its store count and geographic reach through acquisitions. By 1981, Rite Aid had become the third largest retail drug chain in the country. In 1983, Rite Aid's sales exceeded $1 billion, and the Company made the *Fortune* 500.

By 1995, Rite Aid was the nation's No. 1 drugstore chain in store numbers and the No. 2 chain in sales, operating nearly 3,000 stores. In 1996, the Company announced its largest acquisition, a merger with Thrifty PayLess Holdings, Inc., adding more than 1,000 stores in the western United States.

2. Overcoming a Troubled Period.

Amid the growth, in 1995, Martin Grass succeeded his father as Rite Aid's chairman and CEO. By the late 1990s, *Business Week* and the *Wall Street Journal* investigated allegations of improper dealings within Rite Aid. The Company launched an internal investigation, which uncovered accounting irregularities, among other issues. In November 1999, the Company's auditors resigned and withdrew their opinions regarding Rite Aid's financial statements for fiscal years 1998 and 1999. The Securities and Exchange Commission and the U.S. Attorney for the Middle District of Pennsylvania also investigated Rite Aid. Several former, senior executives pled guilty in criminal proceedings.

Along with legal troubles, Rite Aid faced serious financial headwinds. Rite Aid struggled to integrate recent acquisitions, particularly that of Thrifty PayLess. The Company labored under the $6-plus billion debt load that funded its growth. In June 1999, the Company re-adjusted its earnings for prior years. Its stock price sunk, and the Company negotiated a deal with its creditors to avoid bankruptcy.

But, with a new executive team, the Company weathered the setbacks and gradually overcame them. The new executive team brought Rite Aid's store expansion program to a halt. New management launched a rigorous review of the existing store portfolio. It targeted underperforming units for closure and improved the productivity of the existing store base.

Once Rite Aid recovered and regained its footing, Rite Aid slowly and strategically expanded the business. In 2007, Rite Aid bought Brooks and Eckerd drugstore chains. In 2014, Rite Aid acquired Health Dialog, which provides personalized healthcare coaching and disease management services. Then, in 2015, Rite Aid entered the PBM business by acquiring what is now known as Elixir. And in 2020, Rite Aid acquired Bartell Drugs, a 67-location Seattle-area chain.

Rite Aid has also regularly explored various divestitures. In October 2015, Walgreens announced that it would acquire Rite Aid for $17.2 billion pending regulatory approval. After a lengthy review by the Federal Trade Commission that lasted well over a year, Rite Aid and Walgreens determined not to move forward with Walgreen's acquisition of the full Company, when it became apparent that the transaction would not be approved. Walgreens and Rite Aid then negotiated a sale of a subset of Rite Aid's stores. After resolving certain antitrust concerns, the Federal Trade Commission ultimately approved an agreement for Walgreens to purchase 1,932 stores, approximately half of the then-store count, including some of Rite Aid's strongest performing locations, and three distribution centers for $4.38 billion. The sale closed in March 2018. In 2018, Rite Aid and Albertson Companies announced but ultimately terminated a merger of the then-remaining Rite Aid stores.

3. Rite Aid's Business Operations Today.

Over the course of six decades, Rite Aid cemented itself as a staple of American families in hundreds of communities. Prior to the sale of the Elixir PBM business to MedImpact, which became effective on February 1, 2024, Rite Aid operated through two primary business lines: Retail Pharmacy and Pharmacy Services.

Retail Pharmacy. In the Retail Pharmacy Segment, Rite Aid's highly trained pharmacists offer a wide range of health care services, including dispensing medications; performing immunizations and other clinical care; assisting customers with high blood pressure and diabetes care; and educating customers on managing their medications and potential side effects. Rite Aid also sells a full selection of health and beauty aids and personal care products, seasonal merchandise, and a large private brand portfolio of food and consumer products.

Pharmacists are core to the business. In 2020, Rite Aid unveiled a new strategy called RxEvolution to elevate the role of Rite Aid pharmacists—the "last mile" of health care—to keep customers healthy and connected to their care teams. Throughout the pandemic, Rite Aid's pharmacists were on the front lines of testing and vaccinating, and the Company made great strides in changing perceptions of pharmacists as providers whose reach extends well beyond filling prescriptions. Rite Aid pharmacists have tremendous impact: in fiscal

year 2022, Rite Aid pharmacists administered 14.3 million COVID vaccines, 3.6 million COVID tests, 2.6 million influenza vaccines, and other vaccines, like Hepatitis and HPV.

To ensure the proper flow of critical merchandise to their retail locations, Rite Aid manages a complex supply chain network with more than 9,000 vendors and seven distribution centers. Rite Aid's supply chain team manages the steady flow of goods into the distribution centers and out to the stores and has an active quality control process up and down the supply chain. To combat risks of patient misuse of prescription drugs, the Company maintains a Controlled Substance Compliance Program, including an Opioid Prescription Validation Process, among other things.

The Company relies primarily on its partnership with McKesson to fulfill its prescription drug requirements. Over the past twenty years, no partnership has been more crucial to the Company's success than its relationship with McKesson. The Company purchases almost all of its branded pharmaceutical products and generic pharmaceutical products from McKesson, accounting for 98% of the dollar volume of its prescription drugs in the Retail Pharmacy Segment.

Pharmacy Services. Prior to February 1, 2024, Rite Aid owned and operated a PBM business, Elixir. PBMs act as intermediaries to process prescriptions, help with drug utilization, and control costs for the groups that pay for drugs, such as insurance companies, unions, and large employers. Through Elixir, the Pharmacy Services Segment provided a comprehensive suite of PBM offerings to various clients—including regional health plans, commercial employers, and labor groups.

On February 1, 2024, as described further herein, Rite Aid closed the sale of Elixir to MedImpact through a sale conducted pursuant to section 363 of the Bankruptcy Code.

4. Rite Aid's Employee Base.

The Company employs over [40,000] people, most on a full-time basis. The Company is proud of its comprehensive compensation and benefit packages, including:

- Incentive payments or bonuses based on the employee's performance, sales targets, the Company's performance, and other identified goals;
- Opportunities to own Company equity; and
- A number of insurance and benefits programs, including health benefits, prescription drug benefits, life insurance, disability benefits, and retirement plans

Approximately 12,000 of the Company's employees are unionized under 18 collective bargaining agreements ("CBAs"). The CBAs cover batches of individual stores, largely arranged by geography. Unionized employees work at stores in Washington, Pennsylvania, Ohio, California, New York, New Jersey, and Michigan. The Company generally makes monthly contributions to provide health, welfare, and retirement benefits to certain union employees, and the unions administer the retirement benefits.

The Company contributes to ten multiemployer defined benefit pension plans under the terms of certain CBAs. The Company also contributes to multiemployer health and welfare plans on behalf of certain of its union-represented employees. The Company also sponsors benefit plans in which its non-union employees, and certain union employees, may be eligible to participate. The benefit plans sponsored by the Company include medical, dental, and vision plans, life insurance, tuition assistance programs, and paid time off, among other things.

Certain retired employees also receive retiree health and other benefits. The retirement plans sponsored by the Company include a defined benefit pension plan ("Pension Plan") and three 401(k) plans. Under the 401(k) plans, the Company makes employer-matching contributions to eligible participants. The Pension Plan has been closed for enrollment since December 31, 2001, but certain eligible participants continue to accrue benefits under the plan.

5. Regulatory Framework.

The Company is subject to extensive and overlapping regulatory oversight. There are various federal, state, and local laws, regulations, and administrative practices concerning the provision of and payment for healthcare services, including:

- Federal, state, and local licensure and registration requirements concerning the operation of pharmacies, pharmacy benefit managers, and health discount programs;
- State insurance licensing requirements and regulation by state insurance departments of financial solvency and market conduct;
- Medicare, Medicaid, and other publicly financed health benefit plan regulations regarding the submission of claims;
- The Affordable Care Act; and
- Regulations of the Food and Drug Administration, Consumer Product Safety Commission, Federal Trade Commission, and Drug Enforcement Administration.

The Company is also subject to laws and regulations governing the purchase, sale, storage, and dispensing of controlled substances, listed chemicals, and other products, including nicotine products, medical devices, and alcoholic beverages. In addition, various laws govern the Company's relationship with its employees, including health and safety standards, minimum wage requirements, equal opportunity matters, and unionizing efforts.

B. Rite Aid's Prepetition Corporate and Capital Structure and Liquidity Profile.

1. Corporate Structure.

Rite Aid Corporation is the ultimate parent of each Debtor. It conducts business through its 124 subsidiaries, 121 of which are wholly owned (directly or indirectly) and 120 of which are Debtors. A simplified corporate structure chart is attached hereto as **Exhibit C**. The Company maintains its corporate headquarters in Philadelphia, Pennsylvania.

2. Capital Structure.[12]

As of the Petition Date, the Debtors' long-term, funded debt obligations totaled approximately $4.0 billion:

Instrument	Maturity	Principal *($ in millions)*
Secured Debt		
ABL Facility	August 20, 2026	$ 2,223[13]
FILO Term Loan Facility	August 20, 2026	$ 400
2025 Secured Notes	July 1, 2025	$ 320
2026 Secured Notes	November 15, 2026	$ 850
Finance Leases	—	$ 18
Total Secured Debt		**$ 3,811**
Unsecured Debt		
2027 Unsecured Notes	February 15, 2027	$ 186
2028 Unsecured Notes	December 15, 2028	$ 2
Total Unsecured Debt		**$ 188**
Total Funded Debt		**$ 3,999**

(a) The Prepetition ABL and FILO Term Loan Facility.

Rite Aid Corporation, as a parent borrower, Bank of America, N.A., as administrative agent and collateral agent, and certain lenders are parties to that certain Credit Agreement, dated as of December 20, 2018 (as amended most recently as of December 1, 2022, the "Prepetition Credit Agreement").

The Prepetition Credit Agreement provides for a senior secured asset-based revolving credit facility with a maximum availability of $2.85 billion (the "ABL Facility"). As of the Petition Date, approximately $2.2 billion in aggregate principal amounts remained outstanding under the ABL Facility.

The Prepetition Credit Agreement also provides for a "first-in, last-out" term loan facility in the aggregate principal amount of $400 million (the "FILO Term Loan Facility" and together with the Prepetition ABL Facility, the "Prepetition Credit Facilities"). As of the Petition Date, $400 million in borrowings remained outstanding under the FILO Term Loan Facility.

The Prepetition Credit Facilities mature on August 20, 2026. They are guaranteed by all of Rite Aid Corporation's subsidiaries, excluding the Non-Guarantor Subsidiaries (such guarantors, the "Prepetition Obligors"). They are secured by liens on substantially all assets (other than all real property and interests therein, all equity interest in the direct or indirect subsidiaries and other exclusions) of Rite Aid Corporation and the Prepetition Obligors. The Prepetition Credit Facilities have the same collateral package as the Senior Secured Notes (as defined below), but have first priority interest in certain assets, including accounts receivables, inventory, cash, deposit accounts, and intellectual property, among other things. There are certain restrictions on amounts available to be drawn under the Prepetition ABL Facility. Availability of the FILO Term Loan Facility is also subject to a borrowing base calculation.

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12 Certain of the Debtors' prepetition debt issuances, including the liens granted with respect thereto, were the subject of potential challenges by the Committees under the Bankruptcy Code or other applicable law. The Committee Settlement constitutes a proposed settlement of such challenges, in addition to a settlement of General Unsecured Claims.

13 Excludes approximately $237 million of outstanding letters of credit.

(b) The Prepetition Secured Notes.

Rite Aid Corporation has two tranches of prepetition secured notes (the "Senior Secured Notes"):

- **7.500% Senior Secured Notes due 2025 (the "2025 Secured Notes")**. On February 5, 2020, Rite Aid Corporation issued $600 million of 7.500% Senior Secured Notes due July 1, 2025 (approximately $320 million of which remains outstanding).

- **8.000% Senior Secured Notes due 2026 (the "2026 Secured Notes")**. On July 27, 2020, Rite Aid Corporation issued $850 million of 8.000% Senior Secured Notes due November 15, 2026 (approximately $850 million of which remains outstanding).

The Senior Secured Notes are secured by liens on substantially all assets (other than all real property and interests therein, all equity interest in the direct or indirect subsidiaries and other exclusions) of Rite Aid Corporation and the Prepetition Obligors. The Prepetition Obligors guarantee both tranches. Additionally, the collateral package for the Senior Secured Notes is the same as the Prepetition Credit Facilities, but have first priority interest in certain assets, including equipment, general intangibles (other than intellectual property), fixtures and equipment, among other things.

Inability to refinance the 2025 Secured Notes or the 2026 Secured Notes would trigger a springing maturity on the Prepetition Credit Facilities. Specifically, the Prepetition Credit Facilities mature on the 91 days prior to the stated maturity of the 2025 Secured Notes and 2026 Secured Notes if, on such 91 days, the 2025 Secured Notes or the 2026 Secured Notes are outstanding.

(c) The Prepetition Unsecured Notes.

Rite Aid Corporation also has two tranches of unsecured notes (the "Unsecured Notes"):

- **7.700% Notes due 2027 (the "2027 Unsecured Notes").** On December 17, 1996, Rite Aid Corporation issued $300 million of 7.700% of Notes due February 15, 2027 (approximately $186 million of which remains outstanding as of the Petition Date). No other Debtor guarantees or is otherwise obligated under these notes.

- **6.875% Notes due 2028 (the "2028 Unsecured Notes").** On December 21, 1998, Rite Aid Corporation issued $150 million of 6.875% Notes due December 15, 2028 (approximately $2 million of which remains outstanding as of the Petition Date). No other Debtor guarantees or is otherwise obligated under these notes.

(d) Litigation Overhang

The Company also has a large and varied litigation claims portfolio, including more than 1,600 opioid-related suits as well as claims alleging other tortious acts or omissions by the Debtors. Rite Aid is also subject to significant contract disputes, government investigation, and securities matters, all as described more fully herein.

(e) Finance Leases.

The Company leases most of its retail stores and certain distribution facilities under non-callable operating and finance leases, most of which have initial lease terms of five to 22 years. The Company also leases certain of its equipment and other assets under non-callable operating leases with initial terms of three to 10 years. As of the Petition Date, approximately $18 million remained outstanding under such equipment and other asset operating leases.

(f) Common Stock.

Shares of Rite Aid Corporation's common stock traded on the New York Stock Exchange ("NYSE") under the symbol "RAD." In September 2023, Rite Aid Corporation received notice from the NYSE that it is no longer in compliance with certain NYSE continued listing standards relating to minimum market capitalization and minimum stock price. On October 16, 2023, the NYSE announced the commencement of proceedings to delist Rite Aid's common stock from the NYSE, and immediately suspended trading.

3. Rite Aid's Liquidity.

The Company has two primary sources of liquidity: (i) cash provided by operating activities and (ii) borrowings under its debt facilities. The Company principally uses its cash to provide working capital for operations, to service interest and principal payments, and to fund capital expenditures. As of January 31, 2024, the Company has $401 million of total liquidity, including $270 million borrowing capacity under the DIP ABL Facilities and $131 million in cash.

V. EVENTS LEADING TO THE CHAPTER 11 FILINGS

As summarized in the Preliminary Statement, a confluence of headwinds stressed the Company's financial performance leading up to the Petition Date. This Article V summarizes how—over several years—the Company reacted to those headwinds.

A. Liability Management Transactions and Debt Paydowns.

The Company executed several transactions and debt pay-downs to reduce funded debt and borrowing costs. These transactions extended the Company's runway to explore additional turnaround opportunities.

First, on June 25, 2020, the Company announced it would exchange up to $750 million in aggregate principal amount of the then-outstanding 6.125% senior notes due 2023 ("2023 Notes") for a combination of $600 million of the newly issued 8.0% 2026 Secured Notes and $145.5 million in cash. Shortly thereafter, the Company increased the maximum exchange amount to $1.125 billion. On

July 24, 2020, the Company announced that it had exchanged $1.063 billion of the 6.125% Notes for $849.9 million of the 2026 Secured Notes and $206 million in cash.

Second, on May 28, 2021, the Company redeemed 100% of the remaining outstanding 2023 Notes at par.

Third, on August 20, 2021, the Company amended its Prepetition Credit Agreement to provide for the $2.8 billion ABL Facility and the $350 million FILO Term Loan Facility. As a result of the amendment, Rite Aid was able to extend its debt maturity profile and obtain additional liquidity.

Fourth, on December 1, 2022, the Company further amended its Prepetition Credit Agreement, to upsize both the Prepetition Credit Facilities, collectively increasing the Company's liquidity by $100 million.

Fifth, in recent years, the Company reduced interest expense by paying down certain of its funded debt. Specifically, in June, November, and December 2022, the Company paid off $115 million, $160 million, and $5 million, respectively, of its 2025 Secured Notes. In June 2022, the Company paid down $52 million of its 2027 Unsecured Notes and $27 million of its 2028 Unsecured Notes. In total, these pay downs saved approximately $22 million in cash interest expense since June 2022.

B. Cost-Saving Measures.

The Company explored and executed several cost-saving measures and operational improvements. First, the Company closed over 200 underperforming stores. Second, the Company initiated a new, large-scale program to reduce operating and overhead costs to better align the operation to the optimized store footprint. The Company is now executing that program and focused on delivering pharmaceuticals and services with efficiency. Third, at its retail locations, the Company rationalized its front-end retail offerings to improve working capital and refresh its merchandise assortment. Finally, the Company also launched additional initiatives to enhance optimization of its pricing and promotional strategies.

C. Sale-Leaseback Transactions.

The Company also took advantage of favorable real estate markets in each of 2021, 2022, and 2023 to sell dozens of owned properties (including distribution centers) and enter into long-term leases with the purchasers. These transactions resulted in net proceeds of approximately $178 million in 2021, $57 million in 2022, and $73 million in 2023.

D. Advisor Engagement.

Rite Aid engaged Guggenheim Securities and Kirkland & Ellis LLP in December 2022 and April 2023, respectively, to assist Rite Aid in analyzing its financing needs and exploring its capital structure alternatives and restructuring options. The Company also engaged Alvarez & Marsal in May 2023 to conduct a footprint assessment, assist with the business plan and transformation, accelerate cost savings and, if necessary, support contingency preparations.

E. Footprint Rationalization and Rite Aid 2.0 Business Plan.

Unprofitable stores have hampered the Company's growth, turnaround initiatives, and free cash flow, while the inability to reinvest in the business allowed competitors to outpace the Company. Rite Aid undertook a bottoms-up footprint rationalization effort and developed the Company's business plan, referred to as "Rite Aid 2.0." The Company also undertook an intensive, store-level evaluation, testing stores' financial performance, rent relative to market, and supply chain and other operational and geographic considerations impacting its competitive landscape and overall strategies with its network, an analysis that remains continually ongoing. Based on this analysis, the Company identified a series of stores for closure to focus on the remaining portfolio and ability to invest capital into the remaining stores.

F. Asset Sales.

The Company began a marketing process for Elixir over the summer of 2023. The Company, with the assistance of Guggenheim Securities, prepared marketing materials and contacted 12 parties prepetition. Due to the operational and regulatory expertise required to

operate a PBM, the marketing efforts focused on potential strategic buyers. Nine potential bidders executed non-disclosure agreements and were granted access to a virtual data room as well as offered management presentations. The Company successfully used the chapter 11 process to complete the Elixir marketing process, culminating in closing of the sale of Elixir to MedImpact on February 1, 2024.

The Company also explored a potential sale of some or all of its retail business, which process remains ongoing through these Chapter 11 Cases. The Elixir and Rite Aid Retail marketing processes are described further in Article VI.C.

G. Corporate Governance Efforts.

The Company's board and senior management proactively managed the Company's circumstances and maintained a strong governance process.

First, beginning in March 2023, the board of directors and certain committees thereof began convening weekly meetings with the Company's restructuring advisors. Those weekly meetings, which focused on restructuring-related updates and workstreams, supplemented the board's regular cadence of meetings.

Second, seven experienced advisor consultants were engaged over the summer of 2023 to aid the Company and certain of its subsidiaries in their evaluation of alternatives and contingency planning efforts.

- Jeffrey Stein. Mr. Stein has more than 30 years of experience in the restructuring space, regularly serving as an officer and director supporting companies experiencing significant challenges, including operational and financial restructurings. Mr. Stein previously served as the chief restructuring officer of Whiting Petroleum Corporation, Philadelphia Energy Solutions, LLC, and Westmoreland Coal Company. He is currently the chairman of the board of Ambac Financial Group, Inc. and the liquidating trustee for the estate of Ditech Holding Corporation, among other roles, and, as described below, on October 15, 2023, he was appointed Chief Executive Officer and Chief Restructuring Officer of Rite Aid Corporation.

- Lisa Broderick. Ms. Broderick is an accomplished senior executive with 35 years of experience across technology, finance, and business development industries. She is founder and Managing Partner of Conversus Group LLC, a management consulting firm that has performed turn arounds of companies across technology, telecommunications, manufacturing, and service-based industries.

- Paul Keglevic. Mr. Keglevic is an experienced independent director, with prior senior executive and Big 5 accounting experience. Mr. Keglevic's experience includes leading the restructuring of the largest LBO in U.S. history. Mr. Keglevic currently sits on the boards of WeWork, utility company Evergy, and healthcare company Envision, in addition to having served as an independent board member across a wide range of other companies and sectors.

- Roger Meltzer. With over 35 years of experience in law firm leadership, including nearly 15 years managing DLA Piper, including two terms as Chairman, Mr. Meltzer brings deep experience in managing large organizations through major financial headwinds, expansion, and growth. Mr. Meltzer has served as a director to several non-profit and for-profit organizations, where he has brought to bear decades of leadership experience and practice in corporate and securities law.

- Steven Panagos. Mr. Panagos is a turnaround expert with experience leading complex financial and operational restructurings for organizations across a spectrum of industries. He has served as an independent director to companies undergoing significant changes, including PhyMed, JCPenney, Pier1 Imports, and American Consolidated Natural Resources. Mr. Panagos also spent a decade as Vice Chairman and Managing Director of the Recapitalization & Restructuring Group at Moelis & Company.

- Stefan Selig. Mr. Selig is an accomplished banker and senior executive. He served as President Obama's Under Secretary of Commerce for International Trade. Prior to serving in that role, he was the Executive Vice Chairman of Global Corporate & Investment Banking at Bank of America Merrill Lynch. In 2017, Mr. Selig founded BridgePark Advisors LLC to advise a select group of CEOs, boards of directors, and institutional and high net worth investors on business strategy, mergers and acquisitions, and financings, among other things. Mr. Selig has served as an independent director to numerous companies undergoing reorganizations.

- Carrie Teffner. Ms. Teffner has more than 30 years of financial and operational leadership experience in consumer products and retail industries, having served as the Chief Financial Officer of Crocs, PetSmart, Weber-Stephen Products LLC, and Timberland. Ms. Teffner has also served as a director on the boards of public companies, including companies undergoing reorganizations.

Third, once it became clear that a near-term chapter 11 process was a distinct possibility, the Company proactively evaluated its corporate governance structure. The Company determined to appoint certain of the advisor consultants to Disinterested Director positions at three entities in the corporate structure:

Entity	Disinterested Directors	Disinterested Directors' Counsel
Hunter Lane, LLC (Elixir)	Stefan Selig, Roger Meltzer	Katten Muchin Rosenman LLP
Rite Aid Corporation	Paul Keglevic, Carrie Teffner	Kobre & Kim[14]
Thrifty PayLess, Inc.	Steven Panagos, Lisa Broderick	Milbank LLP

The applicable boards each unanimously adopted resolutions forming special committees composed of the applicable Disinterested Directors and delegated authority to the special committees to, among other things, take certain actions related to potential or actual conflicts of interest (if any) that may arise between their respective Company entity on one hand and their respective Company's members, affiliates, or directors and officers on the other hand in connection with, among other things, a restructuring (the "Conflict Matters"). The applicable boards delegated to each special committee the exclusive authority to investigate and determine, based on the advice of counsel, and in each special committee's business judgment, whether any matter constitutes a Conflict Matter, and to review, consider, investigate, negotiate, settle, approve, authorize, and act upon any Conflict Matters. Each special committee's diligence efforts with respect to Conflict Matters remain ongoing, with the assistance of the Disinterested Directors' applicable counsel.

Further, on October 15, 2023, the Board determined that it was in the best interests of the Company and its stakeholders to appoint Jeffrey Stein, one of the advisor consultants, to the positions of Chief Executive Officer and Chief Restructuring Officer of Rite Aid, leveraging Mr. Stein's extensive restructuring and operational experience to guide the Company through these Chapter 11 Cases and consummation of the Restructuring Transactions.

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14 Wilson Sonsini Goodrich & Rosati represents the full board of Rite Aid Corporation.

H. Stakeholder Engagement.

In the lead-up to the Petition Date, Rite Aid engaged with key stakeholders across its capital structure in the hopes of consummating a deleveraging, out-of-court transaction. Over several months, Rite Aid engaged with the Ad Hoc Secured Noteholder Group regarding options to strengthen its balance sheet and right-size its capital structure; the agent on its existing ABL Facility, regarding potential financing options; and various governmental agencies, regarding resolution of a number of investigations.

VI. MATERIAL DEVELOPMENTS AND ANTICIPATED DEVELOPMENTS OF THE CHAPTER 11 CASES

A. First Day Relief and Other Case Matters.

On the Petition Date, the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations. A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the First Day Declaration. At a hearing on October 16, 2023, (the "First Day Hearing") the

Bankruptcy Court granted certain of the relief initially requested in the First Day Motions on an interim and final basis, as applicable, with orders entered contemporaneously with or shortly following the First Day Hearing. As of the date hereof, the Bankruptcy Court has granted most of the First Day Motions on a final basis, as specified below: [15]

- **Case Management Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 149] approving the *Debtors' Motion for Entry of an Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Docket No. 3] on a final basis.

- **Schedules Extension Motion**: On October 19, 2023, the Bankruptcy Court entered an order [Docket No. 157] approving the *Debtors' Motion Seeking Entry of an Order Extending Time to (I) File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs and (II) Granting Related Relief* [Docket No. 4] on a final basis.

- **Utilities Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 135] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, (IV) Authorizing Certain Fee Payments for Services Performed, and (V) Granting Related Relief* [Docket No. 5] (the "Utilities Motion") on an interim basis. The Bankruptcy Court entered an order approving the Utilities Motion on a final basis on November 20, 2023 [Docket No. 708].

- **NOL Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 142] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Approving Notification and Hearing Procedures for Certain Transfers of Common Stock, and (II) Granting Related Relief* [Docket No. 7] (the "NOL Motion") on an interim basis. The Bankruptcy Court entered an order approving the NOL Motion on a final basis on November 20, 2023 [Docket No. 707].

15 The First Day Motions, and all orders for relief entered in the Chapter 11 Cases, can be viewed free of charge on the website of the Debtors' proposed claims and noticing agent at https://restructuring.ra.kroll.com/RiteAid.

- **Customer Programs Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 146] approving the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Maintain and Administer Their Existing Retail Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Continue Client Programs and Servicing Related to the Elixir Business and (II) Granting Related Relief* [Docket No. 8] (the "Customer Programs Motion") on an interim basis. On December 20, 2023, the Bankruptcy Court entered an order approving the Customer Programs Motion on a final basis [Docket No. 1140].

- **Creditor Matrix Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 148] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) File a Consolidated List of the Debtors' Fifty Largest Unsecured Creditors, (B) File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, (C) Redact Certain Personally Identifiable Information of Natural Persons (II) Waiving the Requirement to File a List of Equity Holders and Provide Notices Directly to Equity Security Holders, and (III) Granting Related Relief* (the "Creditor Matrix Motion") [Docket No. 9] on an interim basis. On February 16, 2024, the Bankruptcy Court adjourned the hearing regarding the final relief as requested in the Creditor Matrix Motion to April 17, 2024 [Docket No. 1974].

- **Cash Management Motion**: On October 17, 2023, the Bankruptcy Court entered an order [Docket No. 123] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Perform Intercompany Transactions and (II) Granting Related Relief* [Docket No. 10] (the "Cash Management Motion") on an interim basis. On December 22, 2023, the Bankruptcy Court entered an order approving the Cash Management Motion on a final basis [Docket No. 1160].

- **Kroll Retention Application**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 143] approving the *Debtors' Application for Entry of an Order (I) Authorizing the Appointment of Kroll Restructuring Administration LLC as Claims and Noticing Agent Effective as of the Petition Date and (II) Granting Related Relief* [Docket No. 11] (the "Kroll Retention Application") on a final basis.

- **Insurance & Surety Bond Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 144] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage Entered into Prepetition and Pay Related Prepetition Obligations, and (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage, and (II) Granting Related Relief* [Docket No. 12] (the "Insurance & Surety Bond Motion") on an interim basis. On November 20, 2023, the Bankruptcy Court entered an Order approving the Insurance Motion on a final basis [Docket No. 705].

- **Taxes Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 139] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Taxes and Fees and (II) Granting Related Relief* [Docket No. 13] (the "Taxes Motion") on an interim basis. On December 20, 2023, the Bankruptcy Court entered an order approving the Taxes Motion on a final basis [Docket No. 1136].

- **Scheduling and Protocols Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 150] approving the *Debtors' Motion for Order Approving Certain Dates and Protocols in Connection with Plan Confirmation* [Docket No. 14] (the "Scheduling and Protocols Motion"). As set forth in the motion seeking conditional approval of this Disclosure Statement [Docket No. 1791], the dates and deadlines set forth in the Scheduling and Protocols Motion no longer apply and are replaced by the dates and deadlines set forth in the Disclosure Statement Order.

- **Record Date Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 138] approving the *Debtors' Motion for Entry of an Order (I) Establishing a Record Date for Notice and Sell-Down Procedures for Trading in Certain Claims Against the Debtors' Estates, and (II) Granting Related Relief* [Docket No. 16] on a final basis.

- **Wages Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 134] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Associate Wages, Salaries, Other Compensation, and Reimbursable Associate Expenses and (B) Continue Associate Benefits Programs, and (II) Granting Related Relief* [Docket No. 17] ("Wages Motion") on an interim basis. On January 30, 2024, the Bankruptcy Court entered an order approving the Wages Motion on a final basis [Docket No. 1770].

- **Critical Vendors Motion**: On October 18, 2023, the Bankruptcy Court entered an order [Docket No. 147] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) 503(B)(9) Claimants, (B) Lien Claimants, and (C) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* [Docket No. 18] ("Critical Vendors Motion") on an interim basis. On October 18, 2023, the Bankruptcy Court entered an order approving the Critical Vendors Motion on an interim basis [Docket No. 147]. On November 20, 2023, the Bankruptcy Court entered a second order approving the Critical Vendors Motion on an interim basis [Docket No. 704]. On December 20, 2023, the Bankruptcy Court entered an order approving the Critical Vendors Motion on a final basis [Docket No. 1137].

- **Joint Administration Motion**: On October 17, 2023, the Bankruptcy Court entered an order [Docket No. 122] approving the *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 21] on a final basis.

- **Bidding Procedures Motion**: On October 18, 2023, the Bankruptcy Court entered the Bidding Procedures Order on a final basis. Following discussions with parties in interest, the Debtors submitted a proposed Amended Bidding Procedures Order to the Bankruptcy Court, which was approved on January 9, 2024 on a final basis.

- **Store Closing Motion**: On October 17, 2023, the Bankruptcy Court entered an order [Docket No. 121] approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing and Approving the Conduct of Store Closing Sales, With Such Sales to be Free and Clear of All Liens, Claims, and Encumbrances, and (II) Granting Related Relief* [Docket

No. 37] (the "Store Closing Motion"). On October 17, 2023, the Bankruptcy Court entered an order approving the Store Closing Motion on an interim basis [Docket No. 121]. On November 20, 2023, the Bankruptcy Court entered an order approving the Store Closing Motion on a final basis [Docket No. 709] (the "Initial Store Closing Order"). In furtherance of their thoroughly considered, value-focused store closure process and to satisfy certain of the Debtors' obligations under the DIP Facilities, the Debtors filed the *Debtors' Motion for Entry of an Amended Final Order (I) Authorizing and Approving the Conduct of Store Closing Sales, with Such Sales to Be Free and Clear of All Liens, Claims, and Encumbrances and (II) Granting Related Relief* [Docket No. 1569] (the "Amended Store Closing Motion") to amend the Store Closing Order to permit the engagement of a store-closing services consultant, among other requested relief, which motion was granted on January 29, 2024 [Docket No. 1648] (the "Amended Store Closing Order").

B. Appointment of Statutory Committees.

1. Appointment of the Official Committee of Unsecured Creditors.

On November 2, 2023, the U.S. Trustee filed the *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 431] appointing the Official Committee of Unsecured Creditors (the "UCC"). The nine-member UCC has retained Kramer Levin Naftalis & Frankel LLP and Kelley Drye & Warren LLP as its legal counsel, Lazard Frères & Co., LLC as its investment banker, and AlixPartners, LLP as its financial advisor (collectively, the "UCC Professionals"). The Bankruptcy Court entered orders approving the retention of the UCC Professionals [Docket Nos. 1519, 1520, 1521, and 1557]. The UCC is composed of the following members:

- McKesson Corporation;
- ComputershareTrust Co.;
- Loyd F. Schmuckley Jr.;
- Humana Health Plan Inc.;
- Benderson Development Company LLC;
- United Food and Commercial Workers International Union;
- Pension Benefit Guaranty Corp.; and
- Realty Income Corp.

2. Appointment of the Official Committee of Tort Claimants.

On November 2, 2023, the U.S. Trustee filed the *Notice of Appointment of Official Committee of Tort Claimants* [Docket No. 432] appointing the tort claimants' committee (the "TCC" and together with the UCC, the "Committees"). The nine-member TCC has retained Akin Gump Strauss Hauer & Feld LLP and Sherman, Silverstein, Kohl, Rose & Podolsky, P.A. as its legal counsel, Jefferies LLC as its investment banker, and Province, LLC as its financial advisor, (collectively, the "TCC Professionals"). The Bankruptcy Court entered orders approving the retention of the TCC Professionals [Docket Nos. 1576, 1577, 1578, and 1579]. The TCC is composed of the following voting members:

- Blue Cross Blue Shield Association;
- Erie County Medical Center Corp.;
- Michael Masiowski, M.D.;
- Nancy Zailo;

- Andrew Parsons;
- Karen Pforr;
- Sandra Blankenship;
- Rite Valega; and
- Alphonse Borowski.

In addition to these voting members appointed by the U.S. Trustee, the Baltimore City Board of School Commissioners serves as an *ex officio* member of the TCC on behalf of certain public school districts. Immediately after the appointment of the Committees, the Debtors began sharing diligence with each of the TCC and UCC and engaging in formal discovery processes in a coordinated fashion and on substantially the same terms with respect to each Committee. This diligence and production effort has been a substantial undertaking. The Debtors have also proactively engaged with the Committees regarding the key components of these Chapter 11 Cases, including the asset sale processes described herein, the Final Financing Order, and the substance of the Plan and framework of the Restructuring Transactions contemplated therein. This engagement has been productive and continues to proceed as part of the ongoing mediation process described further herein. Information transfer and dialogue between the Debtors and the Committees remains robust and ongoing.

C. Retention of Debtors' Professionals.

To assist the Debtors in carrying out their duties as debtors in possession and to otherwise represent the Debtors' interests in the Chapter 11 Cases, the Debtors filed applications requesting that the Bankruptcy Court authorize the Debtors to retain and employ the following advisors pursuant to sections 327, 328, and 363 of the Bankruptcy Code, as applicable: (a) Kirkland & Ellis, LLP and Kirkland & Ellis International LLP, as co-counsel to the Debtors; (b) Cole Schotz P.C., as co-counsel to the Debtors; (c) Guggenheim Securities as investment banker to the Debtors; (c) Wilson Sonsini Goodrich & Rosati, P.C. as special counsel to the board of directors of Debtor Rite Aid Corporation; (d) Milbank LLP as counsel to the Special Committee of Debtor Thrifty PayLess, Inc.; (e) Kobre & Kim LLP as counsel to Carrie Teffner and Paul Keglevic in their capacity as Disinterested Directors of certain of the Debtors; (f) Katten Muchin Rosenman LLP as counsel to Roger Meltzer and Stefan M. Selig in their capacity as Disinterested Directors of Debtor Hunter Lane, LLC; (g) Alvarez & Marsal as financial advisor to the Debtors; (h) A&G, as real estate consultant and advisor to the Debtors; (i) Deloitte & Touche LLP as independent auditor to the Debtors; (j) Kroll Restructuring Administration, LLC, as administrative advisor to the Debtors; and (k) PwC US Business Advisory LLP as accounting advisory services provider, valuation advisory services provider, and tax advisory services provider to the Debtors (collectively, the "Professionals"). Concurrently with the application requesting authorization to retain Alvarez & Marsal North America, LLC, the Debtors sought entry of an order designating Marc Liebman, Managing Director of Alvarez and Marsal North America, LLC, as Chief Transformation Officer to the Debtors. The Bankruptcy Court subsequently entered orders approving the retention of the Professionals and Mr. Liebman [Docket Nos. 1133, 1414, 1415, 1435-1440, 1496, 1637, 1928].

The Debtors also filed the *Debtors' Motion for Entry of an Order Authorizing the Debtors to File Under Seal the Names of Certain Confidential Transaction Parties in Interest Related to the Debtors' Professional Retention Applications* [Docket No. 806] (the "Sealing Motion"), whereby the Debtors sought authorization to redact and file under seal the names of Confidential Transaction Parties (as defined herein) in connection with the Debtors' Professional Applications. To protect the Debtors' commercially sensitive information while providing the necessary disclosures required under the Bankruptcy Code and Bankruptcy Rules, the Professionals disclosed in their schedules their relationships with certain of the Debtors' potential transaction counterparties (the "Confidential Transaction Parties") without disclosing the names of such entities and individuals. Due to the inherently competitive nature of the sale processes, revealing the Confidential Transaction Parties may chill the marketing process by preventing current potential counterparties from moving forward with negotiations and deterring potential counterparties from getting involved in the sale processes. Moreover, certain of the Confidential Transaction Parties have executed non-disclosure agreements with the Debtors that require that their identities remain

confidential. Accordingly, disclosing the identities of the Confidential Transaction Parties before a transaction is negotiated would violate the underlying confidentiality agreements. A hearing is currently set for April 17, 2024 for the Bankruptcy Court to consider the Debtors' Sealing Motion.

D. Lease Rejections and Optimization.

As discussed in the First Day Declaration, the Debtors have worked tirelessly to build stakeholder consensus around a value-maximizing restructuring of the Company. The Debtors' efforts on this front yielded agreement on restructuring terms among the Company and certain of its key creditor constituencies. A key component of the Company's go-forward business plan—and the value-maximizing restructuring of the Debtors—is the continuation and completion of the Debtors' ongoing effort to rationalize their retail pharmacy store footprint. This effort entails, among other things, the closure of certain underperforming stores (based on a comprehensive cost-benefit analysis) with the goal of creating an efficient and profitable remaining store footprint.

The Company's store portfolio rationalization process accelerated in the months leading up to the Petition Date in connection with the Company's broader restructuring efforts and has continued following the Petition Date in connection with the ongoing implementation and restructuring pathway to "Rite Aid 2.0." During the twelve-month period ending on September 30, 2023, the Debtors closed approximately 210 stores, leaving the Debtors with approximately 2,100 operating stores as of the Petition Date.

The Debtors' meticulous, thoroughly considered store closure plan is centered on value maximization and an asset disposition strategy based on value realizable through the sale or internal transfer of prescription files and related records (collectively, the "Prescription Assets"), store inventory, including front-end retail inventory, and store fixtures, furniture, and equipment. Before the Petition Date, the Debtors, with the assistance of their advisors, conducted a comprehensive analysis of the Debtors' store portfolio, financial performance, and market geography to identify unprofitable, underperforming, or otherwise sub-optimal store locations. Once identified, the Debtors determined the best strategy to maximize proceeds from the closure process for each location. With respect to inventory, the Debtors' strategy for maximizing store proceeds consists of either (i) conducting a self-managed strategic mark-down plan followed by a clearance sale; and/or (ii) transferring inventory to other Company store locations that would remain open. With respect to Prescription Assets, the Debtors' strategy consists of either (i) transferring (or "pouring") Prescription Assets to nearby Company store locations that would remain open, or (ii) selling Prescription Assets to another (non-Rite Aid) pharmacy.

Following the Petition Date, the Debtors have closed an additional 345 stores, as of February 1, 2024. Subsequent to the closure of stores, as described further herein, the Debtors considered whether to reject or to assume and assign related leases: since the Petition Date, the Debtors have effectuated (a) the rejection of 585 leases resulting in approximately $171 million in annual occupancy savings and (b) the sale of 5 leases for cash proceeds of approximately $1.754 million. Further to the foregoing, the Debtors have taken the following steps with respect to their lease rejection and optimization strategy:

1. Store Closings.

On October 16, 2023, the Debtors filed the Store Closing Motion, through which the Debtors sought approval of certain Sale Guidelines (as defined in the Store Closing Motion) and to conduct 154 initial store closings. On October 17, 2023, the Bankruptcy Court entered an order approving the Store Closing Motion on an interim basis [Docket No. 121] (the "Interim Store Closing Order"), and on November 20, the Bankruptcy Court entered the Initial Store Closing Order, granting such relief on a final basis.

On January 23, 2024, the Debtors filed the Amended Store Closing Motion, pursuant to which the Debtors sought authorization to enter into and perform under certain consulting agreements among the Debtors, SB360 Capital Partners, LLC, and Hilco Merchant Resources, LLC (together, the "Consultants"). As contemplated by the Amended Store Closing Motion, the Consultants are to provide a suite of services in connection with the store closings, including: data analysis; planning, logical coordination, oversight, and execution support; and monetization of retail inventory and furniture, fixtures, and equipment at closing stores. On January 29, 2024, the Bankruptcy Court entered the Amended Store Closing Order, granting such relief. Pursuant to the Interim Store Closing Order, the Initial Store Closing Order, and the Amended Store Closing Order, the Debtors have proceeded to notice parties in interest of their decision to close 426 additional stores, as of January 31, 2024, consistent with the "Rite Aid 2.0" business plan.

2. Lease Rejections.

On October 16, 2023, the Debtors filed the (i) *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Procedures to Reject or Assume Executory Contracts and Unexpired Leases and (II) Granting Related Relief* [Docket No. 24] (the "Rejection Procedures Motion," and the procedures contemplated thereby, the "Rejection Procedures"), through which the Debtors sought approval of certain procedures for rejecting or assuming executory contracts and unexpired leases; and (ii) *Debtors' Motion for Entry of an Order (I) Authorizing (A) the Rejection of Certain Unexpired Leases of Non-Residential Real Property and (B) Abandonment of Any Personal Property, Each Effective as of the Rejection Date and (II) Granting Related Relief* [Docket No. 25] (the "Rejection Motion"), whereby the Debtors sought to reject 347 leases of non-residential real property as of October 15, 2023. The Bankruptcy Court subsequently entered orders approving the rejection of certain leases proposed to be rejected by the Debtors' Rejection Motion [Docket Nos. 710; 723; 831-38, 847, 1006, 1021, 1041, 1056, 1057, 1096, 1240, 1379, 1423, 1494, 1617, 1624, 1645, 1646]. On November 20, 2023, the Bankruptcy Court entered an order approving the Rejection Procedures Motion [Docket No. 702] (the "Rejection Procedures Order").

Consistent with the requirements of the DIP Facilities, and in order to facilitate an orderly, considered, and value-maximizing disposition of their lease portfolio, the Debtors sought an extension of the statutory deadline under section 365(d)(4) of the Bankruptcy Code to assume or reject unexpired leases. On November 30, 2023, the Debtors filed the *Debtors' Motion for Entry of an Order Pursuant to Section 365(d)(4) of the Bankruptcy Code (I) Extending Debtors' Time to Assume of Reject Unexpired Leases of Non-Residential Real Property and (II) Granting Related Relief* (the "Lease Rejection Extension Motion") [Docket No. 842], whereby the Debtors sought entry of an order to extend the Debtors' time to assume or reject unexpired leases for an additional 90 days, for a total of 210 days from the petition date, through and including May 13, 2024. On December 20, 2023, the Bankruptcy Court entered an order approving the Lease Rejection Extension Motion [Docket No. 1132].

Pursuant to the Rejection Procedures Order, the Debtors have subsequently provided notice of and completed rejection of 643 unexpired leases.

The Debtors continue to evaluate their store portfolio. On February 21, 2024, the Debtors filed the *Motion for Entry of an Order (I) Authorizing and Approving Procedures for Exiting Certain Leased Real Property and (II) Granting Related Relief* [Docket No. 2024] (the "Exit Procedures Motion") and the *Motion Seeking Entry of an Order (I) Consensually Extending the Time Within Which the Debtors Must Assume or Reject Unexpired Leases of Non-Residential Real Property, (II) Authorizing the Debtors to Provide Certain Consideration to Landlords in Exchange for Consenting to Such Extension, and (III) Granting Related Relief* [Docket No. 2023] (the "Second Lease Extension Motion"). Through the Second Lease Extension Motion, the Debtors sought Bankruptcy Court approval to further extend the time within which the Debtors could decide to assume or reject approximately 1,500 of their unexpired commercial real estate leases to the earlier of (i) the entry of an order confirming a chapter 11 plan for the Debtors (subject to the occurrence of the effective date of such plan), and (ii) September 30, 2024. Through the Exit Procedures Motion, the Debtors sought Bankruptcy Court approval of procedures governing store closings and associated store closing sales at premises not covered by the Second Lease Extension Motion. The relief requested in the Exit Procedures Motion and the Second Lease Extension Motion facilitates the Debtors' ability to make considered, value-maximizing decisions concerning their portfolio. On March 8, 2024, the Bankruptcy Court entered an order [Docket No. 2319] granting the relief requested in the Exit Procedures Motion. The Bankruptcy Court will consider the Second Lease Extension Motion at a hearing on April 17, 2024.

E. Retail and Elixir Sale Processes

Foundational to the Debtors' reorganization is the Debtors' commitment to dual track their Plan and the Plan Restructuring with sale processes designed to (i) gauge market interest in a transaction (or transactions) that generate value in excess of that which is currently contemplated under the Plan Restructuring and (ii) dispose of other assets in an effort to realize maximum value for stakeholders. To effectuate these sale processes, the Debtors filed the *Debtors' Motion For Entry of an Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving the Elixir Form APA and The Rite Aid Retail Form APA, (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (VI) Authorizing the Assumption and Assignment of Assumed Contracts, (VII) Authorizing the Sale of Assets, and (VIIII) Granting Related Relief* [Docket No. 33] (the "Bidding Procedures Motion") seeking authority to proceed with multiple expeditious, yet flexible, bidding and sale processes. The Bidding Procedures Motion was approved at the First Day Hearing, and on October 18, 2023, the Bankruptcy Court entered an order approving the Bidding Procedures Motion [Docket No. 129] (the "Bidding Procedures Order"). On January 9, 2024, the Bankruptcy Court entered the Amended Bidding Procedures Order approving certain modifications to the Bidding Procedures and the Bidding Procedures Order following discussions with stakeholders. Through the Bidding Procedures Order and Amended Bidding Procedures Order, the Debtors (1) concluded the going-

concern asset sale process of their pharmacy benefit manager business, primarily owned by Debtor Hunter Lane, LLC and its Debtor subsidiaries (collectively, "Elixir," and the assets of Elixir, the "Elixir Assets," and the sale thereof, the "Elixir Sale Transaction"), culminating in the closing of the Elixir Sale Transaction on February 1, 2024, and (2) have proceeded to market all or a portion of their remaining assets, chiefly comprising their retail pharmacy business segment (such assets, the "Rite Aid Retail Assets" and together with the Elixir Assets, the "Assets," and the sale of the Rite Aid Retail Assets, the "Rite Aid Retail Sale Transaction," and together with the Elixir Sale Transactions, the "Sale Transactions"), as a market test relative to the Plan Restructuring.

1. Elixir Marketing Process.

In the months preceding the commencement of these Chapter 11 Cases, the Debtors, with the assistance of Guggenheim Securities and their other advisors, launched a process to solicit market interest in a going-concern sale of Elixir. During this prepetition marketing process, the Debtors dedicated substantial time and effort to conducting outreach to a select group of strategic parties. The Debtors, in consultation with Guggenheim Securities, determined which parties to contact based upon, among other criteria, the parties' potential familiarity with the Elixir business, potential capacity to consummate a large-scale transaction (particularly given certain regulatory considerations), and industry knowledge and experience.

Specifically, beginning in July 2023, the Debtors, with the assistance of Guggenheim Securities, reached out to a group of twelve strategic investors experienced in investing in the pharmacy benefits management sector. An additional party proactively reached out and requested to participate in an evaluation of the Elixir Assets. Of these parties, nine executed non-disclosure agreements with the Debtors. Following execution of non-disclosure agreements, the Debtors, with the assistance of their advisors, held initial counterparty meetings and thereafter provided access to a virtual data room containing significant diligence documentation. Those documents included, among other things, confidential evaluation materials, an investor presentation, financial models and operational information about the Debtors and their non-Debtor affiliates, information about the marketing process, and summary memorandums providing detail on the Elixir Assets.

In August 2023, the Debtors, with the assistance of Guggenheim Securities, instructed bidders to submit preliminary indications of interest for the Elixir Assets by September 7, 2023, addressing the following key considerations, among any others, to enable the Debtors to fully evaluate each bidder's proposal: (a) the identity and description of the bidder; (b) the purchase price for the Elixir business to be paid in cash; (c) descriptions of the material assumptions informing the proposed purchase price; (d) a description of due diligence information required to make a definitive proposal; (e) a transaction structure and proposed source of funds; (f) prospective plans for the Elixir business following consummation of a transaction; (g) any conditions precedent required to be satisfied to consummate a transaction; (h) estimates of time required to execute and close a transaction; (i) the bidder's contact information and a list of any external advisors retained to assist in due diligence; and (j) any other matters material to a proposal.

(a) **MedImpact Stalking Horse Bidder.**

Ultimately, on October 15, 2023, the Debtors executed an asset purchase agreement with MedImpact (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Elixir APA"). The Debtors determined that MedImpact's bid represented not only the best overall proposal for the Elixir Assets, but the only actionable proposal as of the Petition Date. The Elixir APA provided for, among other things, MedImpact's purchase of the Elixir Assets through a section 363 public auction process contemplated by the Bidding Procedures.

(b) **Postpetition Elixir Marketing Process.**

After the Petition Date and pursuant to the Bidding Procedures Order, the Debtors continued the Elixir marketing process, soliciting higher or otherwise better bids for the Elixir Assets. During the postpetition period, the Debtors, with the assistance of Guggenheim Securities, and with input from the advisors to the Committees, engaged an additional 36 potential bidders. Despite these robust marketing efforts, as of the Elixir Bid Deadline, the Debtors did not receive a Qualified Bid with respect to the Elixir Assets other than the Stalking Horse Bid submitted by MedImpact. Accordingly, and pursuant to section XI of the Bidding Procedures, the Debtors elected, in consultation with the Consultation Parties, to cancel the Elixir Auction and filed the *Notice of Successful Bidder and Cancellation of Auction Solely with Respect to the Elixir Assets* [Docket No. 1145]. Moreover, in accordance with the Bidding Procedures Order, the Debtors, in consultation with the Consultation Parties, determined MedImpact to be the Successful Bidder with respect to the Elixir Assets.

The Debtors sought entry of the proposed *Order (I) Approving the Sale of Acquired Assets Free and Clear of All Claims, Liens, Rights, Interests, and Encumbrances, (II) Authorizing the Debtors to Enter into and Perform their Obligations under the Stalking Horse Purchase Agreement, (III) Approving Assumption and Assignment of Certain Executory Contracts and (IV) Granting Related Relief* (the "Elixir Sale Order") [Docket No. 1204] for approval of the Elixir APA and consummation of the Elixir Sale Transaction. Specifically, as more fully set forth in the Elixir APA, the Debtors sought approval to sell the Acquired Assets (as defined thereunder) to MedImpact in exchange for (a) the assumption of certain Assumed Liabilities (as defined in the Elixir APA) and (b) subject to adjustment pursuant to section 2.7 of the Elixir APA, $576.5 million in consideration comprised of cash and certain Term Loans (as defined in the Elixir APA,) (*i.e.*, the Seller Financing discussed below). The Debtors also sought approval of the assumption and assignment to MedImpact of certain executory contracts and unexpired leases associated with the Acquired Assets. A sale hearing to conclude the Elixir Sale Transaction process occurred on January 9, 2024, and on January 17, 2024, the Bankruptcy Court entered the Elixir Sale Order, approving the Elixir APA and consummating the Elixir Sale Transaction [Docket No. 1510].

On January 18, 2024, the Debtors filed a *Supplemental Notice of Proposed Assumed and Assigned Executory Contracts and Unexpired Leases, each Solely with Respect to the Elixir Assets* [Docket No. 1531], disclosing 449 additional executory contracts which the Debtors intend to assume and assign to MedImpact. On February 1, 2024, the Debtors and MedImpact closed the Elixir Sale Transaction.

(c) **MedImpact Seller Financing.**

In connection with the sale of the Elixir business, on November 16, 2023, the Company filed a motion [Docket No. 643] (the "Seller Financing Motion") with the Bankruptcy Court seeking approval to provide seller financing to MedImpact to fund a substantial portion of the purchase price of the Elixir Sale Transaction (the "Seller Financing"). The Debtors, in their business judgment and in consultation with their advisors, determined entry into the Seller Financing as proposed by the Seller Financing Motion was necessary in order to ensure that the Elixir Sale Transaction with MedImpact, the Debtors' best and only viable alternative to sell the Elixir business, could proceed to closing. Without the Seller Financing, MedImpact would have been unable to obtain the financing necessary to fund the purchase price and close the Elixir Sale Transaction.

On December 19, 2023, the Bankruptcy Court approved the Seller Financing in a bench ruling and on December 20, 2023, the Bankruptcy Court entered the Seller Financing Order, approving the Seller Financing and entry into that certain Second Amended and Restated Credit Agreement, dated as of November 8, 2023, by and between MI OpCo Holdings, Inc., as borrower thereunder, MI OpCo H2, LLC, as a guarantor thereunder, the other guarantors from time to time party thereto, the lenders and the other L/C issuers from time to time party thereto, and Bank of America, N.A., as administrative agent, swing-line lender and L/C issuer (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "MedImpact Term Loan Credit Agreement"), subject to certain conditions set forth therein.

As discussed above, on February 1, 2024, upon the satisfaction of the conditions to closing, the Sellers and MedImpact consummated the Elixir Sale Transaction as contemplated by the Elixir APA, thereby completing the disposition of substantially all of the Elixir Assets. In connection with consummation of the Elixir Sale Transaction, the Sellers received Term Loans (as defined in the Elixir APA) pursuant to the Seller Financing Term Loan Credit Agreement in the aggregate principal amount, after giving effect to customary working capital calculations, equal to $567.382 million, and cash in an aggregate amount equal to $43.125 million.

Additionally, upon closing of the Elixir Sale Transaction and the Seller Financing, on February 1, 2024, the Company, entered into (x) that certain Collateral Assignment of Financing Documents (the "DIP ABL Collateral Assignment"), by and between the Company, as assignor, and Bank of America, N.A., in its capacity as collateral agent for each of the Senior Secured Parties (as defined in the DIP ABL Credit Agreement), as assignee (in such capacity, the "Assignee"), and (y) that certain Collateral Assignment of Financing Documents (the "DIP Term Loan Collateral Assignment"), by and among the Company, as assignor, and the Assignee, in its capacity as collateral agent for each of the Secured Parties (as defined in the DIP Term Loan Credit Agreement). Pursuant to each of

the DIP ABL Collateral Assignment and the DIP Term Loan Collateral Assignment, the Company, in connection with the Elixir Sale Transaction, collaterally assigned all of its rights arising under the Seller Financing Term Loan Credit Agreement and the other seller financing documentation in favor of the Assignee, for the ratable benefit of the Senior Secured Parties (as defined in the DIP ABL Credit Agreement) and the Secured Parties (as defined in the DIP Term Loan Credit Agreement), as applicable, as collateral security for the Senior Loan Obligations (as defined in the DIP ABL Credit Agreement) and the Obligations (as defined in the DIP Term Loan Credit Agreement), as applicable.

2. Rite Aid Retail Marketing Process.

In accordance with the process outlined in the Bidding Procedures, the Company set forth a timeline for the sale of its Rite Aid Retail Assets whereby all binding bids would have needed to be received by no later than December 18, 2023. As these cases and the Rite Aid retail marketing process progressed, the Debtors, in consultation with the DIP Agents, the Ad Hoc Secured Noteholder Group in its capacity as a Consultation Party (as defined in the Bidding Procedures), and the Committees, determined certain extensions to the sale schedule to be necessary to facilitate the solicitation and development of interested parties' potential bids. To that end, the Company filed the *Notices of Extension of Certain Dates and Deadlines Related to the Debtors' Bidding Procedures Amended Sale Schedule* [Docket Nos. 611, 819, 1152, 1229, and 1571] extending the sale process deadlines and providing the Company with additional time to complete their comprehensive marketing process, to receive and evaluate bids, and, if necessary, to hold an Auction to determine the highest and best bid for the Company's assets.

The Qualified Bid Deadline for this process occurred on February 6, 2024, and one or more auctions, if necessary, will be held in the near-term. A hearing in the Bankruptcy Court would be scheduled thereafter to approve any potential sale transaction involving all or part of the Company's assets. Should the Company receive an actionable bid, including a potential Credit Bid from the Ad Hoc Secured Noteholder Group,[16] for all or substantially all of the Company's assets which the Company believes, in its reasonable business judgment, provides more value to stakeholders than the Plan Restructuring, the Plan provides flexibility for the Debtors to "toggle" to implementation of such a Sale Transaction Restructuring.

In the event that such a higher or otherwise better Sale Transaction Restructuring materializes, the Debtors will file and serve a notice of such Sale Transaction Restructuring by the Sale Transaction Notice Deadline that includes the identity of the successful bidder. In the event no such transaction materializes, the Debtors will notice parties in interest by the Sale Transaction Notice Deadline of their decision to pursue the Plan Restructuring and not the Sale Transaction Restructuring.

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16 At this time, the Required AHG Noteholders have not submitted a Credit Bid.

3. Health Dialog Sale Transaction

Through the Rite Aid Retail Marketing Process, the Debtors received a Qualified Bid from Infomedia Group, Inc. (d/b/a Carenet Health) ("Carenet") for certain assets comprising part of the Debtors' Health Dialog business ("Health Dialog") and such assets, the "Health Dialog Assets"). Health Dialog provides personalized population health solutions to improve the health of members, while reducing overall medical costs for companies and organizations. The Health Dialog Assets comprise Health Dialog's Nurse Advice Line, Chronic Care Management, and Shared Decision-Making business solutions, along with associated client contracts. Carenet is a provider of healthcare engagement, clinical support, telehealth and advocacy solutions. On March 6, 2024, the Debtors executed with Carenet an Asset Purchase Agreement (the "Health Dialog APA") providing for the sale of the Health Dialog Assets to Carenet (the "Health Dialog Sale Transaction"), subject to Bankruptcy Court approval and customary closing conditions. A hearing before the Bankruptcy Court to consider approval of the Health Dialog Sale Transaction is currently scheduled for April 10, 2024.

F. Approval of the DIP Facility.

The Debtors' businesses are abnormally cash-intensive, with significant daily and monthly cash needs to meet obligations to vendors, employees, and landlords, among others. In light of their cash needs, the Debtors undertook extensive, arm's-length negotiations with lenders under the prepetition ABL Facility and the prepetition FILO Term Loan Facility to obtain sufficient liquidity to fund the Debtors' day-to-day operations during the Chapter 11 Cases. The DIP ABL Facility, the DIP FILO Facility, and the DIP Term Loan Facility (as from time to time amended, amended and restated, modified, or supplemented, collectively, the "DIP Facilities")

are essential to the Debtors' realization of a successful, value-maximizing restructuring. In particular, the liquidity provided under the DIP Facilities is necessary for the Debtors to fund postpetition operations and chapter 11 process costs, and to send a strong signal to the market and to the Company's key constituencies that the Company can and will satisfy postpetition obligations in the ordinary course.

On October 18, the Bankruptcy Court entered the Interim Financing Order [Docket No. 120] approving, on an interim basis, the relief requested in the Debtors' *Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Claims, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* (the "DIP Financing Motion"). Through the DIP Financing Motion, as approved by the Interim Financing Order, the Debtors were granted interim access to an aggregate $3.45 billion in commitments under the DIP Facilities to support working capital needs and administrative costs during the Chapter 11 Cases. Specifically, following entry of the Interim Financing Order, the DIP Facilities were used to administer the Chapter 11 Cases, operate the Debtors' business in the ordinary course, and facilitate the marketing processes for the retail pharmacy and Elixir business segments as the Debtors have sought and concluded, respectively, value-maximizing sales of those segments' assets. The DIP Facilities comprise: (i) the DIP ABL Facility in the aggregate principal amount of up to $2.85 billion, (ii) the DIP FILO Facility in the aggregate principal amount of $400 million, and (iii) the DIP Term Loan Facility in the aggregate principal amount of $200 million. In addition to the funds made available through the DIP Facilities, the Interim Financing Order permitted the Debtors to use prepetition cash collateral to meet the Debtors' postpetition liquidity needs.

The PBGC and the DOJ, acting on behalf of the United States, filed limited objections (the "PBGC Objection" and the "DOJ Objection," respectively, and together, the "DIP Objections") to the DIP Financing Motion. Each of the DIP Objections focused on previously requested relief in the DIP Financing Motion with regard to certain ordinary course intercompany transactions among EIC, a non-debtor affiliate of the Debtors, and Debtor EX Options, LLC ("EX Options"). The Debtors, the PBGC, and the DOJ engaged in extensive negotiations in the period leading up to the final hearing on the DIP Financing Motion. Although these negotiations significantly narrowed the remaining disputed issues with regard to the DIP Financing Motion, they did not fully resolve the DIP Objections. Accordingly, on December 18, 2023, the Debtors filed the *Debtors' Omnibus Reply in Support of the Limited Objections to the DIP Motion and the Cash Management Motion* [Docket No. 1101] (the "DIP Reply"). In the DIP Reply, the Debtors argued, among other things, that final approval of the DIP Financing Motion on the terms set forth therein was essential to EIC's ordinary-course operations and protecting the lives that depend on coverage provided by EIC. Moreover, the Debtors argued that maintaining the *status quo* between EIC and EX Options was necessary to ensure the Debtors could pursue a value-maximizing, going concern restructuring. Finally, the Debtors argued that the Bankruptcy Court had jurisdiction over the matters related to EIC through the exercise of its "related to" jurisdiction, which extends to non-debtor affiliates, the equity of which constitutes property of a bankruptcy estate. On December 19, 2023, the Bankruptcy Court held a final hearing on the DIP Financing Motion, at the conclusion of which the Bankruptcy Court orally granted the DIP Financing Motion on a final basis, subject to the revision of certain terms of the Debtors' proposed final order. On December 22, 2023, following several days of further negotiations with the PBGC and the DOJ with regard to the form of the final order, the Bankruptcy Court entered the Final Financing Order approving the DIP Financing Motion on a final basis [Docket No. 1159].

The relief granted in the Final Financing Order incorporates the terms of a settlement with the Committees, which engaged in constructive dialogue with the Debtors with respect thereto. As a result of arm's-length, good faith negotiations in the days and weeks that immediately followed the Committees' appointment, the Debtors, the Ad Hoc Secured Noteholder Group, the DIP Lenders, and the Committees reached a negotiated settlement on various issues relating to, among other things, an increase in the Committee's investigation budget to $500,000, the extension of the challenge period to February 29, 2024,[17] modifications to the event of default triggers, the right to seek to surcharge lender collateral pursuant to section 506(c) of the Bankruptcy Code, the application of section 552(b) of the Bankruptcy Code to the proceeds of certain prepetition collateral, the preservation of the status quo as it relates to EIC, and an agreement to engage in Mediation to attempt to reach a comprehensive resolution on matters related to the Plan and Rite Aid Retail Sale Transaction.

On January 22, 2024, the Debtors filed a *Notice of Amended DIP Credit Agreements* [Docket No. 1567] disclosing that on January 19, 2024, the Debtors entered into (a) that certain Third Amendment and Consent to Debtor-in-Possession Credit Agreement, amending the DIP ABL Credit Agreement; and (b) that certain Third Amendment and Consent to Debtor-in-Possession Term Loan Agreement, amending the DIP Term Loan Credit Agreement. On February 29, 2024, the Debtors filed an additional *Notice of Amended DIP Credit Agreements* [Docket No. 2223], disclosing that on the date thereof the Debtors had entered into that certain Fourth Amendment and Consent to Debtor-in-Possession Term Loan Agreement, amending the DIP Term Loan Credit Agreement. Effective as

of the filing of such notice with the Bankruptcy Court, the Chapter 11 Milestones set forth in Schedule 5.20 to each Amended DIP Credit Agreement replaced the Chapter 11 Milestones set forth in Exhibit D to the Final Financing Order.

On February 29, 2024, the Debtors filed the *Debtors' Application in Lieu of Motion for Entry of Amended Final DIP Order* [Docket No. 2225] requesting that the Court enter an amended version of the Final Financing Order (the "Amended Final Financing Order"). On March 1, 2024, the Court entered the Amended Final Financing Order [Docket No. 2230].

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[17] The challenge period was later extended by agreement to April 19, 2024.

G. Adequate Protection Obligations.

The relief granted in the Final Financing Order includes granting certain adequate protection (the "Adequate Protection Obligations") to the Prepetition Credit Agreement Lenders, the Prepetition Agent, the Senior Secured Noteholders, and the Senior Secured Notes Trustees (the "Prepetition Secured Parties"). The Adequate Protection Obligations were intended to adequately protect the Prepetition Secured Parties' interests in collateral securing their prepetition claims against the Debtors from any diminution in value (each, a "Diminution in Value"). Specifically, the Prepetition Secured Parties were granted:

(a) liens (the "Adequate Protection Liens") on all or substantially all of the Debtors' assets. The Adequate Protection Liens are senior to all other prepetition liens in the Debtors' assets. With regard to certain collateral in which the Senior Secured Noteholders held first priority prepetition liens, the Adequate Protection Liens granted to the Senior Secured Noteholders are senior to all other liens (but junior to the Carve Out),[18] including liens held by the DIP Lenders pursuant to the Final Financing Order;

(b) superpriority administrative expense claims (the "Adequate Protection Superpriority Claims") in the amount of any Diminution in Value. The Adequate Protection Superpriority Claims are senior to any and all other administrative expenses claim, but junior to the Carve Out and superpriority administrative expense claims granted to the DIP Lenders. None of the Prepetition Secured Parties are entitled to receive payments or other distributions in respect of the Adequate Protection Superpriority Claims unless and until all DIP Claims have been paid in full and the commitments to lend under the DIP Facilities have been terminated; and

(c) payment (the "Adequate Protection Payments") of all reasonable and documented fees and expenses of the Prepetition Secured Parties payable under the prepetition credit documents, or as otherwise permitted in the Financing Orders, including fees and expenses of counsel and other professionals to the Prepetition Secured Parties.

Typically, determinations of whether any Diminution of Value has occurred take place after the effective date of a chapter 11 plan when creditor recoveries have been determined. Accordingly, the Debtors cannot currently estimate whether any Diminution of Value has occurred or will occur and, if such a Diminution of Value does occur, what the amount of the resulting Adequate Protection Superpriority Claim(s) may be. In light of the Debtors' current business environment and the events of these Chapter 11 Cases, as described herein, it is possible that the value of the Debtors' assets securing the Prepetition Secured Parties' claims may have decreased during these Chapter 11 Cases. As a result, the Prepetition Secured Parties could have substantial Adequate Protection Superpriority Claims under the terms of the Final Financing Order, which rank senior in priority to claims of General Unsecured Creditors. Accordingly, any such Adequate Protection Superpriority Claims would need to be paid in full from distributable assets before any distributions could be made to General Unsecured Creditors.[19]

H. Mediation.

At a hearing on December 19, 2023, the Bankruptcy Court authorized the Debtors and certain key parties in interest in the Chapter 11 Cases to participate in Mediation to reach a comprehensive resolution regarding matters related to, among other things, the Plan and Rite Aid Retail Sale Transaction. On January 9, 2024, the Debtors filed the *Debtors' Application in Lieu of Motion in Support of Entry of Stipulation and Agreed Order (I) Appointing Hon. Shelley C. Chapman (Ret.) as Mediator to Mediate the Mediation Topics, (II) Referring Such Matters to Mediation, (III) Directing the Mediation Parties to Participate in the Mediation, and (IV) Granting Related Relief* (the "Mediation Stipulation") [Docket No. 1420], and on January 12, 2024 and January 30, 2024, the Bankruptcy Court entered an

order and amended order, respectively, approving the Mediation Stipulation (the "Mediation Order") [Docket Nos. 1469, 1771] pursuant to which, among other things, the Hon. Shelley C. Chapman (Ret.) was appointed as Mediator. The Mediation parties include, among others, the Debtors, the DIP Agents, the steering committee of the Ad Hoc Secured Noteholder Group, and the Committees (collectively, the "Mediation Parties").

18 "Carve Out" has the meaning set forth in ¶ 11(b) of the Final Financing Order.

19 The Committees do not agree with the Debtors' assertions regarding any Diminution in Value claims asserted by the Prepetition Secured Parties, and reserve all rights.

The Debtors, with the other Mediation Parties, have successfully agreed in principle on the components of a global settlement, the terms of which are embodied in the Plan. Through Mediation, the Debtors successfully reached an agreement in principle with McKesson with respect to the treatment of McKesson Claim and the terms of the go-forward McKesson New Contract.[20] The Debtors also reached agreement in principle with the DIP Lenders and the Ad Hoc Secured Noteholder Group on the terms of the Exit Facilities, the Takeback Notes, and structuring of the go-forward business at emergence.[21] In addition, the Debtors, the Committees, the Ad Hoc Secured Noteholder Group, and the DIP Lenders agreed in principle to the terms of the Committee Settlement.

I. The Federal Trade Commission Settlement.

In the months leading up to the commencement of the Debtors' Chapter 11 Cases, the Federal Trade Commission (the "FTC") was investigating two aspects of the Debtors' conduct: (1) whether the Debtors had failed to comply with document retention and compliance obligations in a 2010 administrative consent order entered in *In the Matter of Rite Aid Corporation*, C-4308, 150 F.T.C. 694 (Nov. 12, 2010) (the "2010 Order"); and (2) whether the Debtors' use of facial recognition software in certain Rite Aid stores for asset protection purposes prior to 2021 violated the Federal Trade Commission Act, 15 U.S.C. §§ 41-58 (the "FTC Act").

Following several months of negotiations, the Debtors and the FTC reached an agreement to resolve the FTC's investigations in December 2023. The Debtors did not admit liability. On January 8, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing and Approving the Settlement Between the Debtors and the Federal Trade Commission* (the "FTC Settlement Motion") [Docket No. 1408], whereby the Debtors sought entry of an order from the Bankruptcy Court approving the *Proposed Stipulated Order for Permanent Injunction and Other Relief* (the "Proposed FTC Order"). The resolution with the FTC involves implementation of an updated and expanded administrative consent order, the Proposed FTC Order, that will replace and extend the 2010 Order.[22] Compared to the 2010 Order, the Proposed FTC Order, among other things, incorporates additional injunctive terms related to the Debtors' management of personal information and use of facial recognition technologies and prohibits the Debtors from using facial recognition technology for security or surveillance purposes for five years. The Proposed FTC Order does *not* contemplate any monetary payment by the Debtors.

20 The McKesson Settlement Documents remain subject to ongoing review, negotiation, finalization, and discussions with other key stakeholders.

21 The definitive documentation memorializing and implementing the agreement amongst the Debtors, the DIP Lenders, and the Ad Hoc Secured Noteholder Group with respect to the Exit Facilities and the Takeback Notes remain subject to ongoing review, negotiation, and finalization, and discussions with other key stakeholders.

22 A copy of the Proposed FTC Order is attached as Exhibit A to the FTC Settlement Motion.

On December 19, 2023, the FTC voted to proceed with the settlement by authorizing its staff to (i) file a complaint (the "FTC Complaint")[23] in the United States District Court for the Eastern District of Pennsylvania setting forth the FTC's allegations (such court, the "E.D. Penn. District Court," and such suit, the "District Court Action");[24] and (ii) file jointly with the Debtors a joint motion to stay (the "Motion to Stay").[25] The FTC staff filed the FTC Complaint and Motion to Stay later that same day on December 19, 2023. The Motion to Stay explains that the FTC and the Debtors have agreed to a proposed resolution of the allegations in the FTC Complaint. The proposed resolution involves the E.D. Penn. District Court, in its discretion, entering an order (the "District Court FTC Settlement Order") (which is attached to the Motion to Stay) that anticipates subsequent entry of the Proposed FTC Order by the FTC in a manner that would supplant and replace the 2010 Order. The Motion to Stay further explains that the Debtors require the approval of the Bankruptcy Court to enter into the settlement and the Bankruptcy Court's consent to entry of the Proposed FTC Order. The Motion to Stay states that should the Bankruptcy Court approve the settlement, the parties will then jointly request that the E.D. Penn. District Court enter the District Court FTC Settlement Order. On January 4, 2024, the E.D. Penn. District Court granted the Motion to Stay. On January 23, 2024, the Bankruptcy Court entered an Order approving the FTC Settlement Motion [Docket No. 1574]. On January 24, 2024, the Debtors and the FTC filed a joint motion requesting an order lifting the stay in the E.D. Penn. District Court and for entry of the District Court FTC Settlement Order. On February 26, 2024 the E.D. Penn. District Court entered orders granting the joint motion, lifting the stay in the E.D. Penn District Court and entering the District Court FTC Settlement Order.

J. The Debtor's Pension Plan.

PBGC is the wholly owned United States government corporation and agency created under Title IV of ERISA to administer the federal pension insurance program and to guarantee the payment of certain pension benefits upon termination of a pension plan covered by Title IV of ERISA. Debtor Rite Aid Corporation sponsors a pension plan (the "Pension Plan"), which is covered by Title IV of ERISA. PBGC asserts that the other Debtors are members of Rite Aid Corporation's controlled group, as defined in 29 U.S.C. § 1301(a)(14).

If the Pension Plan continues, the Reorganized Debtors intend to assume the Pension Plan to the extent of their respective obligations under the Pension Plan and applicable law. PBGC asserts that, if the Pension Plan terminates and is underfunded on the date of termination, the distress termination provisions of 29 U.S.C. § 1341(c) or the provisions for a PBGC-initiated termination under 29 U.S.C. § 1342(a) will govern termination of the Pension Plan. PBGC asserts that if the Pension Plan terminates, Rite Aid Corporation and all members of its controlled group would be (i) jointly and severally liable for the unfunded benefit liabilities of the terminated Pension Plan; and (ii) liable for termination premiums for the Pension Plan at the rate of $1,250 per plan participant per year for three years under 29 U.S.C. § 1306(a)(7).

Through the Plan Restructuring, the Debtors will assume the Pension Plan to the extent of their respective obligations under the Pension Plan and applicable law.

PBGC has filed proofs of claim against each of the Debtors asserting: (i) estimated contingent claims, subject to termination of the Pension Plan during the bankruptcy proceeding, for unfunded benefit liabilities in the amount of approximately $23,200,000 on behalf of the Pension Plan; (ii) unliquidated claims for unpaid required minimum contributions owed to the Pension Plan; and (iii) unliquidated claims for unpaid statutory premiums, if any, owed to PBGC on behalf of the Pension Plan. PBGC asserts that these claims, if any, would be entitled to priority under 11 U.S.C. §§ 507(a)(2), (a)(8), and/or (a)(5), as applicable, in unliquidated amounts.

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23 A copy of the FTC Complaint is attached as Exhibit B to the FTC Settlement Motion.

24 The FTC Complaint and the Motion to Stay (as defined herein) were filed in the District Court Action, proceeding under Case No. 2:23-cv-05023 and the case caption Federal Trade Commission v. Rite Aid Corporation and Rite Aid Hdqtrs. Corp.

25 A copy of the Motion to Stay is attached as Exhibit C to the FTC Settlement Motion.

PBGC asserts that if the Pension Plan is terminated prior to Confirmation and the Debtors successfully reorganize, the obligation to PBGC for termination premiums would not exist until after Confirmation and the Effective Date occur. PBGC further asserts that, under these circumstances, such premiums would not be a dischargeable claim or debt within the meaning of sections 727 or 1141, as applicable, of the Bankruptcy Code. However, PGBC asserts that, if the Pension Plan is terminated and the Debtors liquidate, the

obligation to PBGC for termination premiums is payable by the Debtors as a general unsecured claim. PBGC estimates that the amount of such termination premium liability for the Pension Plan would total approximately $25,417,500 in the aggregate.

The Debtors and Reorganized Debtors respectfully disagree with many of PBGC's foregoing assertions and the Debtors and the Reorganized Debtors reserve all rights and defenses relating to any asserted liability, including but not limited to contesting the validity, priority, and amount of such claims.

K. Multiemployer Pension Plans.

Certain of the Debtors contribute to one or more of nine multiemployer pension plans (the "Multiemployer Pension Plans") pursuant to the terms of certain collective bargaining agreements entered into with certain unions. Depending on the nature, structure, and terms of the ultimate Restructuring Transaction, the consummation of the Restructuring Transaction could trigger certain withdrawal liabilities under one or more of the Multiemployer Pension Pensions. With respect to the Plan Restructuring, based on currently available information, the Debtors do not expect that consummation of the Plan Restructuring would trigger any withdrawal liability under any of the Multiemployer Pension Plans. With respect to the Sale Transaction Restructuring, the Debtors' consummation of the Sale Transaction Restructuring may trigger complete withdrawal liability under one or more of the Multiemployer Pension Plans (and corresponding unsecured claims against the applicable Debtors). Any potential complete withdrawal liability triggered by consummation of the Sale Transaction Restructuring could be mitigated through the execution of an agreement under ERISA section 4204(a) (29 U.S.C. § 1384) as part of such Sale Transaction Restructuring. Such an agreement would be subject to negotiation between the Debtors and the other party or parties to such Sale Transaction Restructuring.

L. The McKesson Supply Agreement and Related Developments.

For 20 years, McKesson has supplied Rite Aid's pharmacies with pharmaceutical products. Under the McKesson Prepetition Contract, McKesson supplied—on a just-in-time basis—almost all of the pharmaceutical products that Rite Aid sells in its 2,000-plus pharmacies. McKesson is the sole supplier to the Debtors for a majority of all products within the Debtors' retail business. Rite Aid purchases all of its branded pharmaceutical products and almost all generic pharmaceutical products from McKesson. The Debtors and McKesson have entered into an interim postpetition supply agreement (the "Interim Postpetition Supply Agreement"), the terms of which are summarized at Exhibit A of the Bankruptcy Court's *Order Authorizing and Approving the Settlement between the Debtors and McKesson Corporation* [Docket No. 630].

As described above, the Debtors and McKesson reached an agreement in principle in Mediation with respect to the treatment of McKesson Claim and the terms of the go-forward McKesson New Contract, embodied in the McKesson 503(b)(9) Settlement and the McKesson Settlement, respectively.[26] The terms of the McKesson New Contract are highly sensitive commercial information and are therefore confidential. The Debtors will seek approval of the McKesson Settlement, including the New McKesson Contract, with appropriate redactions, through confirmation of the Plan. Among other things, the McKesson 503(b)(9) Settlement provides for the following treatment of McKesson's 503(b)(9) Claim: (a) $25 million paid in Cash at emergence, with a contingent potential increase of up to an additional $25 million based on certain available Cash thresholds at emergence (the "Incremental Initial Payment"); (b) approximately $33.8 million of accounts payable to be assumed and paid in cash by MedImpact to McKesson at emergence; (c) up to $175 million payable semi-annually over a period of three (3) years, which will be reduced on a dollar-for-dollar basis in an amount equal to the Incremental Initial Payment, if any (the "McKesson Guaranteed Cash Obligations"); d) up to five (5) additional contingent deferred Cash payments in an aggregate amount of up to $100 million, based on achieving certain adjusted EBITDA thresholds; and (e) a General Unsecured Claim for any remaining amount. The terms and conditions of the McKesson 503(b)(9) Settlement will be disclosed in the Plan Supplement.

M. The Bar Date Order.

On October 16, 2023, the Debtors filed the Debtors' Motion for Entry of an Order (I) Setting Bar Dates for Submitting Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing an Amended Schedules Bar Date and a Rejection Damages Bar Date, (III) Approving the Form, Manner, and Procedures for Filing Proofs of Claim, (IV) Approving Notice Thereof, and (V) Granting Related Relief [Docket No. 32] (the "Bar Date Motion"). On November 20, 2023 the Bankruptcy Court entered the Order (I) Setting Bar Dates for Submitting Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing an Amended Schedules Bar Date and a Rejection Damages Bar Date, (III) Approving the Form, Manner, and Procedures for Filing Proofs

of Claim, (IV) Approving Notice Thereof, and (V) Granting Related Relief [Docket No. 703] (the "Bar Date Order"), and on December 2 and December 4, 2023, the Debtors filed their Schedules [Docket Nos. 860-979, 998]. Pursuant to the Bar Date Order, the last date for certain persons and entities to file Proofs of Claim in these Chapter 11 Cases was January 12, 2024, at 5:00 p.m. (prevailing Eastern Time) (the "General Claims Bar Date") and the last date for governmental units to file Proofs of Claim in the Debtors' Chapter 11 Cases is April 12, 2024, at 5:00 p.m. (prevailing Eastern Time).

N. The *White* DOJ FCA Settlement.

On October 2, 2019, three former Rite Aid pharmacy personnel filed a *qui tam* complaint against certain of the Debtors in the U.S. District Court for the Eastern District of Pennsylvania, which action was later transferred to the U.S. District Court for the Northern District of Ohio (the "N.D. Ohio District Court"). On March 13, 2023, the United States intervened in the action, naming Rite Aid Corporation and certain other Debtors as defendants. The United States has alleged violations of the federal False Claims Act and Controlled Substances Act relating to the dispensing of controlled substances, primarily opioids. In connection with the *White* litigation, the United States has asserted that any liabilities of the Debtors resulting from the Debtor defendants' alleged violations of the federal False Claims Act or the Controlled Substances Act would be a non-dischargeable debt under sections 727 or 1141, as applicable, of the Bankruptcy Code.

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26 The McKesson Settlement Documents remain subject to ongoing review, negotiation, finalization, and discussions with other key stakeholders.

On March 11, 2024, the Debtors and the United States filed a joint status report in the N.D. Ohio District Court, indicating an agreement in principle resolving the United States' claims in the *White* action, subject to approval by authorizing officials within the DOJ and additional conditions, including acceptable documentation of the settlement terms and the confirmation and effectiveness of a chapter 11 plan of reorganization for the Debtors. The Debtors continue to engage with the DOJ to finalize the terms of the settlement resolving the *White* action.

O. The Controlled Substance Injunction

The Debtors and the Settling States reached an agreement in principle resolving the Settling States' claims against the Debtors. The Debtors and the Settling States will consent to the entry of the Controlled Substance Injunction Order in these Chapter 11 Cases. From and after the date of the Controlled Substance Injunction Order is entered by the Bankruptcy Court, the Debtors and the Reorganized Debtors, as applicable, and any successors to the Debtors' and the Reorganized Debtors' business operations relating to the manufacture and sale of opioid products in the United States and its territories shall abide by the Controlled Substance Injunction.

The Debtors and the Reorganized Debtors, as applicable, will consent to the entry of a final judgment or consent order upon the Effective Date imposing all of the provisions of the Controlled Substance Injunction in the state court of each of the Settling States, as applicable. The Debtors and the Reorganized Debtors will agree that seeking entry or enforcement of such a final judgment or consent order in accordance with the Controlled Substance Injunction will not violate any other injunctions or stays that it will seek, or may otherwise apply, in connection with these Chapter 11 Cases or confirmation of the Plan.

Each of the Settling States will agree to be bound by the terms of the Controlled Substance Injunction, including, for the avoidance of doubt, the release provisions set forth therein. For the avoidance of doubt, as set forth in the Controlled Substance Injunction, the terms of the Controlled Substance Injunction will not be effective until after the Effective Date.

The Controlled Substance Injunction remains subject to final approval by the Debtors and the Settling States and confirmation and consummation of the Plan. The Debtors continue to engage with the Settling States to finalize the terms of the Controlled Substance Injunction.

P. The NAS Claimants and Related Developments.

Certain guardians of individuals who allegedly experienced fetal opioid exposure while in utero and, allegedly in connection with such exposure, were diagnosed at birth with neonatal abstinence syndrome (the "NAS Claimants") have asserted contingent, unliquidated General Unsecured Claims against the Debtors, alleging that their injuries arose in part from the Debtors' alleged failure

to implement sufficiently rigorous verification processes in dispensing opioid products. The NAS Claimants assert their claims in connection with two lawsuits, *In re: Opioid Litigation*, 22-C9000 NAS (Kanawha Cnty. Cir. Ct. May 31, 2023) (the "West Virginia Litigation"), which was dismissed as to the Debtors in May 2023, and *In re: National Prescription Opiate Litigation*, MDL No. 2804 (N.D. Oh.) (the "Opioids MDL"), wherein the NAS Claimants represent five plaintiffs out of more than three thousand active claims.

The NAS Claimants have filed several pleadings in the Chapter 11 Cases in connection with their claims. On November 19, 2023, the NAS Claimants filed their *Motion for an Order Granting Relief from the Automatic Stay to Prosecute Movants' Claims with the West Virginia Mass Litigation Panel and the United States District Court for the Northern District of Ohio and Waiving the 14-Day Requirement Under Rule 4001(a)(3)* [Docket No. 675] (the "NAS Lift Stay Motion") seeking relief from the automatic stay to proceed against the Debtors with respect to the dismissed West Virginia Litigation and the Opioids MDL, and their *Motion for an Order for 2004 Examination of Debtors' Insurance Policies* [Docket No. 677] (the "NAS Rule 2004 Motion") seeking further discovery in support of the NAS Lift Stay Motion. On January 9, 2024, following a hearing and the Debtors' and the Committees' objections to the NAS Lift Stay Motion and NAS Rule 2004 Motion, the Debtors and the NAS Claimants entered into, and the Bankruptcy Court subsequently approved, the *Stipulation & Consent Order Resolving the NAS Creditors' Motion for Relief From the Automatic Stay [Dkt. 675] and the NAS Creditors' Motion for a Rule 2004 Examination of Debtors' Insurance Policies [Dkt. 677]* [Docket No. 1418] (the "NAS Lift Stay Stipulation"). Pursuant to the NAS Lift Stay Stipulation, the Debtors agreed not to object to the NAS Claimants' appeal of the dismissal of the West Virginia Litigation as to non-Debtor parties, the NAS Claimants agreed to withdraw the NAS Lift Stay Motion and the NAS Rule 2004 Motion, and the Debtors and NAS Claimants agreed to certain production and discovery procedures.

Following the entry of the NAS Lift Stay Stipulation, the NAS Claimants filed (i) a motion for leave to conduct a deposition of Debtor Rite Aid Corporation's corporate representative with respect to certain matters relating to the Debtors' Insurance Policies [Docket No. 2203], (ii) a motion to file under seal the NAS Claimants' anticipated confirmation objection [Docket No. 1831], and (iii) a motion to file under seal the NAS Claimants' anticipated adversary complaint seeking declaratory judgment against the Debtors and certain of their insurance carriers as to rights the NAS Claimants may have to the Debtors' Insurance Policies [Docket No. 2299]. Each of these motions remains pending as of the filing of this Disclosure Statement.

The NAS Claimants assert General Unsecured Claims and, if their claims are Allowed, will receive the treatment specified in the Plan for Holders of General Unsecured Claims in Class 6.

The NAS Claimants requested that certain proposed provisions be included in the Plan (the "NAS Claimants' Proposal," attached hereto as **Exhibit F-1**). The NAS Claimants also provided a formal objection (the "NAS Claimants' Combined Objection," attached hereto as **Exhibit F-2**, and, together with the NAS Claimants' Proposal, the "NAS Claimants' Addendum") to the approval of the Disclosure Statement on a final basis and confirmation of the Plan. The NAS Claimants' Addendum is attached hereto as **Exhibit F**.

For the avoidance of doubt, the Debtors do not approve of, agree with, or substantively accept any of the assertions made in the NAS Claimants' Addendum. The Debtors dispute that the NAS Claimants' Proposal is appropriate for inclusion in the Plan or for attachment to the Disclosure Statement, substantively and/or procedurally, and, for the avoidance of doubt, the NAS Claimants' Proposal has not been incorporated into the Plan and its inclusion as an exhibit to this Disclosure Statement does not entail a representation by any party that it describes the Plan.

The Debtors dispute the NAS Claimants' Combined Objection. The Debtors assert that this Disclosure Statement complies with section 1125 of the Bankruptcy Code and that the Plan complies with section 1129 of the Bankruptcy Code without the NAS Claimants' Proposal and notwithstanding the NAS Claimants' Combined Objection. The Debtors reserve all rights to oppose the NAS Claimants' Objection and any request by the NAS Claimants for revisions to the Plan or further revisions to this Disclosure Statement in connection with the NAS Claimants' Proposals. The Debtors have agreed that, by attaching the NAS Claimants' Addendum hereto, the issues raised and discussed therein have been preserved for the Combined Hearing.

Q. State of Maryland Adversary Proceeding.

On February 20, 2024, the State of Maryland ("Maryland") commenced an adversary proceeding (Case No. 24-01091-MBK) against the Debtors by filing a complaint that seeks a determination from the Bankruptcy Court that certain claims held by Maryland are not dischargeable. Maryland alleges, generally, that Rite Aid violated the Maryland Consumer Protection Act, the Maryland False Claims Act, the Maryland False Health Claims Act, the Maryland False Advertising Act, the Maryland Controlled Substances Act, and

other statutes, as well as common law claims for fraud and public nuisance relating to the dispensing of controlled substances, primarily opioids. The Debtors deny the allegations and the relief sought. The Debtors are engaging with Maryland to better ascertain the basis for Maryland's allegations, among other things.

R. Proposed Confirmation Schedule.

In consultation with the DIP Agents, the Ad Hoc Secured Noteholder Group, and the Committees, and pursuant to the milestones set forth in the DIP Facilities, the Debtors have agreed to certain scheduling milestones to ensure an orderly and timely implementation of the Restructuring Transactions. The Debtors intend to proceed swiftly to confirmation of the Plan and emergence from these Chapter 11 Cases to mitigate uncertainty among employees, customers, and vendors, minimize disruptions to the Company's business, and curtail professional fees and administrative costs. To that end, the Debtors have proposed the following case timeline, subject to Court approval and availability:

Event	Date
Voting Record Date	February 20, 2024
Solicitation Mailing Deadline	April 1, 2024. To the extent that such distribution is not made by the Solicitation Mailing Deadline, the Debtors shall distribute the Solicitation Packages immediately thereafter; *provided*, that the Debtors shall distribute the Combined Hearing Notice no later than two (2) business days following the Solicitation Mailing Deadline.
Publication Deadline	April 1, 2024. To the extent that submission of the Publication Notice in a format modified for publication to the *New York Times* (national edition) and the *Financial Times* (global edition) is not made by the Publication Deadline, the Debtors shall complete such submission immediately thereafter; *provided* that the Debtors shall submit the Publication Notice no later than two (2) business days following the Publication Deadline.
Plan Supplement Filing Deadline	April 8, 2024
Voting Deadline	April 15, 2024, at 4:00 p.m., prevailing Eastern Time
Confirmation and Final Disclosure Statement Objection Deadline	April 15, 2024, at 4:00 p.m., prevailing Eastern Time
Deadline to File Voting Report	April 19, 2024
Confirmation Brief and Confirmation and Final Disclosure Statement Objection Reply Deadline	April 19, 2024, at 4:00 p.m., prevailing Eastern Time
Combined Hearing Date (*i.e.*, Confirmation Hearing Date)[27]	April 22, 2024, at 10:00 a.m., prevailing Eastern Time

27 Any amendments to the Plan to incorporate the terms of the UCC/TCC Allocation Agreement shall be filed prior to the Combined Hearing.

VII. SUMMARY OF THE PLAN

The key terms of the Plan, specific aspects of the Restructuring Transactions, and New Rite Aid's operations following the Consummation of the Plan can be found in the Plan, attached hereto as **Exhibit A**, among others described herein and therein.

A. General Settlement of Claims and Interests.

As discussed in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan, including the McKesson Settlement, the DOJ FCA Settlement, the DOJ Elixir Settlement, the Committee Settlement[, and the Settlement of Tort Claims.] The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims in any Class are intended to be and shall be final.

B. [[Settlement of Tort Claims

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action and controversies related to Tort Claims in an amount that the TCC believes is worth $[●] (the "Settlement of Tort Claims"). With respect to the Settlement of Tort Claims, the Debtors and the TCC believe the Plan's treatment of Tort Claims is fair, equitable, reasonable, and appropriate, including, without limitation, the resolution of the Debtors' liability for Tort Claims, the distributions to be made under the Plan, and the release, injunction and all other provisions contained in the Plan. More than [25,000] Proofs of Claim alleging liability arising out of or in connection with Tort Claims were filed against the Debtors by the Claims Bar Date. The TCC believes that any reasonable estimate, projection or valuation of the total liability for Tort Claims, if the Debtors had the ability to pay those Tort Claims outside of the Chapter 11 Cases, exceeds the full face value of all Insurance Policies providing coverage for Tort Claims, and likely exceeds the total value of the Estates.

In exchange for the settlement of their Claims, Holders of Tort Claims shall receive such treatment as set forth in the Plan, but subject to the allocation of recoveries on account of such treatment as set forth in the UCC/TCC Recovery Allocation Agreement. Nothing in the Plan or the Committee Settlement Documents, including the UCC/TCC Recovery Allocation Agreement, is intended to, and shall not be construed to, limit the amount of Tort Claim Insurance Proceeds available to Holders of Tort Claims [or other beneficiaries of the Litigation Trust to the extent applicable in accordance with the UCC/TCC Recovery Allocation Agreement], and the Litigation Trustee shall retain the right to pursue the full agreed settlement value of the Tort Claims from Insurance Policies (other than the Unassigned Insurance Policies) pursuant to the Assigned Insurance Rights subject to the terms and conditions of the Plan. For the avoidance of doubt, nothing herein is intended to alter or enlarge the rights and obligations of any insurer under any Insurance Policy. This paragraph does not and shall not be construed to impair, diminish, or compromise (i) any of the rights and protections of the Debtors, the Reorganized Debtors (and any Affiliates), the Wind-Down Debtors, and the Debtor Related Parties or (ii) any of the release, discharge, and exculpation provisions in the Plan.]]

1. Non-Precedential Effect for Holders of Tort Claims

[[This Plan, the Plan Supplement, and the Confirmation Order constitute a good faith, full and final comprehensive compromise and settlement of Tort Claims based on the unique circumstances of these Chapter 11 Cases (such as the unique facts and circumstances relating to the Debtors as compared to other defendants in tort litigation and the need for an accelerated resolution without litigation) such that (i) none of the of the foregoing documents, nor any materials used in furtherance of Confirmation (including, but not limited to, the Disclosure Statement, and any notes related to, and drafts of, such documents and materials), may be offered into evidence, deemed and admission, used as precedent, or used by any party or Person in any context whatsoever beyond the purposes of the Plan, in any other litigation or proceeding except as necessary, and as admissible in such context, to enforce their terms and to evidence the terms of the Plan before the Bankruptcy Court or any other court of competent jurisdiction and (ii) any obligation of any party, in furtherance of such compromise and settlement, to not exercise rights that might otherwise be applicable to such party shall be understood to be an obligation solely in connection with this specific compromise and settlement and to be inapplicable in the absence of such compromise and settlement. This Plan, the Plan Supplement, and the Confirmation Order will be binding as to the matters and issues described therein, but will not be binding with respect to similar matters or issues that might arise in any other litigation or proceeding involving opioid claims or other tort claims in which none of the Debtors, the Reorganized Debtors, or the Litigation Trust is a party; provided that such litigation or proceeding is not to enforce or evidence the terms of the Plan, the Plan Supplement, or the Confirmation Order. Any

claimant's support of, or position or action taken in connection with the Plan, the Plan Supplement, and the Confirmation Order may differ from their position or testimony in any other litigation or proceeding except in connection with these Chapter 11 Cases. Further, the treatment of tort claims as set forth in the Plan is not intended to serve as an example for, or represent the parties' respective positions or views concerning, any other Chapter 11 Cases relating to tort claims, nor shall it be used as precedent by any Entity or party in any other chapter 11 case related to tort claims. This provision does not and shall not be construed to impair, diminish, or compromise (A) any of the rights and protections of the Debtors, the Reorganized Debtors (and any Affiliates), the Wind-Down Debtors, and the Debtor Related Parties or (B) any of the release, discharge, and exculpation provisions in the Plan.]]

C. Equitization Transaction.[28]

If the Plan Restructuring occurs, the following provisions shall govern in lieu of Article IV.D of the Plan.

On the Effective Date (or before the Effective Date, as specified in the Restructuring Transactions Memorandum), the Debtors or the Reorganized Debtors (as applicable) shall take all actions set forth in the Restructuring Transactions Memorandum, and enter into any transaction and take any reasonable actions as may be necessary or appropriate to effect the Plan Restructuring described therein, subject in all respects to the terms set forth in the Plan, including, as applicable: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial Law; (iv) the execution, delivery, and Filing of the Exit Facilities Documents, (v) the issuance of New Common Stock and any other securities necessary to implement the Restructuring Transactions, all of which shall be authorized and approved in all respects; (vi) the execution and delivery of the Definitive Documents, (vii) the execution and delivery of the Takeback Notes Documents, if applicable, and (viii) all other actions that the Debtors determine (with the consent of the Required AHG Noteholders) to be necessary or appropriate in connection with the Consummation of the Plan Restructuring.

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28 Unless otherwise determined no later than seven days prior to the Voting Deadline pursuant to a public notice served on parties receiving documents pursuant to Bankruptcy Rule 2002, the Debtors shall pursue the Plan Restructuring.

The Confirmation Order shall, and shall be deemed to authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, contemplated by, approved by, or necessary to effectuate the Plan, including the Restructuring Transactions, including, for the avoidance of doubt, any and all actions required to be taken under applicable non-bankruptcy law.

1. Reorganized Debtors.

On the Effective Date, in accordance with the terms of the New Corporate Governance Documents, the New Rite Aid Board shall be appointed, and New Rite Aid shall adopt the New Corporate Governance Documents; *provided* that each Disinterested Director of the Debtors shall retain authority following the Effective Date with respect to matters relating to Professional Fee Claim requests by Professionals acting at their authority and discretion in accordance with the terms of the Plan. Each Disinterested Director shall not have any of their privileged and confidential documents, communications, or information transferred (or deemed transferred) to New Rite Aid, the Reorganized Debtors, or any other Entity without such director's prior written consent. Each Disinterested Director of the Debtors retains the right to review, approve, and make decisions, as well as to file papers and be heard before the Bankruptcy Court, on all matters under such director's continuing authority.

2. Corporate Existence.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, each Debtor shall continue to exist on and after the Effective Date as a separate legal Entity with all the powers available to such Entity pursuant to the applicable Law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant

to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended, amended and restated, or replaced under the Plan or otherwise, including pursuant to the New Corporate Governance Documents, in each case consistent with the Plan, and to the extent such documents are amended in accordance therewith, such documents are deemed to be amended, amended and restated, or replaced pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). On or after the Effective Date, the respective certificate of incorporation and bylaws (or other formation documents) of one or more of the Reorganized Debtors may be amended or modified on the terms therein without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. On or after the Effective Date, one or more of the Reorganized Debtors may be disposed of, dissolved, wound down, or liquidated without supervision of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

3. New Rite Aid Board.

Under the Plan Restructuring, on or prior to the Effective Date, the New Rite Aid board shall be appointed. The Required AHG Noteholders shall select the New Rite Aid board members.

4. Vesting of Assets.

Except as otherwise provided in the Plan, the Confirmation Order, or any agreement, instrument, or other document incorporated in the Plan, or entered into in connection with or pursuant to, the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan (other than the GUC Equity Pool, the Committees' Initial Cash Consideration, the Committees' Post-Emergence Cash Consideration, and the other Litigation Trust Assets), shall vest in each respective Reorganized Debtor free and clear of all Liens, Claims, charges, Causes of Action, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, including Article X thereof, the Reorganized Debtors may operate their businesses and may use, acquire, or dispose of property, enter into transactions, agreements, understandings or arrangements, whether in or other than in the ordinary course of business, and execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers or otherwise in connection with any of the foregoing, and compromise or settle any claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules in all respects. For the avoidance of doubt, Holders of General Unsecured Claims shall be entitled to the Committees' Post-Emergence Cash Consideration and Litigation Trust Assets as set forth in the Committee Settlement.

Notwithstanding anything contained in the Plan to the contrary and for the avoidance of doubt, any DIP ABL Lender's and/or any DIP FILO Lender's potential entry into the Exit Facilities and the Exit Facilities Documents shall be fully subject to the express written consent of the relevant DIP ABL Lenders and the DIP FILO Lenders, and nothing contained in the Plan shall imply that any of the DIP ABL Lenders or the DIP FILO Lenders have consented at this time to provide any loans or financial accommodations pursuant to the Exit Facilities and the Exit Facilities Documents.

5. Other Asset Sales.

In the event the Plan Restructuring occurs and it incorporates one or more Other Asset Sale(s), the Reorganized Debtors will be authorized to implement the Plan and any applicable orders of the Bankruptcy Court, and the Reorganized Debtors shall have the power and authority to take any action necessary to wind-down and dissolve any applicable Debtor's Estate(s). As soon as practicable after the Effective Date, the Reorganized Debtors shall: (1) cause such Debtors to comply with, and abide by, the terms of the Plan, Confirmation Order, the Purchase Agreement(s), the Sale Order, the Committee Settlement, and any other documents contemplated thereby; (2) to the extent applicable, file a certificate of dissolution or equivalent document, together with all other necessary corporate and company documents, to effect the dissolution of such Debtors under the applicable laws of their state of incorporation or formation (as applicable); and (3) take such other actions as the Reorganized Debtors may determine to be necessary or desirable to carry out the purposes of the Plan. Any certificate of dissolution or equivalent document may be executed by the Reorganized Debtors without need for any action or approval by the shareholders or board of directors or managers of any Debtor. From and after the Effective Date, except with respect to the Reorganized Debtors as set forth herein, such Debtors (a) for all purposes shall be deemed to have withdrawn their business operations from any state in which such Debtors were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum, or take any other action in order to effectuate such withdrawal, (b) shall be deemed to have canceled pursuant to the Plan all Interests, and (c) shall not be liable in any manner to any taxing authority

for franchise, business, license, or similar taxes accruing on or after the Effective Date. For the avoidance of doubt, notwithstanding such Debtors' dissolution, the Debtors shall be deemed to remain intact solely with respect to the preparation, filing, review, and resolution of applications for Professional Fee Claims. For the avoidance of doubt, in the event one or more Other Asset Sales and the Effective Date occurs, the Committee Settlement shall remain in full force and effect, including such adjustments as are necessary to provide Holders of General Unsecured Claims with the economic equivalent of the Committee Settlement.

The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Reorganized Debtors.

D. Sale Transaction Restructuring.

If the Sale Transaction Restructuring occurs, the following provisions shall govern in lieu of Article IV.B of the Plan.

On the Effective Date (or before the Effective Date, as specified in the Restructuring Transactions Memorandum), the Debtors or the Wind-Down Debtors (as applicable) shall take all actions set forth in the Restructuring Transactions Memorandum, and enter into any transaction and take any reasonable actions as may be necessary or appropriate to effect the Sale Transaction Restructuring as described in the Plan, subject in all respects to the terms set forth in the Plan, including, as applicable: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial Law; (iv) the execution, delivery, and Filing of the Exit Facilities Documents, (v) the execution and delivery of the Definitive Documents, and (vi) all other actions that the Debtors and the Purchasers determine to be necessary or appropriate in connection with the Consummation of the Sale Transaction Restructuring, including, among other things, making filings or recordings that may be required by applicable law in connection with the Plan and authorizing and directing the Senior Secured Notes Trustees to effectuate the Credit Bid in accordance with the Sale Order, as applicable, and providing that any assignees of the Credit Bid, if applicable, are bound by the terms and provisions of the direction to the Senior Secured Notes Trustees. For the avoidance of doubt, in the event of a Sale Transaction Restructuring, the Committee Settlement shall be incorporated into any Sale Transaction Restructuring and shall remain in full force and effect, including such adjustments as are necessary to provide Holders of General Unsecured Claims with the economic equivalent of the Committee Settlement.

The Confirmation Order shall, and shall be deemed to, pursuant to sections 363 and 1123 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, contemplated by, or necessary to effectuate the Plan.

1. Formation of New Rite Aid.

In the event of a Credit Bid Transaction, on or prior to the Effective Date, New Rite Aid and certain direct or indirect subsidiaries (as applicable) shall be formed for the purpose of acquiring all of the Acquired Assets and assuming all of the Assumed Liabilities.

2. Wind-Down Debtors.

In the event of a Sale Transaction Restructuring, on and after the Effective Date, the Wind-Down Debtors shall continue in existence for purposes of (a) resolving Disputed Claims, (b) making distributions on account of Allowed Claims as provided hereunder, (c) establishing and funding the Administrative / Priority Claims Reserve and the Wind-Down Reserve, (d) enforcing and prosecuting claims, interests, rights, and privileges under the Causes of Action in an efficacious manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith, (e) filing appropriate tax returns, (f) complying with its continuing obligations under the Purchase Agreement(s), if any, (g) liquidating all assets of the Wind-Down Debtors, and (h) otherwise administering the Plan. The Wind-Down Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (x) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court and (y) all

matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Wind-Down Debtors to File motions or substitutions of parties or counsel in each such matter.

3. Vesting of Assets.

Except as otherwise provided in the Plan, the Confirmation Order, or any agreement, instrument, or other document incorporated in the Plan, or entered into in connection with or pursuant to, the Plan or the Plan Supplement, in the event of a Sale Transaction Restructuring, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan, including the Remnant Assets of the Debtors, shall vest in each respective Wind-Down Debtor for the purpose of liquidating the Estates, free and clear of all Liens, Claims, charges, Causes of Action, or other encumbrances. On and after the Effective Date, the Wind-Down Debtors may, at the direction of the Plan Administrator, and subject to the Purchase Agreement(s), the Sale Order, and the Confirmation Order, use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

E. Committee Settlement.

The Debtors, the Committees, the Ad Hoc Secured Noteholder Group, and the DIP Agents agreed to the terms of the Committee Settlement to be implemented through the Plan and to be approved by the Bankruptcy Court as a good faith compromise and settlement of Claims and controversies among the Debtors, the Committees, the Ad Hoc Secured Noteholder Group, and the DIP Agents. The compromises and settlements included in the Committee Settlement are each (a) integrated with and dependent on all other compromises and settlements contemplated in connection with the Plan and (b) necessary and integral to the Plan and the success of these Chapter 11 Cases. The description of the Committee Settlement contained herein is qualified in its entirety by the applicable definitive documents pertaining thereto, which definitive documents shall, unless otherwise specified herein, be Filed with the Plan Supplement. For the avoidance of doubt, no Holder of a General Unsecured Claim, including Holders of Tort Claims, shall attempt to recover, including on account of any Tort Claim or other Claim or Cause of Action, from the Reorganized Debtors or their Affiliates (including EIC).

Notwithstanding anything to the contrary in the Plan, the Plan Supplement, the Confirmation Order, or otherwise, the finalization and execution of the UCC/TCC Recovery Allocation Agreement shall not be a condition to Confirmation or Consummation of the Plan. To the extent the UCC / TCC Recovery Allocation Agreement is finalized prior to Confirmation of the Plan, it shall be approved by the Court in a manner in form and substance satisfactory to the Committees.

1. Consideration.

Holders of General Unsecured Claims shall receive the GUC Equity Trust Interests and Litigation Trust Class A Interests, as set forth in Article III of the Plan, subject to the terms of the UCC / TCC Recovery Allocation Agreement.

The Committees Post-Emergence Cash Consideration shall be subject to the following limitations:

(a) Committees Post-Emergence Cash Consideration on account of the CMS Receivable shall in all respects remain subject to the waterfall distribution set forth in the Elixir Intercreditor Agreement (the "CMSR Distributions Schedule"), which states that proceeds from the CMS Receivable shall be allocated: (i) *first*, to the SCD Trust in an amount sufficient to repay $57,000,000 in Cash of the AHG Notes; (ii) *second*, to the SCD Trust for the benefit of the Exit Lenders in an amount sufficient to repay the [Exit ABL Facility] in the amount of $60,000,000 (which amount shall be applied to fund an immediate prepayment under the Exit FILO Term Loan Facility); (iii) *third*, to the extent Excess Availability is less than $700,000,000, to the SCD Trust for the benefit of the Exit Lenders, in an amount equal to the lesser of $57,000,000 and the amount necessary to fund a prepayment under the Exit ABL Facility to cause Excess Availability to equal $700,000,000

(which amount shall be used to fund an immediate prepayment under the Exit ABL Facility); and (iv) *fourth*, to the extent the aggregate amount of proceeds of the CMS Receivable paid to the SCD Trust to repay in full in Cash the AHG Notes and to fund distributions under the Plan pursuant to clause (v) below are $285,000,000, $5,000,000 to the Litigation Trust (such amount, the "Creditor Distribution"), except to the extent that the SCD Trust receives to repay in full in Cash the AHG Notes and to fund distributions under the Plan less than $285,000,000 on account of the CMS Receivable, in which case, the Creditor Distribution will be reduced on a dollar-by-dollar basis by each dollar the SCD Trust receives under $285,000,000 until the Creditor Distribution reaches zero; *provided* that the Creditor Distribution shall not be less than zero; and (v) *fifth*, to the SCD Trust in an amount equal to all remaining proceeds of the CMS Receivable (which amount the SCD Trust shall use to fund a distribution pursuant to Article IIIB.5 of the Plan. The Debtors may, with the consent of the DIP Agents and the Required AHG Noteholders, enter into one or more alternative transactions or structuring arrangements with respect to the transactions, arrangements, and distributions described in this paragraph, which alternative transactions, arrangements, and distributions shall be economically neutral with respect to the Creditor Distribution. The CMSR Distributions Schedule shall not be modified without the consent of the Debtors, the DIP Agents, and the Required AHG Noteholders (together, the "CMSR Distributions"); *provided*, *however*, that the allocation in the CMSR Distributions Schedule shall not be modified in a manner inconsistent with the Committee Settlement and adverse to the Committees without the consent of the Committees.

(b) The Committees Post-Emergence Cash Consideration payment of $20 million shall be subject to the Payment Conditions (as defined in the Exit Facilities Documents); *provided, however*, that, at the Committees' election, either:

(i) (1) there must be capacity under the Payment Conditions to pay the Ad Hoc Secured Noteholder Group on account of each corresponding dollar paid to the Committees; or (2) if, on or prior to the date on which such Specified Committee Payments are due, the Senior Secured Noteholders shall have received dividends or distributions (other than as a result of (A) the immediately preceding Article VII.1.(b)(i)(1) (in an amount not to exceed the amount of the Specified Committee Payment) or (B) the CMSR Distributions (collectively (A) and (B), the "Excluded Distributions")), then, the Specified Committee Payments (in an aggregate amount up to the amount of dividends and distributions made to the Ad Hoc Secured Noteholder Group during the immediately preceding 12-month period (other than Excluded Distributions)) shall be exempted from the requirements to satisfy Payment Conditions. In no event shall the Specified Committee Payments exceed (x) $5 million in any 12-month period and (y) $20 million in the aggregate; or

(ii) (1) there must be capacity under the Payment Conditions to pay the Ad Hoc Secured Noteholder Group on account of each corresponding dollar paid to the Committees; or (2) if the Ad Hoc Secured Noteholder Group shall take dividends or distributions (other than as a result of (A) the immediately preceding Article VII.1.(b)(ii)(1) (in an amount not to exceed the amount of the Specified Committee Payment) or (B) the CMSR Distributions (collectively, (A) and (B), the "Alternative Excluded Distributions")), there must be capacity under the Payment Conditions for a corresponding dollar to go to satisfy the Specified Committee Payments that are payable in the immediately succeeding 12-month period, and upon such dividends or distributions to the Ad Hoc Secured Noteholder Group (other than Alternative Excluded Distributions), New Rite Aid shall cause a corresponding amount (up to the Specified Committee Payments that are payable in the immediately succeeding 12-month period and not previously escrowed) to be segregated and escrowed for the benefit of the Committees and paid to the Committees to satisfy the Specified Committee Payments on the applicable Required Payment Dates.

To the extent the Payment Condition applies and cannot be satisfied at the time a payment is due to the Committees or to the Ad Hoc Secured Noteholder Group, such obligation shall remain outstanding (without accruing interest) until the Payment Condition can be satisfied to permit the payments as described above. Payment to the Committees as set forth herein are subject to a prepayment discount if paid early at the election of the Ad Hoc Secured Noteholder Group.

2. GUC Equity Trust.

On or prior to the Effective Date, the Debtors shall take all reasonably necessary steps to establish the GUC Equity Trust as one or more standalone trusts and/or sub-trusts in accordance with the Plan; *provided, however*, that the Debtors will not be required to take any actions which would result in holders of New Common Stock exceeding 300 holders. Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect, except to the extent the Debtors and the Committees determine otherwise in their reasonable discretion to treat all or any portion of the GUC Equity Trust as a "qualified settlement fund," "disputed ownership fund," or otherwise, to treat the GUC Equity Trust as a "widely held fixed investment trust" under section 1.671-5 of the Treasury Regulations and the GUC Equity Trustee will report consistently therewith. Such treatment is assumed with respect to the following discussion. In accordance therewith, neither the GUC Equity Trust nor GUC Equity Trustee shall have the power to vary the investment of the GUC Equity Trust within the meaning of section 301.7701-4(c) of the Treasury Regulations. For U.S. federal income tax purposes, each holder of a GUC Equity Trust Interest will generally be required to include their pro rata share of each item of income, gain, deduction, loss, or credit attributable to the GUC Equity Trust Assets.

To the extent the Debtors and the Committees determine in their reasonable discretion to treat all or any portion of the GUC Equity Trust as a "disputed ownership fund" under section 1.468B-9 of the Treasury Regulations or a "qualified settlement fund" under section 1.468B-1 of the Treasury Regulations, any appropriate elections with respect thereto shall be made, and such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return may be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

No request for a ruling from the IRS will be sought on the classification of the GUC Equity Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the GUC Equity Trust. If the IRS were to successfully challenge the classification of the GUC Equity Trust as a widely held fixed investment trust, the federal income tax consequences to the GUC Equity Trust and the holders of GUC Equity Trust Interests could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the GUC Equity Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

The GUC Equity Trust will file information tax returns with the IRS and provide tax information statements to holders of GUC Equity Trust Interests consistently with the rules of section 1.671-5 of the Treasury Regulations and any other applicable provisions of law, including information regarding items of income, gain, deduction, loss or credit attributable to the GUC Equity Trust Assets. Each holder of GUC Equity Trust Interests must report on its federal income tax return its share of all such items.

If, as of the Effective Date, the UCC / TCC Recovery Allocation Agreement is not in full force and effect, the GUC Equity Trustee shall hold the GUC Equity Trust Assets for the benefit of the Holders of the GUC Equity Trust Interests as later determined in accordance with the terms of the UCC / TCC Recovery Allocation Agreement. The GUC Equity Trust Interests shall be distributed in accordance with the UCC/TCC Recovery Allocation Agreement.

3. Litigation Trust.

On the Effective Date, the Debtors shall take all necessary steps to establish the Litigation Trust as one or more standalone trust and/or sub-trusts in accordance with the Plan and the Litigation Trust Documents, including as set forth in the Litigation Cooperation Agreement. Notwithstanding anything to the contrary herein, the Debtors and the Reorganized Debtors, as applicable, shall transfer the Litigation Trust Assets to the Litigation Trust, which , except to the extent the Debtors and the Committees determine otherwise in their reasonable discretion to treat all or any portion of the Litigation Trust as a "qualified settlement fund," "disputed ownership fund," "widely held fixed investment trust," and/or otherwise, shall be a "liquidating trust" as that term is used under section 301.7701-4(d) of

the Treasury Regulations, and such treatment is assumed with respect to the following discussion. For the avoidance of doubt, in the event of any transfer of the Litigation Trust Assets to the Litigation Trust, the provisions set forth in Article IV.E.3 of the Plan shall continue to govern all matters associated with the prosecution, settlement, or collection upon any Causes of Action transferred to the Litigation Trust. The Litigation Trust shall be established for the purposes of liquidating the Litigation Trust's assets, reconciling claims asserted against the Debtors and the Reorganized Debtors, and distributing the proceeds thereof in accordance with the Plan, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the Litigation Trust and the purposes described in the Plan. Upon the transfer of the Debtors' or the Reorganized Debtors' assets to the Litigation Trust, the Debtors and the Reorganized Debtors will have no reversionary or further interest in or with respect to the Litigation Trust Assets. To the extent beneficial interests in the Litigation Trust are deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests; *provided* that, for the avoidance of doubt, to the extent the GUC Equity Trust is established as a sub-trust under the Litigation Trust, such GUC Sub-Trust shall be governed by the GUC Equity Trust provisions set forth in Article IV.E.2 of the Plan. Prior to any transfer of the Litigation Trust Assets to the Litigation Trust, the Committees may designate trustee(s) for the Litigation Trust for the purposes of administering the Litigation Trust, as more fully described in the Litigation Trust Documents. The reasonable costs and expenses of the trustee(s) shall be paid from the Litigation Trust.

(a) **Transfer of Assigned Claims and Assigned Insurance Rights**

In furtherance of the transfer of the Litigation Trust Assets to the Litigation Trust and in accordance with the Litigation Trust Agreements, on the Effective Date, the Debtors shall be deemed to have irrevocably transferred, granted and assigned to the Litigation Trust, and the Litigation Trust shall receive and accept, any and all of the Assigned Claims and the Assigned Insurance Rights. The foregoing transfer shall be (i) free and clear of any and all actual or alleged Liens or encumbrances of any nature whatsoever (other than, as applicable, the Tort Claims and the Assigned Claims), (ii) made to the maximum extent possible under applicable law, (iii) absolute and without requirement of any further action by the Debtors, the Litigation Trust, the Bankruptcy Court, or any other Person, and (iv) governed by, and construed in accordance with, the Bankruptcy Code and the other applicable laws governing the applicable Insurance Policies. The transfer of the Assigned Insurance Rights contemplated in this Section is not an assignment of any Insurance Policy itself. The Confirmation Order shall contain findings with respect to the preservation of Assigned Claims and Assigned Insurance Rights as contemplated by the Committee Settlement and the Plan. Notwithstanding the foregoing, the Litigation Trustee and/or GUC Sub-Trust Trustee shall have the power to assign and/or transfer Assigned Insurance Rights for Tort Claims to Holders of Allowed Tort Claims, subject to reasonable restrictions so as not to interfere with, increase costs to, or impede the efforts of, the Litigation Trust, as further described in the Litigation Trust Documents.

(b) **[Vesting of the Litigation Trust Assets in the Litigation Trust**

The corpus of the Litigation Trust shall consist of the Litigation Trust Assets. On the Effective Date, pursuant to the Plan and in accordance with the Litigation Trust Documents, the Litigation Trust Assets shall be irrevocably transferred to and vest in the Litigation Trust free and clear of any and all actual or alleged Claims, Interests, Liens, other encumbrances and liabilities of any kind (other than, as applicable, the Tort Claims and the Assigned Claims). The Litigation Trust shall have no liability for, and the Litigation Trust Assets shall vest in the Litigation Trust free and clear of, any and all actual or alleged pre-petition and post-petition Claims, Causes of Action or liabilities of any kind, in each case that have been or could have been asserted against the Debtors, their Estates or their property (including, but not limited to, Claims based on successor liability) based on any acts or omissions prior to the Effective Date, except as expressly set forth in the Plan and the Litigation Trust Documents. From and after the Effective Date, all proceeds of the Litigation Trust Assets, including without limitation, the Proceeds of Assigned Claims and the Tort Claim Insurance Proceeds, shall be paid to the Litigation Trust to be applied in accordance with the Plan, including the treatment of claims set forth in Article III of the Plan, the Litigation Trust Documents and, as applicable, the UCC/TCC Recovery Allocation Agreement. Notwithstanding the foregoing, the Litigation Trustee and/or GUC Sub-Trust Trustee shall have the power to assign and/or transfer Assigned Insurance Rights for Tort Claims to Holders of Allowed Tort Claims, subject to reasonable restrictions so as not to interfere with, increase costs to, or impede the efforts of, the Litigation Trust, as further described in the Litigation Trust Documents.

(c) **Assumption of Liability for Tort Claims**

As of the Effective Date, any and all liability of the Debtors (or their Affiliates) and the Reorganized Debtors (or their Affiliates) for any and all Tort Claims shall automatically, and without further act, deed or court order, be channeled to and assumed by the Litigation Trust solely for the purpose of effectuating the purpose of the Litigation Trust. Distributions, in accordance with the Litigation Trust Documents from the Litigation Trust, any GUC Sub-Trust and the GUC Equity Trust, shall be the sole source of recovery, if any, in respect of such Tort Claims, and the Holder of such Tort Claims shall have no other or further recourse to the Debtors (and their Affiliates), their Estates, the Reorganized Debtors (and their Affiliates), or the Wind-Down Debtors. In furtherance of the foregoing, the Litigation Trust, subject to and only to the extent provided in the Litigation Trust Documents, shall have all defenses, cross-claims, offsets, and recoupments regarding the Tort Claims that the Debtors, as applicable, have, or would have had, under applicable law, but solely to the extent consistent with the Litigation Trust Documents and the Plan. For the avoidance of doubt, nothing in this Section shall limit or affect the transfer of the Assigned Insurance Rights or the Assigned Claims.

(d) **Institution and Maintenance of Legal and Other Proceedings**

On the Effective Date (and subject to the establishment of the Litigation Trust and/or any GUC Sub-Trust), (a) the Litigation Trust and/or any GUC Sub-Trust shall be empowered, and have the sole authority, to initiate, prosecute, defend, and resolve the Assigned Claims and Assigned Insurance Rights that are transferred to the Litigation Trust by operation of the Plan, subject to the terms and conditions of the Plan; (b) the Litigation Trust and/or any GUC Sub-Trust shall be empowered, and have the sole authority, to initiate, prosecute, defend and resolve the Assigned Claims, the Tort Claims, and the Assigned Insurance Rights in the name of the Debtors or their Estates, in each case if deemed necessary or appropriate by the Litigation Trustee(s) and/or any GUC Sub-Trust Trustee, subject to the terms and conditions of the Plan; and (c) subject to applicable law and contractual rights, the Litigation Trust and/or any GUC Sub-Trust shall be responsible for the payment of all damages, awards, judgments, settlements, expenses, costs, fees and other charges incurred subsequent to the date upon which the Litigation Trust and/or any GUC Sub-Trust is established arising from, or associated with, any legal action or other proceeding brought pursuant to the foregoing.

(e) **Administration of Tort Claims**

On the Effective Date (and subject to the establishment of the Litigation Trust and/or any GUC Sub-Trust): (a) all Tort Claims will be administered, processed, and resolved pursuant to the provisions outlined in the Litigation Trust Documents; (b) the Litigation Trustee or GUC Sub-Trust Trustee, as applicable, shall determine the eligibility, amount and allowance of Tort Claims in accordance with the applicable Litigation Trust Documents; (c) the determination by the Litigation Trustee or GUC Sub-Trust Trustee, as applicable, of the eligibility, amount and allowance of each Tort Claim shall be final and binding, and shall not be subject to any challenge or review of any kind, by any court or other Person, except as set forth herein and in the Litigation Trust Documents; and (d) the Litigation Trust, any GUC Sub-Trust and the GUC Equity Trust shall be the sole source of recovery for Holders of Tort Claims. Holders of Disallowed Tort Claims shall have no recourse to the Litigation Trust, any GUC Sub-Trust or the GUC Equity Trust, the Debtors (or their Affiliates or their Estates), the Reorganized Debtors (or their Affiliates), the Wind-Down Debtors, or the Released Parties in respect of such Disallowed Tort Claims.]

(f) **Litigation Trust Distributions**

The Litigation Trust and/or any GUC Sub-Trust shall make distributions in accordance with the Plan, the Confirmation Order, the Litigation Trust Documents, and, as applicable, the UCC / TCC Recovery Allocation Agreement.

(g) **Litigation Trust Treatment.**

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, except to the extent the Debtors and the Committees determine otherwise in their reasonable discretion to treat all or any portion of the Litigation Trust as a "qualified settlement fund," "disputed ownership fund," "widely held fixed investment trust," and/or otherwise, the Debtors expect to treat the Litigation Trust as a "liquidating trust" under section 301.7701-4(d) of the Treasury Regulations and a grantor trust under section 671 of the Tax Code, and the trustee of any Litigation Trust will take a position on the Litigation Trust's tax return accordingly. Such treatment is assumed with respect to the following discussion. For U.S. federal income tax purposes, the transfer of

assets to the Litigation Trust will be deemed to occur as (a) a first-step transfer of the Litigation Trust Assets to the Holders of the applicable Claims, and (b) a second-step transfer by such Holders to the Litigation Trust.

No request for a ruling from the IRS will be sought on the classification of the Litigation Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Litigation Trust. If the IRS were to successfully challenge the classification of the Litigation Trust as a grantor trust, the federal income tax consequences to the Litigation Trust and the Litigation Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the Litigation Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the Litigation Trust Assets to the Litigation Trust, the trustee(s) of the Litigation Trust shall make a good faith valuation of the Litigation Trust Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee(s) of the Litigation Trust, and the Holders of Claims receiving interests in the Litigation Trust shall take consistent positions with respect to the valuation of the Litigation Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the Litigation Trust among the Litigation Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the Litigation Trust had sold all of the Litigation Trust Assets at their tax book value and distributed the proceeds to the Litigation Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Litigation Trust. The tax book value of the Litigation Trust Assets shall equal their fair market value on the date of the transfer of the Litigation Trust Assets to the Litigation Trust, adjusted in accordance with tax accounting principles prescribed by the Tax Code, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Litigation Trust shall in no event be dissolved later than five (5) years from the creation of such Litigation Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Litigation Trust that any further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Litigation Trust Assets.

The Litigation Trust will file annual information tax returns with the IRS as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Litigation Trust Assets (*e.g.*, income, gain, loss, deduction and credit). Each Litigation Trust beneficiary holding a beneficial interest in the Litigation Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Litigation Trust will pertain to Litigation Trust beneficiaries who receive their interests in the Litigation Trust in connection with the Plan.

(h) **Disputed Ownership Fund, Qualified Settlement Fund, or Widely Held Fixed Investment Trust Treatment.**

To the extent the Debtors and the Committees determine in their reasonable discretion to treat all or any portion of the Litigation Trust as a "disputed ownership fund" under section 1.468B-9 of the Treasury Regulations or a "qualified settlement fund" under section 1.468B-1 of the Treasury Regulations, any appropriate elections with respect thereto shall be made, and such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return may be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes). The treatment of a "widely held fixed investment trust" would be as described above with respect to the GUC Equity Trust.

4. GUC Sub-Trusts.

To the extent provided for in the UCC/TCC Recovery Allocation Agreement, the GUC Sub-Trusts shall be established on the Effective Date subject to such documentation as may be required, to hold and distribute, as applicable, such consideration as may be allocated to any subset of Holders of General Unsecured Claims.

5. SCD Trust.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement and the Plan, no earlier than the Effective Date, the Debtors or the Reorganized Debtors, as applicable, shall transfer the applicable portion of the Elixir Rx Intercompany Claim to the SCD Trust, which shall be a "liquidating trust" as that term is used under section 301.7701-4(d) of the Treasury Regulations. The SCD Trust shall be established for the primary purpose of liquidating the SCD Trust's assets and distributing the proceeds thereof in accordance with the Plan, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the SCD Trust. Upon the transfer of the SCD Claim to the SCD Trust, the Debtors and the Reorganized Debtors, will have no reversionary or further interest in or with respect to the assets of the SCD Trust. To the extent beneficial interests in the SCD Trust are deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests. Prior to any transfer of the SCD Claim to the SCD Trust, the Debtors and the Reorganized Debtors, as applicable, may designate trustee(s) for the SCD Trust for the purposes of administering the SCD Trust in accordance with the terms and conditions of the AHG New-Money Commitment Agreement. The reasonable costs and expenses of the trustee(s) shall be paid from the SCD Trust.

(a) **SCD Trust Treatment.**

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect to treat the SCD Trust as a "liquidating trust" under section 301.7701-4(d) of the Treasury Regulations and a grantor trust under section 671 of the Tax Code, and the trustee of any SCD Trust will take a position on the SCD Trust's tax return accordingly. For U.S. federal income tax purposes, the transfer of the SCD Claim to the SCD Trust will be deemed to occur as (a) a first-step transfer of the SCD Claim to the Holders of the applicable Claims, and (b) a second-step transfer by such Holders to the SCD Trust.

No request for a ruling from the IRS will be sought on the classification of the SCD Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the SCD Trust. If the IRS were to successfully challenge the classification of the SCD Trust as a grantor trust, the federal income tax consequences to the SCD Trust and the SCD Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the SCD Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the SCD Trust Assets to the SCD Trust, the trustee(s) of the SCD Trust shall make a good faith valuation of the SCD Trust Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee(s) of the SCD Trust, and the Holders of Claims receiving interests in the SCD Trust shall take consistent positions with respect to the valuation of the SCD Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the SCD Trust among the SCD Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the SCD Trust had sold all of the SCD Trust Assets at their tax book value and distributed the proceeds to the SCD Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the SCD Trust. The tax book value of the SCD Trust Assets shall equal their fair market value on the date of the transfer of the SCD Trust Assets to the SCD Trust, adjusted in accordance with tax accounting principles prescribed by the Tax Code, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The SCD Trust shall in no event be dissolved later than five (5) years from the creation of such SCD Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the SCD Trust that any

further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the SCD Trust Assets.

The SCD Trust will file annual information tax returns with the IRS as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the SCD Trust Assets (*e.g.*, income, gain, loss, deduction and credit). Each SCD Trust beneficiary holding a beneficial interest in the SCD Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the SCD Trust will pertain to SCD Trust beneficiaries who receive their interests in the SCD Trust in connection with the Plan.

(b) **Disputed Ownership Fund Treatment.**

With respect to any of the assets of the SCD Trust that are subject to potential disputed claims of ownership or uncertain distributions, or to the extent "liquidating trust" treatment is otherwise unavailable or not elected to be applied with respect to the SCD Trust, the Debtors intend that such assets will be subject to disputed ownership fund treatment under section 1.468B-9 of the Treasury Regulations, that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

6. Cooperation.

The Debtors and Reorganized Debtors, as applicable, shall provide reasonable cooperation necessary to maximize the value of Estate Causes of Action, the Assigned Claims and the Assigned Insurance Rights, including, without limitation, (i) providing the Litigation Trust and its Professionals with reasonable access to the Debtors' books, records, and other documents that are relevant to and necessary for the advancement of Assigned Claims assigned to the Litigation Trust (including privileged documents that are relevant to and necessary for the advancement of Assigned Claims and Assigned Insurance Rights assigned to the Litigation Trust only), (ii) to the extent able by applicable law, providing the Litigation Trust and its Professionals with reasonable access to Debtors' employees and agents for fact finding, consultation, interviews, and as witnesses (including as needed to authenticate documents where appropriate) as relevant to and necessary for the advancement of Claims assigned to the Litigation Trust, (iii) to the extent able by applicable law, providing the Litigation Trust and its Professionals with reasonable access to systems and Debtor personnel as relevant for administration of the Litigation Trust, (iv) funding insurance archival efforts, including costs to retain Marsh to undertake archival efforts and costs incurred by personnel of the Debtors, the Reorganized Debtors, and/or the Wind-Down Debtors, as applicable, and Professionals of the Debtors, the Reorganized Debtors, and/or the Wind-Down Debtors to cooperate with and assist Marsh in the insurance archival efforts, (v) taking commercially reasonable measures to retain documents related to the advancement of Assigned Claims assigned to the Litigation Trust, consistent with the Litigation Trust Cooperation Agreement, and (vi) to the extent able by applicable law, providing assistance to maximize the value of the Assigned Insurance Rights, as reasonably determined by the Committees, the Litigation Trust or any of their respective Professionals. Any attorney-client privilege, work-product protections, or other privilege or immunity held by any of the Debtors, including any predecessors, committee or sub-committees, or other designated Entities or Persons, related to the Claims assigned to the Litigation Trust shall be extended to and shared with Litigation Trust under the terms of the Litigation Trust Cooperation Agreement (and for the avoidance of doubt, will not be extended to or shared with the Committees, their members, or their professionals). The transfer of any privileged books and records provided to the Litigation Trust under the terms of the Litigation Trust Cooperation Agreement shall not result in the destruction or waiver of any applicable privileges pertaining to such books and records. Further, none of the Debtors or the Reorganized Debtors shall be liable for violating any confidentiality or privacy protections as a result of transferring the books and records to the Litigation Trust in accordance with the Litigation Trust Cooperation Agreement. The Reorganized Debtors (and, to the extent the Litigation Trust is formed and funded prior to the Effective Date), the Debtors shall be promptly reimbursed for all reasonable and documented costs and expenses, including costs associated with allocating time of employees and professionals of the Reorganized Debtors (or Debtors) in connection with any such obligations. For the avoidance of doubt, after the Confirmation Date and prior to the Effective Date, the Debtors shall reasonably cooperate with the foregoing, subject to and consistent with any budget requirements and as is necessary to comply with and satisfy closing conditions (including Article XI.A.29 of the Plan).

7. Additional Terms.

The Debtors shall assume the Pension Plan as well as all CBAs and union contracts.

F. Insurance Neutrality.

Nothing in the Plan, the Plan Supplement, or the Confirmation Order shall alter, supplement, change, decrease, or modify the terms (including the conditions, limitations, and/or exclusions) of the Insurance Policies, provided that, notwithstanding anything in the foregoing to the contrary, the enforceability and applicability of the terms (including the conditions, limitations, and/or exclusions) of the Insurance Policies, and thus the rights or obligations of any insurer, the Debtors, and the Litigation Trust, arising out of or under any Insurance Policy, whether before or after the Effective Date, are subject to the Bankruptcy Code and applicable law (including any actions or obligations of the Debtors thereunder), the terms of the Plan, the Plan Supplement, and the Confirmation Order (including the findings contained therein or issued in conjunction therewith), and, to the extent the insurers have or had adequate notice from any source, any other ruling made or order entered by the Bankruptcy Court whether prior to or after the Confirmation Date. Furthermore, nothing in the Plan, the Plan Supplement, or the Confirmation Order shall relieve or discharge any insurer of the Debtors from their obligations under the Insurance Policies.

G. Sources of Consideration for Plan Distributions.

All amounts necessary for the Debtors and, if applicable, the Wind-Down Debtors, to make payments or distributions pursuant hereto shall be (in each case subject to the terms of the Purchase Agreement(s) and the Sale Order, as applicable) obtained from the proceeds of the issuance of New Common Stock, Exit Facilities, Takeback Notes, the MedImpact NewCo Notes (if any), the CMSR Distribution, the AHG Notes, Cash of the Debtors, and any additional Cash consideration provided under one or more Purchase Agreements, in accordance with the terms thereof. Unless otherwise agreed, distributions required by the Plan on account of Allowed Claims that are Assumed Liabilities under a Purchase Agreement shall be the sole responsibility of the applicable Purchaser.

1. The New Common Stock.

In the event of a Plan Restructuring, on the Effective Date, New Rite Aid is authorized to issue or cause to be issued and shall, as provided for in the Restructuring Transactions Memorandum, issue the New Common Stock for distribution to the Holders of Allowed Senior Secured Notes Claims and the GUC Equity Trust (if applicable) in accordance with the terms of the Plan and the New Corporate Governance Documents (including the New Shareholders Agreement) without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule, or the vote, consent, authorization, or approval of any Person. The New Common Stock shall be issued and distributed free and clear of all Liens, Claims, and other Interests. All of the New Common Stock issued pursuant to the Plan, as contemplated by the Plan Restructuring, shall be duly authorized and validly issued and shall be full paid and non-assessable.

2. Exit Facilities.

On the Effective Date, New Rite Aid shall enter into the Exit Facilities on the terms set forth in the Exit Facilities Documents. To the extent not already approved, Confirmation shall be deemed approval of the Exit Facilities Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by New Rite Aid in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of New Rite Aid to enter into and execute the Exit Facilities Credit Agreement, and such other Exit Facilities Documents as may be required to effectuate the Exit Facilities.

On the Effective Date or such date as otherwise approved by the Sale Order, all of the Liens and security interests to be granted in accordance with the Exit Facilities Documents, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in

accordance with the terms of the Exit Facilities Documents; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the respective Exit Facilities Documents; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, New Rite Aid and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

3. MedImpact Term Loan Sales Process, Rights Offering, and NewCo Notes.

(a) **MedImpact Term Loan Sales Process**

In accordance with, and subject to, the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement, following the Confirmation Date, the Debtors shall commence or continue, as applicable, the MedImpact Term Loan Sales Process in accordance with the MedImpact Term Loan Bidding Procedures. Entry of the MedImpact Term Loan Bidding Procedures Order, which shall be entered on or before the Confirmation Date, shall (i) constitute Bankruptcy Court approval of the MedImpact Term Loan Sales Process, (ii) authorize the Debtors' entry into and performance under the MedImpact Term Loan Backstop Commitment Agreement and constitute Bankruptcy Court approval thereof, including the payment of the MedImpact Term Loan Backstop Commitment Premium or the MedImpact Termination Fee, as applicable, in accordance with the terms thereof, and (iii) approve the MedImpact Term Loan Bidding Procedures. The Cash proceeds of the sale of the MedImpact Term Loan shall be applied pursuant to Section (II)(A) of Exhibit E to the Final Financing Order, unless otherwise agreed as among the DIP Agents and the Required AHG Noteholders.

(b) **Creation of MedImpact Term Loan NewCo and MedImpact Term Loan Rights Offering**

If the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures and the MedImpact Term Loan Backstop Commitment Agreement, the following provisions shall be in effect, subject in all respects to the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement:

On or prior to the Effective Date, the Debtors shall create the MedImpact Term Loan NewCo and enter into the NewCo Documentation and the MedImpact NewCo Notes Documentation. Pursuant to the MedImpact Term Loan Rights Offering Procedures[, prior to the Effective Date,] the Debtors shall distribute the MedImpact NewCo Subscription Rights to Eligible Holders in accordance with the Plan, the MedImpact Term Loan Backstop Commitment Agreement, and the MedImpact Term Loan Rights Offering Procedures. Eligible Holders shall be entitled to participate in the MedImpact Term Loan Rights Offering up to a maximum amount of each Eligible Holder's Pro Rata share of the MedImpact Aggregate Rights Offering Amount.

The MedImpact Term Loan Rights Offering will be backstopped, severally and not jointly, by the MedImpact Term Loan Backstop Parties pursuant to the MedImpact Term Loan Backstop Commitment Agreement. 20% of the MedImpact Rights Offering NewCo Notes to be sold and issued pursuant to the MedImpact Term Loan Rights Offering shall be reserved for the MedImpact Term Loan Backstop Parties pursuant to the MedImpact Term Loan Backstop Commitment Agreement. MedImpact Term Loan NewCo will pay the MedImpact Term Loan Backstop Commitment Premium to the MedImpact Term Loan Backstop Parties no later than the Effective Date in accordance with the terms and conditions set forth in the MedImpact Term Loan Backstop Commitment Agreement and the Plan.

Upon exercise of the MedImpact NewCo Subscription Rights pursuant to the terms of the MedImpact Term Loan Backstop Commitment Agreement and the MedImpact Term Loan Rights Offering Procedures, MedImpact Term Loan NewCo shall be authorized to issue the applicable principal amount of MedImpact Rights Offering NewCo Notes issuable pursuant to such exercise. Pursuant to the MedImpact Term Loan Backstop Commitment Agreement, if after following the procedures set forth in the MedImpact Term Loan Rights Offering Procedures, there remain any unexercised subscription rights, the MedImpact Term Loan Backstop Parties shall purchase, severally and not jointly, their applicable portion of the aggregate principal amount of the MedImpact Rights Offering NewCo Notes

associated with such unexercised subscription rights in accordance with the terms and conditions set forth in the MedImpact Term Loan Backstop Commitment Agreement and the MedImpact Term Loan Rights Offering Procedures.

On the Effective Date, upon the consummation of the MedImpact Term Loan Rights Offering, the issuance of the MedImpact NewCo Notes and the transfer of the MedImpact Term Loan to MedImpact Term Loan NewCo, the Debtors shall transfer all equity or other ownership or residual interests in MedImpact Term Loan NewCo to the MedImpact NewCo Trustee or its designee in a manner acceptable to the Debtors and the MedImpact Term Loan Backstop Parties.

(c) **MedImpact NewCo Notes**

If the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures and the MedImpact Term Loan Backstop Commitment Agreement, the following provisions shall be in effect, subject to the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement:

On the Effective Date, the MedImpact Term Loan NewCo shall issue the MedImpact NewCo Notes on the terms set forth in the MedImpact NewCo Notes Documentation. To the extent not already approved, Confirmation shall be deemed approval of the MedImpact NewCo Notes Documentation, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the MedImpact Term Loan NewCo in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of the MedImpact Term Loan NewCo to enter into and execute the MedImpact NewCo Notes Indenture, and such other MedImpact NewCo Notes Documentation as may be required to issue the MedImpact NewCo Notes.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, on the Effective Date, all of the Liens and security interests to be granted in accordance with the MedImpact NewCo Notes Documentation, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the MedImpact NewCo Notes Documentation; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the MedImpact NewCo Notes Documentation; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, the MedImpact Term Loan NewCo and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

4. The SCD Trust and the AHG Notes.

On or prior to the Effective Date, subject to the terms and conditions of the AHG New-Money Commitment Agreement, the Debtors shall create the SCD Trust and enter into the SCD Trust Documentation and the AHG Notes Documentation. On or prior to the Effective Date, subject to the terms and conditions of the AHG New-Money Commitment Agreement, the SCD Trust shall, and to the maximum extent permitted by applicable law, (a) (i) hold all right, title, and interest to no less than $350,000,000 of the SCD Claim, which the Debtors shall transfer from Debtor Ex Options, LLC to the SCD Trust, (b) issue, or cause to be issued, the AHG Notes to the applicable AHG New-Money Commitment Parties in accordance with the AHG Notes Documentation, (c) be vested with all requisite authority to distribute the CMSR Recovery in accordance with the Plan and the terms and conditions of the AHG New-Money Commitment Agreement, and (d) following receipt of the proceeds of the CMS Receivable, be vested with all requisite authority to distribute sufficient Cash to the Reorganized Debtors to fund any mandatory prepayments required under the terms of the Exit Facilities Documents from the proceeds of such CMS Receivable. To the extent not already approved, Confirmation shall be deemed approval of the AHG Notes Documentation and the SCD Trust Documentation, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the SCD Trust in connection therewith, including the payment of all fees,

indemnities, expenses, and other payments provided for therein and authorization of the SCD Trust to enter into and execute the SCD Trust Documentation, the AHG Notes Purchase Agreement, the AHG Notes Indenture, and such other AHG Notes Documentation as may be required to issue the AHG Notes.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, the Elixir Intercreditor Agreement shall provide, among other things, that distributions from EIC on account of the SCD Claim shall be allocated (i) *first*, to the SCD Trust in an amount sufficient to repay $57,000,000 in Cash of the AHG Notes; (ii) *second*, to the SCD Trust for the benefit of the Exit Lenders in an amount sufficient to repay the [Exit ABL Facility] in the amount of $60,000,000 (which amount shall be applied to fund an immediate prepayment under the Exit FILO Term Loan Facility); (iii) *third*, to the extent Excess Availability is less than $700,000,000, to the SCD Trust for the benefit of the Exit Lenders, in an amount equal to the lesser of $57,000,000 and the amount necessary to fund a prepayment under the Exit ABL Facility to cause Excess Availability to equal $700,000,000 (which amount shall be used to fund an immediate prepayment under the Exit ABL Facility); (iv) *fourth*, to the extent the aggregate amount of proceeds of the CMS Receivable paid to the SCD Trust to repay in full in Cash the SCD Notes and to fund distributions under the Plan pursuant to clause (v) below are $285,000,000, the Creditor Distribution"), except to the extent that SCD Trust receives less than $285,000,000 to repay in full in Cash the AHG Notes and to fund distributions under the Plan, in which case the Creditor Distribution will be reduced on a dollar-by-dollar basis by each dollar the SCD Trust receives under $285,000,000 to repay in full in Cash the AHG Notes and to fund distributions under the Plan, until the Creditor Distribution reaches zero, provided that the Creditor Distribution shall not be less than zero; and (v) *fifth*, to the SCD Trust in an amount equal to all remaining proceeds of the CMS Receivable (which amount the SCD Trust shall use to fund a distribution pursuant to Article III.B.5 of the Plan.). The Debtors may, with the consent of the DIP Agents and the Required AHG Noteholders, enter into one or more alternative transactions or structuring arrangements with respect to the transactions, arrangements, and distributions described in this paragraph and the preceding paragraph, which alternative transactions, arrangements, and distributions shall be economically neutral with respect to the Creditor Distribution.

Subject to the terms and conditions of the AHG New-Money Commitment Agreement, on the Effective Date, all of the Liens and security interests to be granted in accordance with the AHG Notes Documentation, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the AHG Notes Documentation; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the AHG Notes Documentation; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent not already approved, the SCD Trust and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

The Cash proceeds of the AHG Notes shall be used to pay down the loans outstanding under the DIP ABL Facility, thereby reducing the DIP ABL Claims on a dollar-for-dollar basis.

5. Takeback Notes.

On the Effective Date, in the event of a Plan Restructuring, New Rite Aid shall enter into the Takeback Notes on the terms set forth in the Takeback Notes Documents. To the extent not already approved, Confirmation shall be deemed approval of the Takeback Notes Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by New Rite Aid in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of New Rite Aid to enter into and execute the Takeback Indenture, and other such Takeback Notes Documents as may be required to effectuate the Takeback Notes.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Takeback Notes Documents, to the extent applicable: (a) shall be deemed to be granted; (b) shall be legal, binding, automatically perfected, non-avoidable, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Takeback Notes Documents; (c) shall be deemed automatically perfected on or prior to the Effective Date, subject only to such Liens and security interests as may be permitted under the respective Takeback Notes Documents; and (d) shall not be subject to avoidance, recharacterization, or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy Law.

To the extent New Rite Aid and the Persons and Entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other Law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

6. Cash on Hand.

Except as otherwise provided in the Plan, the Debtors, Reorganized Debtors, or Wind-Down Debtors, as applicable, shall use Cash on hand to fund distributions to certain Holders of Claims solely in accordance with the terms of the Plan, including any Cure Costs in connection with a Plan Restructuring.

7. Creation of the Administrative / Priority Claims Reserve and the Wind-Down Reserve.

On or before the Effective Date, in the event of a Sale Transaction Restructuring, each of the Administrative / Priority Claims Reserve and Wind-Down Reserve shall be funded in accordance with the Purchase Agreement, the Sale Order, and section 1129 of the Bankruptcy Code, as applicable, and subject to the applicable consent rights of the Required AHG Noteholders.

8. Payment of Cure Costs.

In the event of a Sale Transaction Restructuring or an Other Asset Sale, the Debtors or Purchaser shall pay all Cure Costs, if any, pursuant to sections 365 or 1123 of the Bankruptcy Code and in accordance with the Purchase Agreement(s) and Sale Order(s).

H. Plan Administrator and the Wind-Down Debtors.

Article IV.H of the Plan shall apply to a Sale Transaction Restructuring.

1. Plan Administrator.

As set forth below, the Plan Administrator shall act for the Wind-Down Debtors in the same fiduciary capacity as applicable to a board of managers, directors, and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same) and retain and have all the rights, powers, and duties necessary to carry out his or her responsibilities under the Plan in accordance with the Wind-Down and as otherwise provided in the Confirmation Order. On the Effective Date, the authority, power, and incumbency of the Persons acting as managers, directors, and officers of the Wind-Down Debtors shall be deemed to have resigned, and the Plan Administrator shall be appointed as the sole manager, sole director, and sole officer of the Wind-Down Debtors, and shall succeed to the powers of the Wind-Down Debtors' managers, directors, and officers.

From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtors as further described in Article VII of the Plan. The Plan Administrator shall have the authority to sell, liquidate, or otherwise dispose of any and all of the Wind-Down Debtors' assets without any additional notice to or approval from the Bankruptcy Court.

2. Board of the Debtors.

As of the Effective Date, in the event of a Sale Transaction Restructuring: (a) the existing board of directors or managers, as applicable, of each of the Debtors shall be dissolved without any further action required on the part of the Debtors or the Debtors' officers, directors, managers, shareholders, or members, and any remaining officers, directors, managers, or managing members of any Debtor shall be dismissed without any further action required on the part of any such Debtor, the equity Holders of the Debtors, the officers, directors, or managers, as applicable, of the Debtors, or the members of any Debtor; *provided* that each Disinterested Director of the Debtors shall retain respective authority following the Effective Date with respect to matters relating to Professional Fee Claim requests by Professionals acting at their authority and direction in accordance with the terms of the Plan; (b) each Disinterested Director shall not have any of their privileged and confidential documents, communications, or information transferred (or deemed transferred) to the Reorganized Debtors, or the Wind-Down Debtors, or any other Entity without such director's prior written consent; (c) each Disinterested Director of the Debtors retains the right to review, approve, and make decisions as well as to file papers and be heard before the Bankruptcy Court on all matters under such director's continuing authority; and (d) subject in all respects to the terms of the Plan, the Debtors shall be dissolved as soon as practicable on or after the Effective Date, but in no event later than the closing of the Chapter 11 Cases.

As of the Effective Date, the Plan Administrator shall act as the sole officer, director, and manager, as applicable, of the Wind-Down Debtors with respect to its affairs. Subject in all respects to the terms of the Plan, the Plan Administrator shall have the power and authority to take any action necessary to wind-down and dissolve any of the Debtors, and shall: (a) file a certificate of dissolution, cancellation, or equivalent document for any of the Debtors, together with all other necessary corporate and company documents, to effect the dissolution of any of the Debtors under the applicable laws of each applicable Debtor's state of formation; (b) complete and file all final or otherwise required federal, state, and local tax returns and shall pay taxes required to be paid for any of the Debtors, and pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability of any of the Debtors or their Estates for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws; and (c) represent the interests of the Debtors or the Estates before any taxing authority in all tax matters, including any action, suit, proceeding, or audit.

The filing by the Plan Administrator of any of the Debtors' certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, board of directors, or board of managers of the Debtors or any of their Affiliates.

3. Tax Returns.

After the Effective Date and subject to the Purchase Agreement(s), the Plan Administrator shall complete and file all final or otherwise required federal, state, provincial, and local tax returns for each of the Debtors and the Wind-Down Debtors.

4. Dissolution of the Wind-Down Debtors.

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Debtors shall be deemed to be dissolved without any further action by the Plan Administrator, including the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Plan Administrator shall retain the authority to take all necessary actions to dissolve the Debtors in, and withdraw the Debtors from, applicable states and provinces to the extent required by applicable law.

I. Liquidating Trust.

Article IV.I of the Plan shall apply to a Sale Transaction Restructuring.

Notwithstanding anything to the contrary in the Plan, the Plan Administrator, on behalf of the Wind-Down Debtors, may, subject to the consent of the Required AHG Noteholders may transfer all or any portion of the Remnant Assets to the Liquidating Trust, which shall be a "liquidating trust" as that term is used under section 301.7701-4(d) of the Treasury Regulations. For the avoidance of doubt, in the event of a Permitted Transfer, the provisions set forth in Article IV.R of the Plan shall continue to govern all matters associated with the prosecution, settlement, or collection upon any Causes of Action transferred to the Liquidating Trust. The Liquidating Trust shall be established for the primary purpose of liquidating the Liquidating Trust's assets, reconciling claims asserted against the Debtors and the Wind-Down Debtors, and distributing the proceeds thereof in accordance with the Plan, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the Liquidating Trust. Upon the transfer of the Debtors' or the Wind-Down Debtors' assets to the Liquidating Trust, the Debtors and the Wind-Down Debtors will have no reversionary or further interest in or with respect to the assets of the Liquidating Trust. To the extent beneficial interests in the Liquidating Trust are deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, the Debtors intend that the exemption provisions of section 1145 of the Bankruptcy Code will apply to such beneficial interests. Prior to any Permitted Transfer, the Plan Administrator may designate trustee(s) for the Liquidating Trust for the purposes of administering the Liquidating Trust. The reasonable costs and expenses of the trustee(s) shall be paid from the Liquidating Trust.

1. Liquidating Trust Treatment.

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect to treat the Liquidating Trust as a "liquidating trust" under section 301.7701-4(d) of the Treasury Regulations and a grantor trust under section 671 of the Tax Code, and the trustee of any Liquidating Trust will take a position on the Liquidating Trust's tax return accordingly. For U.S. federal income tax purposes, the transfer of assets to the Liquidating Trust will be deemed to occur as (a) a first-step transfer of the Liquidating Trust Assets to the Holders of the applicable Claims, and (b) a second-step transfer by such Holders to the Liquidating Trust.

No request for a ruling from the IRS will be sought on the classification of the Liquidating Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust. If the IRS were to successfully challenge the classification of the Liquidating Trust as a grantor trust, the federal income tax consequences to the Liquidating Trust and the Liquidating Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the Liquidating Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the Liquidating Trust Assets to the Liquidating Trust, the trustee(s) of the Liquidating Trust shall make a good faith valuation of the Liquidating Trust Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee(s) of the Liquidating Trust, and the holders of Claims receiving interests in the Liquidating Trust shall take consistent positions with respect to the valuation of the Liquidating Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the Liquidating Trust among the Liquidating Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the Liquidating Trust had sold all of the Liquidating Trust Assets at their tax book value and distributed the proceeds to the Liquidating Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Liquidating Trust. The tax book value of the Liquidating Trust Assets shall equal their fair market value on the date of the transfer of the Liquidating Trust Assets to the Liquidating Trust, adjusted in accordance with tax accounting principles prescribed by the Tax Code, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Liquidating Trust shall in no event be dissolved later than five (5) years from the creation of such Liquidating Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Liquidating Trust that any further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets.

The Liquidating Trust will file annual information tax returns with the IRS as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Liquidating Trust Assets (*e.g.*, income, gain, loss, deduction and credit). Each Liquidating Trust beneficiary holding a beneficial interest in the Liquidating Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Liquidating Trust will pertain to Liquidating Trust beneficiaries who receive their interests in the Liquidating Trust in connection with the Plan.

2. Disputed Ownership Fund Treatment.

With respect to any of the assets of the Liquidating Trust that are subject to potential disputed claims of ownership or uncertain distributions, or to the extent "liquidating trust" treatment is otherwise unavailable or not elected to be applied with respect to the Liquidating Trust, the Debtors intend that such assets will be subject to disputed ownership fund treatment under section 1.468B-9 of the Treasury Regulations, that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

J. Release of Liens.

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors' Estates that have not been previously released shall be fully released, settled, and compromised, and the Holder of such mortgages, deeds of trust, Liens, pledges, or other security interest against any property of the Debtors' Estates shall be authorized to take such actions as may be reasonably requested by the Debtors to evidence such releases, at the sole expense of the Debtors or the Wind-Down Debtors, as applicable. Notwithstanding anything to the contrary in the Plan, the Liens securing the DIP Claims shall not be released and such Liens shall remain in full force and effect until the DIP Claims are paid in full in Cash or otherwise treated in a manner consistent with Article II.E of the Plan.

K. Cancellation of Existing Securities and Agreements.

On the Effective Date, except as otherwise specifically provided for in the Plan or one or more Purchase Agreements: (1) the obligations under the DIP Documents, the Prepetition Credit Agreement, the 2025 Secured Notes Indenture, the 2026 Secured Notes Indenture, the 2027 Unsecured Notes Indenture, the 2028 Unsecured Notes Indenture, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled, except as set forth in the Plan, and the Wind-Down Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released.

On or after the Effective Date, each Holder of a certificate or instrument evidencing a Claim that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture(s) or credit agreement that governs the rights of such Holder of such Claim upon such Holder's (or its nominee's or designee's) receipt of the distributions to which it is entitled pursuant to the Plan. Such surrendered certificate or instrument shall be deemed cancelled as set forth in, and subject to the exceptions set forth in, Article IV.K of the Plan. If the record Holder of a Notes Claim is DTC or its nominee, the applicable Trustee, or another securities depository or custodian thereof, and Holders of Notes Claims are represented by a global security held by or on behalf of DTC, the applicable Trustee, or such other securities depository or custodian, then each such Holder of such Notes Claims shall be

deemed to have surrendered such Holder's note, debenture, or other evidence of indebtedness upon surrender of such global security by DTC, the applicable Trustee, or such other securities depository or custodian thereof.

Notwithstanding the foregoing, (a) no Executory Contract or Unexpired Lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled on the Effective Date, (b) the Prepetition Credit Agreement, the Senior Secured Notes Indentures, and the Unsecured Notes Indentures shall continue in effect solely for the purpose of (i) allowing Holders of the ABL Facility Claims, FILO Term Loan Facility Claims, the Trustees, to receive the distributions provided for under the Plan, (ii) allowing the Prepetition Agent, the Trustees to receive or direct distributions from the Debtors and to make further distributions to the Holders of such Claims on account of such Claims, as set forth in Article VI.A of the Plan, (iii) preserving all rights, including rights of enforcement, of the Prepetition Agent, the Trustees to indemnification or contribution pursuant and subject to the terms of the Prepetition Credit Agreement, the Indentures, in respect of any claim or Cause of Action asserted against the Prepetition Agent, the Trustees, as applicable, (iv) permitting each of the Prepetition Agent, the Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court, and (v) preserving any rights of the DIP Agents, the Prepetition Agents, the Trustees to payment of fees, expenses, and indemnification obligations as against any money or property distributable to the Holders under the relevant indenture, Prepetition Credit Agreement, or DIP Credit Agreements, including any rights to priority of payment and/or to exercise charging Liens.

The Prepetition Agent shall be released and shall have no further obligation or liability except as provided in the Plan and Confirmation Order, and after the performance by the Prepetition Agent and their respective representatives and Professionals of any obligations and duties required under or related to the Plan or Confirmation Order, the Prepetition Agent shall be relieved of and released from any obligations and duties arising thereunder.

Except as provided in the Plan, on the Effective Date, each DIP Agent and its respective agents, successors, and assigns shall be automatically and fully released of all of their duties and obligations associated with the applicable DIP Documents. The commitments and obligations, if any, of the DIP Lenders to extend any further or future credit or financial accommodations to any of the Debtors, any of their respective subsidiaries, or any of their respective successors or assigns under the DIP Documents, as applicable, shall fully terminate and be of no further force or effect on the Effective Date.

On and after the Effective Date, the duties and responsibilities of the Trustees under the applicable indenture shall be discharged and released, except (i) to the extent required to effectuate the Plan including, but not limited to, making distributions under the Plan to the Holders of Allowed Notes Claims under the applicable indenture, and (ii) with respect to any rights of the Trustees to payment of reasonable and documented fees, expenses, and indemnification obligations (to be documented in accordance with the terms of the applicable Indenture) as against any money or property distributable to Holders of Claims pursuant and subject to the terms of the applicable indenture, including any rights to priority of payment and/or to exercise charging liens. After the performance by the Trustees and their respective representatives and professionals of any obligations and duties required under or related to the Plan or the Confirmation Order, the Trustees shall be deemed to be forever relieved of and released from any obligations and duties arising thereunder.

L. Corporate Action.

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including, as applicable: (1) selection of the Plan Administrator; (2) implementation of the Restructuring Transactions; (3) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors, before, on, or after the Effective Date involving the corporate structure of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, and any corporate action required by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, in connection with the Plan or corporate structure of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security Holders, directors, managers, or officers of the Debtors or the Wind-Down Debtors, except for any filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution with applicable governmental authorities required pursuant to applicable state or provincial Law.. Before, on, or after the Effective Date, the appropriate officers of the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable

to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by Article IV.L of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

M. New Corporate Governance Documents.

In the event of a Plan Restructuring or Credit Bid Transaction, on the Effective Date, New Rite Aid shall enter into and deliver the New Corporate Governance Documents to each holder of New Common Stock, and the New Corporate Governance Documents shall be deemed to be valid, binding, and enforceable in accordance with their terms, and each party shall be bound thereby, in each case, and as applicable, without the need for execution by any party thereto other than New Rite Aid. Any Entity's acceptance of New Common Stock, including any New Common Stock issuable upon exercise of any warrants issued pursuant to the Plan or otherwise, shall be deemed as its agreement to the New Corporate Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms, and each such Entity will be bound thereby in all respects.

The New Corporate Governance Documents will prohibit the issuance of non-voting Equity Securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. After the Effective Date, the New Corporate Governance Documents may be amended or restated as permitted by such documents and the Laws of their respective states, provinces, or countries of incorporation or organization.

N. Management Incentive Plan.

On the Effective Date, the New Rite Aid Board shall adopt and implement the Management Incentive Plan as determined by the New Rite Aid Board and in accordance with the MIP Documents.

O. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, the Committee Settlement, the MedImpact Term Loan Sale, Sale Transaction Restructuring, the Other Asset Sale(s), and the instruments issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors or the Wind-Down Debtors, as applicable, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

On the Effective Date, or as soon thereafter as reasonably practicable, the Reorganized Debtors or the Wind-Down Debtors, as applicable, may issue, execute, deliver, file, or record, such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate implement, and further evidence the terms and conditions of the Committee Settlement, including, but not limited to, the Litigation Trust Agreement, the GUC Equity Trust Documents, the GUC Sub-Trust Documents, the Litigation Trust Cooperation Agreement, and the other Committee Settlement Documents.

P. Section 1146 Exemption.

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers (whether from a Debtor to New Rite Aid, from a Debtor to the Wind-Down Debtor, or from the Wind-Down Debtor to the Liquidating Trust or to any other Person) of property under the Plan (including pursuant to the Purchase Agreement(s), if applicable, or a Plan Restructuring) or pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, Equity Security, or other interest in the Debtors or the Wind-Down Debtors, including in accordance with any Purchase Agreement, (2) the Restructuring Transactions, (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (4) the making, assignment, or recording of any lease or sublease, or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any

deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including any Restructuring Transaction), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Q. Exemption from Securities Act Registration.

No registration statement will be filed under the Securities Act, or pursuant to any state securities laws, with respect to the offer and distribution of securities under the Plan. The issuance of the 1145 Securities under the Plan is expected to be exempt from the registration requirements of section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities pursuant to section 1145 of the Bankruptcy Code. Thus, the 1145 Securities to be issued under the Plan (a) would not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) would be freely tradable and transferable by any initial recipient thereof that (i) is not an "Affiliate" of the Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "Affiliate" within 90 days of such transfer, and (iii) is not an Entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code. Should the Debtors elect on or after the Effective Date to reflect any ownership of the 1145 Securities to be issued under the Plan through the facilities of DTC, the Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the 1145 Securities to be issued under the Plan under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the 1145 Securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no Entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the 1145 Securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding any policies, practices, or procedures of DTC, DTC shall cooperate with and take all actions reasonably requested by a Disbursing Agent or an indenture trustee to facilitate distributions to Holders of Allowed Claims without requiring that such distribution be characterized as repayments of principal or interest. No Disbursing Agent or indenture trustee shall be required to provide indemnification or other security to DTC in connection with any distributions to Holders of Allowed Claims through the facilities of DTC. The rights of holders of New Common Stock, including the right to transfer such interests, will also be subject to any restrictions in the New Corporate Governance Documents, to the extent applicable.

To the extent that section 1145 of the Bankruptcy Code is inapplicable, the offering, issuance, exchange, or distribution of any securities pursuant to the Plan, including the Private Placement Securities, is or shall be conducted in a manner that is exempt from the registration requirements of section 5 of the Securities Act and applicable state and local securities laws, pursuant to section 4(a)(2) of the Securities Act and/or the regulations promulgated thereunder (including Regulation D), Regulation S under the Securities Act and/or another available exemption from registration under Section 5 of the Securities Act. To the extent such securities are issued in reliance on Section 4(a)(2) of the Securities Act or Regulation D thereunder or Regulation S under the Securities Act, each will be "restricted securities" subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to registration, or an applicable exemption from registration under the Securities Act and other applicable law. In that regard, each recipient shall be required to make customary representations to the Debtors including that each is an "accredited investor" (within the meaning of Rule 501(a) of the Securities Act) or a qualified institutional buyer (as defined under Rule 144A promulgated under the Securities Act).

The interests in the Liquidating Trust, the Litigation Trust, any GUC Sub-Trust, or the GUC Equity Trust Interests are not expected to be deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, or the provision of section 1145 of the Bankruptcy Code is expected to apply to such interests (except with respect to an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code) or the issuance of such interests is expected to be exempt from the registration under section 5 of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration.

The Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the 1145 Securities, Private Placement Securities, or interests in the Liquidating Trust, the Litigation Trust, any GUC Sub-Trust, or the GUC Equity Trust Interests under applicable securities laws.

R. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VII and Article X of the Plan, and the terms of the Committee Settlement, the Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action other than the Assigned Claims and the Assigned Insurance Rights, whether arising before or after the Petition Date and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) that constitute Elixir Acquired Assets or Retail Acquired Assets, (b) exculpated or released (including, without limitation, by the Debtors) pursuant to the releases and exculpations contained in the Plan, including in Article X, or (c) waived in accordance with Article IV.R of the Plan which in the case of the foregoing (b) or (c) shall be deemed released and waived by the Debtors and the Reorganized Debtors or the Wind-Down Debtors, as applicable, as of the Effective Date.

The Debtors and the Wind-Down Debtors, as applicable, shall waive any Avoidance Action against the Commonwealth of Massachusetts on account of, or relating to, the Massachusetts OAG Agreement, and the Confirmation Order shall serve as approval by the Bankruptcy Court of the release of such claims. Additionally, each of the California AG Proofs of Claim is an Allowed General Unsecured Claim. The Debtors and the Wind-Down Debtors, as applicable, shall waive any Avoidance Action against the California AG, or any mediate or immediate transferee of the California AG, on account of, or relating to, the California AG Agreement, and the Confirmation Order shall serve as approval by the Bankruptcy Court of the release of such claims.

The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, may pursue such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights), as appropriate, in accordance with the best interests of the Reorganized Debtors and the Wind-Down Debtors, as applicable. The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall retain and may exclusively enforce any and all such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights). The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, shall have the exclusive right, authority, and discretion to determine and to initiate, File, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action (but not, for the avoidance of doubt, the Assigned Claims and the Assigned Insurance Rights) and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Reorganized Debtors or the Wind-Down Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as assigned or transferred to the Purchaser in accordance with the Purchase Agreement(s) or otherwise expressly provided in the Plan, including in Article IV and Article X of the Plan. Unless any such Causes of Action against an Entity are expressly waived (including pursuant to Article IV.R of the Plan), relinquished, exculpated, released, compromised, assigned, or transferred to a Purchaser in accordance with a Purchase Agreement, or settled in the Plan or a Final Order, the Reorganized Debtors and the Wind-Down Debtors expressly reserve all such Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, Claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

Notwithstanding anything to the contrary in the Plan, in the Plan Supplement or in the Confirmation Order, the Debtors shall preserve and transfer and/or assign to the Litigation Trust, the Assigned Claims and the Assigned Insurance Rights and the right to commence, prosecute, or settle all Assigned Claims and Assigned Insurance Rights belonging to such Debtors or their Estates, subject to the occurrence of the Effective Date and the other terms and conditions set forth in the Plan; *provided*, that, subject to the terms and conditions of the Plan, (a) the Litigation Trust or GUC Sub-Trust(s) shall be the successor-in-interest to the Debtors' rights, title, and interest in any Assigned Claims and Assigned Insurance Rights, (b) the Litigation Trust or GUC Sub-Trust(s) as may be applicable, shall have exclusive standing to pursue the Assigned Claims and Assigned Insurance Rights, and (c) the Litigation Trustee or GUC Sub-Trust Trustee(s), pursuant to the Committee Settlement Documents, shall have the right to commence, prosecute, or settle such Assigned Claims

and Assigned Insurance Rights and to decline to do any of the foregoing in its discretion and without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court. In pursuing any Assigned Claim or Assigned Insurance Right, the Litigation Trust or GUC Sub-Trust(s) shall be entitled to the tolling provisions provided under section 108 of the Bankruptcy Code, and shall succeed to the Debtors' rights with respect to the time periods in which an Assigned Claim or Assigned Insurance Right may be bought under section 546 of the Bankruptcy Code. The Litigation Trust or GUC Sub-Trust(s) shall be entitled to recover on any Assigned Claims or Assigned Insurance Rights as a result of the Settlement of Tort Claims described in Article IV.B of the Plan and/or any settlement or judgment with respect to the other Assigned Claims and no consent shall be necessary for the Litigation Trust or GUC Sub-Trust(s) to transfer such the proceeds of any such Assigned Claims or Assigned Insurance Rights once received from an insurer or other third-party. For the avoidance of doubt, the Litigation Trust or applicable GUC Sub-Trust shall be solely responsible for effectuating all distributions on account of the Litigation Trust Assets for General Unsecured Claims.

S. Private Company.

In the event of a Plan Restructuring, the Reorganized Debtors shall not have any class of Equity Securities listed on a national securities exchange and shall make commercially reasonable efforts to take the steps necessary to be a private company without Securities Act or Exchange Act reporting obligations upon emergence or as soon as reasonably practicable thereafter in accordance with and to the extent permitted by the Securities Act and the Exchange Act.

T. Additional Sale Transactions.

Pursuant to the Bidding Procedures and Bidding Procedures Order, interested parties may submit a bid for some, all, or any portion of the Debtors' assets. If, in the Debtors' business judgment, and subject to the Bidding Procedures and the terms of the Bidding Procedures Order, the Debtors determine that one or more bids for all or a portion of the Debtors' assets offers higher or otherwise better terms to the Debtors' Estates, then the Debtors may conduct (a) in the event of a Plan Restructuring, Other Asset Sale(s) for those assets or (b) in the event of a Sale Transaction Restructuring, Alternative Sale Transaction(s) for those assets, with the consent of the Required AHG Noteholders in the event of a Plan Restructuring or a Credit Bid Transaction. Such Other Asset Sale(s) or Alternative Sale Transaction(s), as applicable, would be consummated pursuant to section 363 of the Bankruptcy Code either pursuant to the Plan or separate Purchase Agreement(s) to be approved pursuant to separate Sale Order(s), and the treatment of proceeds from such Other Asset Sale(s) or Alternative Sale Transaction(s) shall be distributed pursuant to the Plan or separate Court order and in a manner consistent with the Final Financing Order. For the avoidance of doubt, pursuit of any Other Asset Sales shall not impact the Committee Settlement.

U. Employment Obligations.

For the avoidance of doubt, the collective bargaining agreements ("CBAs") between labor unions and various Debtors may only be rejected pursuant to and in accordance with the procedures and standards set forth in section 1113 of the Bankruptcy Code; provided that the Debtors shall assume the Pension Plan as well as all CBAs and union contracts.

The cure amounts, if any, related to the assumption of the CBAs shall be satisfied in full by payment by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course, of all the Debtors' or the Reorganized Debtors' obligations under the assumed CBA(s), as applicable, arising under the CBAs to the extent such obligations are valid and payable. As a result, if the CBAs are assumed, no Proof of Claim, request for administrative expense, or cure claim need be Filed with respect to such cure amounts, provided, however, that the Debtors' and the Reorganized Debtors' rights, defenses, claims, and counterclaims with respect to any such obligations are expressly preserved.

After the Effective Date, the Reorganized Debtors intend to, in the ordinary course of their business, as and to the extent required by the Pension Plan's governing documents and in accordance with applicable non-bankruptcy law: (i) satisfy the minimum funding requirements under 26 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083 as required by applicable law; (ii) pay, or cause to be paid, all required premiums, if any, owed to PBGC under 29 U.S.C. §§ 1306 and 1307, for the Pension Plan under ERISA or the Internal Revenue Code; and (iii) administer the Pension Plan in accordance with the applicable provisions of ERISA and the IRC. Further, if the Pension Plan continues and is assumed by the Reorganized Debtors, PBGC and the Debtors agree that all Proofs of Claim Filed by PBGC would be deemed withdrawn on the Effective Date without incurring liability in the bankruptcy.

Nothing in the Chapter 11 Cases, the Disclosure Statement, the Plan, the Confirmation Order, or any other document Filed in the Chapter 11 Cases shall be construed to discharge, release, limit, or relieve any individual from any claim by the PBGC or the Pension Plan for breach of any fiduciary duty under ERISA, including prohibited transactions, with respect to the Pension Plan, subject to any and all applicable rights and defenses of such parties, which are expressly preserved. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such fiduciary duty or related liability by any of the provisions of the Disclosure Statement, Plan, Confirmation Order, Bankruptcy Code, or other document Filed in the Chapter 11 Cases. For the avoidance of doubt, if the Pension Plan continues, the Reorganized Debtors shall not be released from any liability or obligation under ERISA, the IRC, and any other applicable law relating to the Pension Plan.

V. Notice Regarding U.S. Government Payor Statutory Rights.

The United States takes the position that nothing in the Plan, Plan Supplement, Confirmation Order, or any other Definitive Document can release, discharge, enjoin, limit, or otherwise prejudice the United States' rights under the Medicare Secondary Payer Act, 42 USC §§ 1395y(b) et seq., section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110-173), or the Federal Medical Care Recovery Act, 42 U.S.C. §§ 2651-2653.

VIII. OTHER KEY ASPECTS OF THE PLAN

A. Treatment of Executory Contracts and Unexpired Leases.

1. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, each Executory Contract or Unexpired Lease not previously assumed, assumed and assigned, or rejected shall be deemed automatically rejected by the applicable Debtor, unless otherwise agreed by the applicable counterparty, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those that: (1) are specifically described in the Plan as to be assumed in connection with Confirmation of the Plan, or are identified on the Schedule of Assumed Executory Contracts and Unexpired Leases; (2) have been previously assumed or rejected by the Debtors pursuant to the Assumption/Rejection Procedures Order or any other Bankruptcy Court order; (3) are the subject of a Filed motion to assume, assume and assign, or reject such Executory Contract or Unexpired Lease (or of a Filed objection with respect thereto) that is pending on the Confirmation Date; (4) are to be assumed by the Debtors or assumed by the Debtors and assigned to another third party, as applicable, through a Sale Order in connection with any sale transaction, including in a Sale Transaction Restructuring that is pending on the Confirmation Date; (5) are a contract, release, or other agreement or document entered into in connection with the Plan; or (6) are an Insurance Policy.

For the avoidance of doubt and notwithstanding anything to the contrary herein, the Debtors shall make all assumption and rejection determinations for their Executory Contracts and Unexpired Leases either through the Filing of a motion or identification in the Plan Supplement, in each case prior to the applicable deadlines set forth in sections 365(d)(2) and 365(d)(4) of the Bankruptcy Code, as clarified by the Extension Order. To the extent any provision of the Bankruptcy Code or the Bankruptcy Rules requires the Debtors to assume or reject an Executory Contract or Unexpired Lease by a deadline, including section 365(d) of the Bankruptcy Code, such requirement shall be satisfied if the Debtors make an election, either through the Filing of a motion or identification in the Plan Supplement or similar schedule in connection with a Sale Order, to assume or reject such Executory Contract or Unexpired Lease prior to the applicable deadline, regardless of whether or not the Bankruptcy Court has actually ruled on such proposed assumption or rejection prior to such deadline.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions, assumptions and assignments, or rejections of the Executory Contracts and Unexpired Leases as set forth in the Plan or the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein or in the Confirmation Order or any Purchase Agreement to be approved pursuant to the Plan, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Notwithstanding anything herein

to the contrary, with respect to any Unexpired Lease that is not assumed on the Effective Date pursuant to Article V.A of the Plan, the effective date of rejection of such Unexpired Leases shall be the later of: (A) the Effective Date, except (1) in connection with a Court-Ordered Cure Cost pursuant to Article V.C or (2) if agreed by the applicable counterparty, and (B) the date upon which the Debtors notify the landlord in writing (e-mail being sufficient) that they have surrendered the premises to the landlord and returned the keys, key codes, or security codes, as applicable; *provided* that on the date the Debtors surrender the premises as set forth in subsection (B) above, all property remaining in the premises will be deemed abandoned free and clear of any interests, Liens, Claims, and encumbrances and landlords may dispose of such property without further notice or court order, unless otherwise agreed by the applicable lessor or pursuant to an order of the Bankruptcy Court. If the effective date of any rejection of an Unexpired Lease is after the Confirmation Date pursuant to the terms in the Plan, the Reorganized Debtors shall provide notice of such rejection to the applicable landlord no later than the Initial Extended 365(d)(4) Deadline[29], setting forth the deadline for Filing any Claims arising from such rejection, which notice shall also be served upon the GUC Equity Trustee and Litigation Trustee.

Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the rights of counterparties to Unexpired Leases of nonresidential real property to object to the continued possession of such leased property, including the ability to conduct GOB sales on the properties, or failure to comply with any other lease terms or obligations, including payment of rents and charges and insurance obligations, in each case related to such Unexpired Lease following entry of the Confirmation Order are expressly preserved, and the rights of such counterparties to request such objection be heard on shortened notice are preserved.

Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall revest in, and be fully enforceable by the applicable Debtor in accordance with its terms, except as such terms may have been modified by agreement of the parties thereto, subject to Article V.A of the Plan. Any motions to assume Executory Contracts or Unexpired Leases pending on the Confirmation Date shall be subject to a Final Order on or after the Confirmation Date but may be withdrawn, settled, or otherwise prosecuted by the applicable Debtor, Reorganized Debtor, or Wind-Down Debtor, as applicable.

29 "Initial Extended 365(d)(4) Deadline" shall have the meaning given to such term in the *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Procedures for Exiting Certain Leased Real Property and (II) Granting Related Relief* [Docket No. 2024].

Subject to any Sale Order, to the maximum extent permitted by Law, the transactions contemplated by the Plan shall not constitute a "change of control" or "assignment" (or terms with similar effect) under any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan, or any other transaction, event, or matter that would (A) result in a violation, breach, or default under such Executory Contract or Unexpired Lease, (B) increase, accelerate, or otherwise alter any obligations, rights or liabilities of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors under such Executory Contract or Unexpired Lease, or (C) result in the creation or imposition of a Lien upon any property or asset of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors pursuant to the applicable Executory Contract or Unexpired Lease, and to the extent any provision in any such Executory Contract or Unexpired Lease restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the transactions contemplated by the Plan, then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto, and any consent or advance notice required under such Executory Contract or Unexpired Lease in connection with assumption thereof (subject to the other provisions of Article V.A of the Plan) shall be deemed satisfied by Confirmation.

Notwithstanding anything to the contrary in the Plan, after the Confirmation Date, an Executory Contract or Unexpired Lease on the Schedule of Assumed Contracts and Unexpired Leases as of the Confirmation Date may not be rejected by the applicable Debtor(s), other than as provided for in the Plan, unless the applicable lessor or contract counterparty has (x) consented to such rejection, (y) objected to the assumption of such Executory Contract or Unexpired Lease and such objection remains outstanding, or (z) in the case of Unexpired Leases, consented to an extension of the time period in which the applicable Debtor(s) must assume or reject such Unexpired Lease pursuant to section 365(d)(4) of the Bankruptcy Code (as extended with the applicable lessor's consent, the "Deferred Deadline"), in which case for purposes of clause (z) the applicable Debtor(s) shall have until the Deferred Deadline to assume such Unexpired Lease, subject to the applicable lessor's right to object to such assumption, or such Unexpired Lease shall be deemed rejected. For any Executory Contract or Unexpired Lease assumed pursuant to this paragraph, all Cure Costs shall be paid on the Effective Date or as soon as reasonably practicable thereafter, unless subject to a dispute with respect to Cure Cost, such dispute shall be addressed in accordance with Article V.C of the Plan.

Notwithstanding anything to the contrary in the Plan, in the event of a Sale Transaction Restructuring under Article V.D of the Plan, the Debtors or the Wind-Down Debtors, as applicable, reserve the right to alter, amend, modify, or supplement (i) the Schedule of Assumed Executory Contracts and Unexpired Leases and (ii) any schedule of Executory Contracts and Unexpired Leases that is attached to any Purchase Agreement(s), with the consent of the Purchaser, at any time up to the earlier of (x) 90 days following the closing date of a Sale Transaction Restructuring, and (y) solely with respect to Unexpired Leases of nonresidential real property, the deadline set forth in section 365(d)(4) of the Bankruptcy Code, as such date may be extended with the consent of the applicable landlord counterparty, consistent with the Purchase Agreement, as applicable (the "Designation Rights Period").

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases.

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time shall be barred from asserting such Claims against the Debtors and precluded from voting on any plans of reorganization filed in these Chapter 11 Cases and/or receiving distributions on account of such Claims in these Chapter 11 Cases. The Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, shall be authorized to update the Claims Register to remove any Claims not timely filed; *provided* that the Debtors will provide notice to such claimant at the address or email address on the Proof of Claim, to the extent such information is provided, informing such claimant that its Claim will be removed from the Claims Register as a result of being untimely filed**. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B of the Plan and may be objected to in accordance with the provisions of Article IX of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules. For the avoidance of doubt, unless otherwise agreed, any property remaining on the premises subject to a rejected Unexpired Lease shall be deemed abandoned by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, as of the effective date of the rejection, and the counterparty to such Unexpired Lease shall be authorized to (i) use or dispose of any property left on the premises in its sole and absolute discretion without notice or liability to the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, or any third party, and (ii) shall be authorized to assert a Claim for any and all damages arising from the abandonment of such property by filing a Claim in accordance with Article V.B of the Plan.

3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.

On the Effective Date or as soon as reasonably practicable thereafter, the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, shall, in accordance with the Schedule of Assumed Executory Contracts and Unexpired Leases, pay all Cure Costs relating to Executory Contracts and Unexpired Leases that are being assumed under the Plan on such terms as the parties to such Executory Contracts or Unexpired Leases may agree; *provided* that, if a dispute regarding assumption or Cure Cost is unresolved as of the Effective Date, then payment of the applicable Cure Cost shall occur as soon as reasonably practicable after such dispute is resolved. Any Cure Cost shall be deemed fully satisfied, released, and discharged upon payment of the Cure Cost.

Unless otherwise agreed in writing by the parties to the applicable Executory Contract or Unexpired Lease, any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related Cure Cost must be Filed, served, and actually received by counsel to the Debtors no later than 14 days after the service of notice of assumption on affected counterparties. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption or assumption and assignment, as applicable, of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption or assumption and assignment and any untimely request for an additional or different Cure Cost shall be Disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any of the Debtors without the need for any objection by the applicable Reorganized Debtors or the Wind-Down Debtors, as applicable, or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court.

Any payment of Cure Costs by the Debtors or a Purchaser, as applicable, in connection with Executory Contracts and Unexpired Leases assumed or assumed and assigned pursuant to a Sale Transaction Restructuring or an Other Asset Sale shall be satisfied in full by the Debtors or the Purchaser(s), as applicable, in accordance with the terms in the Purchase Agreement(s) and the Sale Order(s), as

applicable (including the Assignment Procedures), including in the event of a dispute regarding (i) the amount of any payments to cure such a default, (ii) the ability of the Debtors, the Purchaser, or any assignee to provide "adequate assurance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to assumption.

Except as otherwise set forth in any applicable Sale Order, if there is any dispute regarding any Cure Costs, the ability of the Debtors, the Reorganized Debtors, the Wind-Down Debtors, or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption or assumption and assignment, then payment of any Cure Costs shall occur as soon as reasonably practicable after (a) entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment) or (b) as may be agreed upon by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Any such disputes shall be scheduled for hearing upon request of the affected counterparty or the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, at the earliest convenience of the Court; provided that no hearing will be scheduled on less than 10 days' notice to the affected counterparty, and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, and that no such hearing shall be scheduled less than 30 days after the Effective Date unless agreed to between the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, and the affected counterparty. The Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable, may reconcile and settle in the ordinary course of the Debtors' business any dispute (following a timely Filed objection) regarding any Cure Cost or any other matter pertaining to assumption without any further notice to or action, order, or approval of the Bankruptcy Court.

If the Bankruptcy Court determines that the Allowed Cure Cost with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the Schedule of Assumed Contracts and Unexpired Leases (such greater amount, the "Court-Ordered Cure Cost"), the Debtors shall have the right to (a) satisfy the Court-Ordered Cure Cost as soon as reasonably practicable thereafter and assume such Executory Contract or Unexpired Lease in accordance with the terms herein or, (b) within 14 days of such determination, remove such Executory Contract or Unexpired Lease from the Schedule of Assumed Executory Contracts and Unexpired Leases, in which case such Executory Contract or Unexpired Lease will be deemed rejected on the later of (i) the date of entry of the Court-Ordered Cure Cost and, (ii) solely with respect to Unexpired Leases, the date upon which the Debtors notify the landlord in writing (email being sufficient) that they have surrendered the premises to the landlord and returned the keys, key codes, or security codes, as applicable, and in the case of rejection of an Unexpired Lease pursuant to the preceding clause (ii), the Debtors shall, pursuant to section 365(d)(4) of the Bankruptcy Code, immediately surrender the related premises to the lessor unless otherwise agreed with the applicable lessor or ordered by the Court, subject to the applicable counterparty's right to object to such rejection; *provided* that, after the deadline to assume an Executory Contract or Unexpired Lease set forth in section 365(d) of the Bankruptcy Code, as clarified by the Extension Order, an Executory Contract or Unexpired Lease may only be removed from the Schedule of Assumed Executory Contracts and Unexpired Leases if (1) the applicable counterparty consents to such rejection, (2) the applicable counterparty objected to the assumption or cure of such Executory Contract or Unexpired Lease and such objection remains outstanding, or (3) the court orders a Court-Ordered Cure Cost. Notwithstanding anything to the contrary herein, the Reorganized Debtors, the Wind-Down Debtors, and the applicable counterparty shall be entitled to the full benefits of the Executory Contract or Unexpired Lease (including without limitation, any license thereunder) pending the resolution of any Cure Cost dispute.

The assumption of any Executory Contract or Unexpired Lease in connection with any Sale Transaction Restructuring, Plan Restructuring, or Other Asset Sale and the cure of defaults associated therewith in accordance with section 365(b) of the Bankruptcy Code, including the payment of any Cure Costs as adjudicated or agreed upon by the Debtors and the applicable Purchaser, shall result in the full release and satisfaction of any Cure Cost, Claims, or defaults, whether monetary or nonmonetary, including those arising from or triggered by the filing of these Chapter 11 Cases and provisions restricting the change in control or ownership interest composition or any bankruptcy-related defaults, in each case at any time prior to the effective date of assumption. **Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Confirmation Order, shall be deemed Disallowed and expunged as of the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such assumption or (2) the effective date of such assumption without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, *however*, that nothing herein shall affect the allowance of Claims or any Cure Cost agreed to by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, in any written agreement amending or modifying any Executory Contract or Unexpired Lease prior to its assumption.** Notwithstanding anything in the Plan, the Purchase Agreement(s), the Sale Order(s), the Plan Supplement, or otherwise to the contrary, any non-Debtor party to any such Executory Contract or Unexpired Lease shall be entitled to receive, and nothing herein shall release or result in the satisfaction of such party's right to receive, payment in full of

all Cure Costs and all amounts that have accrued or otherwise arisen as of the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease.

4. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Debtors (for themselves and for their successors) expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

5. Insurance Policies.

Notwithstanding anything to the contrary in the Plan, the Plan Supplement or the Confirmation Order:

Nothing in the Plan, the Plan Supplement or the Confirmation Order shall terminate or otherwise reduce the coverage under any D&O Liability Insurance Policies. After the Effective Date, all directors, officers, managers, authorized agents or employees of the Debtors (or their Affiliates) who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any applicable D&O Liability Insurance Policies for the full term of such policies, including but not limited to any extension of coverage after the end of such policy period if any extended reporting period has been purchased, in accordance with the terms thereof.

The Debtors shall maintain tail coverage for any current D&O Liability Insurance Policies for the six-year period following the Effective Date on terms no less favorable than under, and with an aggregate limit of liability no less than the aggregate limit of liability under, the current D&O Liability Insurance Policies.

Each of the Debtors' Insurance Policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, (i) the Debtors shall be deemed to have assumed all Insurance Policies and any agreements, documents, and instruments relating to coverage of all insured Claims, including all D&O Liability Insurance Policies, and (ii) such Insurance Policies and any agreements, documents, or instruments relating thereto, including all D&O Liability Insurance Policies, shall vest in the Reorganized Debtors or the Wind-Down Debtors, as applicable.

The Litigation Trust or GUC Sub-Trust(s) shall be responsible for monitoring and preserving the ability to maintain claims that are Assigned Claims or Assigned Insurance Rights against the Insurance Policies (except for (a) the Debtors' Unassigned Insurance Policies and (b) the Unassigned Insurance Rights), including the D&O Liability Insurance Policies. To the extent the Debtors are not the first named insured under any Insurance Policy and notwithstanding Confirmation of the Plan or the occurrence of the Effective Date (i) nothing herein shall constitute a rejection of such Insurance Policy, (ii) such Insurance Policy shall remain in full force and effect, and (iii) any and all rights of the Debtors under such Insurance Policy shall remain in full force and effect. For the avoidance of doubt, the dissolution of the Debtors or the Reorganized Debtors shall have no impact upon the rights of the Litigation Trust or GUC Sub-Trust(s) to assert the Assigned Insurance Rights or Assigned Claims.

After the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, and the Litigation Trust, the GUC Sub-Trust(s), and any successor or assign of the Litigation Trust or the GUC Sub-Trust(s) shall not terminate the coverage under any D&O Liability Insurance Policies (including the "tail policy") in effect prior to the Effective Date, and any directors and officers of the Debtors who served in such capacity at any time before or after the Effective Date shall be entitled to the full benefits of any such policy in accordance with and subject in all respects to the terms and conditions of any applicable D&O Liability Insurance Policy, which shall not be altered, for the full term of such D&O Liability Insurance Policy regardless of whether such directors and/or officers remain in such positions after the Effective Date.

For the avoidance of doubt, nothing herein shall in any way impair the Litigation Trust's or GUC Sub-Trust's ability on and after the Effective Date to assert on behalf of the Debtors or Reorganized Debtors, as applicable, any Assigned Claims or any Assigned Insurance Rights, on account of such Assigned Claims or such Assigned Insurance Rights, which shall not be altered except as otherwise provided herein. Notwithstanding anything herein to the contrary, the Debtors shall retain the ability to supplement the Insurance Policies, with the reasonable consent and cooperation of the Litigation Trust or GUC Sub-Trust(s) and as the Debtors and the Litigation Trust or GUC Sub-Trust(s) deem necessary (except with respect to the Unassigned Insurance Policies, for which no consent is required).

6. Indemnification Provisions.

All Indemnification Provisions, consistent with applicable law, currently in place (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, D&O Liability Insurance Policies, or otherwise) for the current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other Professionals of each of the Debtors, as applicable, shall be Reinstated and remain intact, irrevocable, and shall survive the Effective Date on terms no less favorable to such current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other Professionals of the Debtors than the Indemnification Provisions in place prior to the Effective Date. [For the avoidance of doubt, Indemnification Provisions shall be Reinstated for any Excluded Party.]

7. D&O Liability Insurance Policies.

Each of the Debtors' Insurance Policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, (i) the Debtors shall be deemed to have assumed all Insurance Policies and any agreements, documents, and instruments relating to coverage of all insured Claims, including all D&O Liability Insurance Policies, pursuant to section 365 of the Bankruptcy Code or otherwise, subject to the Debtors' rights to seek amendment to such Insurance Policies and (ii) such Insurance Policies and any agreements, documents, or instruments relating thereto, including all D&O Liability Insurance Policies, shall vest in the Reorganized Debtors or the Wind-Down Debtors, as applicable. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the Insurance Policies of the Debtors, including each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the Insurance Policies, including D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed.

The Debtors shall maintain tail coverage under any D&O Liability Insurance Policies for the six-year period following the Effective Date on terms no less favorable than under, and with an aggregate limit of liability no less than the aggregate limit of liability under, the D&O Liability Insurance Policies. In addition to such tail coverage, the D&O Liability Insurance Policies shall remain in place in the ordinary course during the Chapter 11 Cases.

For the avoidance of doubt, nothing herein shall in any way impair the Litigation Trust's ability on and after the Effective Date to assert on behalf of the Debtors or Reorganized Debtors, as applicable, any Assigned Claims or any Assigned Insurance Rights, on account of such Assigned Claims or such Assigned Insurance Rights, subject to the terms and conditions of the applicable Insurance Policies, including the D&O Liability Insurance Policies, which shall not be altered. Notwithstanding anything herein to the contrary, the Debtors shall retain the ability to supplement the Insurance Policies, including the D&O Liability Insurance Policies, as the Debtors and Reorganized Debtors, as applicable, deem necessary.

8. Modifications, Amendments, Supplements, Restatements, or Other Agreements.

Unless otherwise provided in the Plan, a Sale Order, or the Purchase Agreement(s), each assumed and assigned Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including easements, reciprocal easement agreements, construction operating and reciprocal easement agreements, operating or redevelopment agreements, covenants, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

9. Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Contracts and Unexpired Leases, nor anything contained in the Plan or the Plan Supplement, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors or the Wind-Down Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan or a Sale Order. Following the expiration of the Designation Rights Period, as applicable, the Debtors may not subsequently reject any Unexpired Lease previously designated as assumed or assumed and assigned and may not assume or assume and assign an Unexpired Lease previously designated as rejected on the Schedule of Assumed Contracts and Unexpired Leases absent the consent of the applicable lessor or order of the Bankruptcy Court. A final and timely designation with respect to all Unexpired Leases of nonresidential real property will be made in accordance with Article V.A of the Plan.

10. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4)(B)(ii) of the Bankruptcy Code.

11. Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor (but excluding any contracts or leases assigned to a Purchaser in accordance with a Purchase Agreement), will be performed by the applicable Debtor or, after the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases but excluding any Executory Contracts or Unexpired Leases that have been rejected as of the date of entry of the Confirmation Order) will survive and remain unaffected by entry of the Confirmation Order.

12. Sale Order Assignment Procedures.

Nothing contained in the Plan or the Confirmation Order constitutes or shall be construed as any modification or amendment of a Sale Order or the Assignment Procedures attached thereto, in the event of a Sale Transaction Restructuring or an Other Asset Sale.

B. Conditions Precedent to Consummation of the Plan

1. Conditions Precedent to the Effective Date

It shall be a condition to the occurrence of the Effective Date that the following conditions shall have been satisfied or waived pursuant to the provisions of Article XI.B of the Plan;

1. the DIP ABL Facility, the DIP FILO Facility, the DIP Term Loan Facility, and the Financing Orders each remains in full force and effect;

2. in the event of a Plan Restructuring or a Credit Bid Transaction, each of the Definitive Documents must be, in form and substance acceptable to the Required AHG Noteholders and the Agents (subject to any additional consent rights set forth in Article I.A.96);

3. the Plan, the Confirmation Order, the Disclosure Statement, the Sale Order, if applicable, and the Disclosure Statement Order must be, in form and substance acceptable to the Debtors and reasonably acceptable to the Required AHG Noteholders, the Agents, and the Committees;

4. the Restructuring Transactions shall have been implemented in accordance with the Restructuring Transactions Memorandum in all material respects;

5. each of the Confirmation Order and the Sale Order, if applicable, shall have been entered and shall not be stayed;

6. the Bankruptcy Court shall have entered the Controlled Substance Injunction Order, and such order shall be a Final Order;

7. in the event of a Credit Bid Transaction, New Rite Aid shall have been formed;

8. all documents necessary to consummate the Plan shall have been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification by the Debtors that the Effective Date has occurred) contained therein shall have been satisfied or waived in accordance therewith and in accordance with any applicable consent rights set forth in the Plan;

9. the Bankruptcy Court shall have entered the Final Financing Order and the Final Financing Order shall not have been vacated, stayed, revised, modified, or amended in any manner without the prior written consent of the DIP Agent and, to the extent set forth in the Final Financing Order, and there shall be no default or event of default existing under the DIP Credit Agreement or the Final Financing Order;

10. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, and documents that are necessary to implement and effectuate the Plan;

11. in the event of a Sale Transaction Restructuring, the Wind-Down Reserve and the Administrative / Priority Claims Reserve shall have each been funded;

12. the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

13. all accrued and unpaid reasonable and documented fees and expenses of the Ad Hoc Secured Noteholder Group (including any advisors thereto) in connection with the Restructuring Transactions, to the extent invoiced three Business Days prior to the Effective Date, shall have been paid in accordance with the terms and conditions set forth in the Financing Order, and the DIP Credit Agreement, as applicable;

14. the GUC Equity Trust Agreements shall have been executed and the GUC Equity Pool shall have been issued to the GUC Equity Trust;

15. the Litigation Trust Documents necessary for the operation of the Litigation Trust to operate on the Effective Date shall have been executed and/or Filed, as applicable and the Committees' Initial Cash Consideration and other Litigation Trust Assets shall have been contributed to the Litigation Trust;

16. the Committee Settlement shall be in full force and effect and the Committee Settlement and any provisions of any Definitive Documents related to the Committee Settlement or the UCC/TCC Recovery Allocation Agreement (if Filed and subject to the consent rights set forth in the Plan) shall be reasonably acceptable to the Committees and shall not have been modified without the Committees' consent (not to be unreasonably withheld);

17. in the event of the Plan Restructuring, the New Common Stock shall have been issued;

18. (i) all waiting periods imposed by any Governmental Unit in connection with the transactions contemplated by the Plan, the Sale Transaction Restructuring, and any Other Asset Sale shall have terminated or expired and (ii) all authorizations, approvals (including regulatory approvals), consents, or clearances under the any applicable antitrust Laws in connection with such transactions shall have been obtained;

19. as applicable, the Exit Facilities Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof;

20. in the event of (a) a Plan Restructuring or (b) a Credit Bid Transaction, any Other Asset Sale or Alternative Sale Transaction shall (i) be acceptable to the Required AHG Noteholders and the Agents and (ii) shall have closed on or prior to the Effective Date;

21. in the event of a Sale Transaction Restructuring, New Rite Aid or the applicable Purchaser shall have acquired the Retail Acquired Assets pursuant to the applicable Purchase Agreement, and in each case all conditions precedent to the closing of such Sale Transaction Restructuring shall have been satisfied or duly waived;

22. any Sale Transaction Restructuring shall be acceptable to the Required AHG Noteholders;

23. as applicable, the Takeback Notes Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the issuance of the Takeback Notes shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Takeback Notes shall be deemed to occur concurrently with the occurrence of the Effective Date;

24. the New Corporate Governance Documents shall be in full force and effect;

25. any and all requisite governmental, regulatory, and third-party approvals and consents shall have been obtained;

26. the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated herein in a manner consistent in all respects with the Plan and the Plan Supplement;

27. all DOJ Claims are subject to one or more settlement agreements between the Debtors and their non-Debtor Affiliates, including EIC, as applicable, and the DOJ, which settlement agreements (a) provide for no less than $350 million in available proceeds on account of the CMS Receivable to fund distributions to Holders of Allowed DIP Claims and Holders of Allowed Senior Secured Notes Claims and (b) are otherwise in form and substance acceptable to the Debtors, the Required AHG Noteholders and the Exit Facilities Agent;

28. on the Effective Date, the Debtors shall have Pro Forma Closing Liquidity of at least $700,000,000;

29. the Debtors shall have delivered to the Ad Hoc Secured Noteholder Group (a) pro forma consolidated and consolidating financial statements of the Reorganized Debtors as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 45 days prior to the Effective Date, (b) monthly financial statements for the twelve months ended prior to the Effective Date, concluding the month ending at least 30 days prior to the Effective Date, and (c) forecasts, prepared by the management of the Debtors (in consultation with the Debtors' financial advisor) and in form and substance and with assumptions satisfactory to the Ad Hoc Secured Noteholder Group, of (i) balance sheets, income statements, and cash flow statements and (ii) the Revolving Borrowing Base, the FILO Borrowing Base, and Excess Availability (in each case, as defined in the Exit Facilities Credit Agreement), in each case, for each month for the first twelve full fiscal months following the Effective Date and on an annual basis thereafter through the term of the Exit Facilities, which projections shall demonstrate projected Excess Availability in excess of $700,000,000 as of the end of each month for the 12 months following the Effective Date;

30. in the event of a Plan Restructuring or a Credit Bid Transaction, the Debtors and/or New Rite Aid, as applicable, shall have (a)(i) entered into an amended McKesson Prepetition Contract, as amended pursuant to the McKesson Settlement and (ii) assumed the McKesson Prepetition Contract, or (b) terminated the McKesson Prepetition Contract and entered into the McKesson New Contract

or a new contract with an alternative supplier, which shall be effective no later than the Effective Date, in a form reasonably acceptable to the Required AHG Noteholders and the Exit Facilities Agent, as applicable;

31. the Debtors shall have conducted the sales and marketing process for the Rite Aid Retail Assets in the manner agreed upon between the Debtors and the Required AHG Noteholders.

32. the aggregate amount of Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Tax Claims, and Allowed Other Secured Claims to be paid pursuant to the Plan shall be reasonably acceptable to the Required AHG Noteholders;

33. in the event of a Plan Restructuring or a Credit Bid Transaction, the (a) Allowed amount of the McKesson Claim and (b) treatment of the Allowed McKesson Claim under the Plan shall each be reasonably acceptable to the Required AHG Noteholders and the Exit Facilities Agent, as applicable;

34. in the event of a Plan Restructuring, (a) if the MedImpact Term Loan Backstop Parties acquire the MedImpact Term Loan pursuant to the MedImpact Term Loan Bidding Procedures, (i) the MedImpact Term Loan Rights Offering shall have been conducted in accordance with the Plan, the MedImpact Term Loan Rights Offering Procedures and the MedImpact Term Loan Backstop Commitment Agreement, (ii) the MedImpact Term Loan NewCo shall have been formed, and interests therein distributed to the MedImpact NewCo Trustee, in accordance with the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement and the Plan, and (iii) the MedImpact NewCo Notes shall have been distributed in accordance with the terms and conditions of the MedImpact Term Loan Backstop Commitment Agreement, the MedImpact NewCo Notes Documentation, the MedImpact Term Loan Rights Offering, and the Plan or (b) if the MedImpact Term Loan Backstop Parties do not acquire the MedImpact Term Loan, the Cash proceeds of the MedImpact Term Loan have been allocated in accordance with Section (II)(A) of Exhibit E of the Final Financing Order;

35. in the event of a Plan Restructuring, the MedImpact Term Loan Sale shall have been conducted in accordance with the MedImpact Term Loan Bidding Procedures and shall have occurred and been consummated on or prior to the Effective Date; and

36. in the event of a Plan Restructuring, subject to the terms and conditions of the AHG New-Money Commitment Agreement, (a) the SCD Trust shall have been formed, and interests therein distributed, in accordance with the terms and conditions of the SCD Trust Documentation and the Plan, (b) the AHG Notes shall have been issued in accordance with the terms and conditions of the AHG New-Money Commitment Agreement and the AHG Notes Documentation, and (c) the Debtors shall have entered into the Elixir Intercreditor Agreement.

2. Waiver of Conditions.

Subject to and without limiting the rights of each party under the Final Financing Order, the conditions to Consummation set forth in Article XI.A of the Plan, other than the condition set forth in Article XI.A.13 of the Plan, may be waived by the Debtors (with the consent of (i) the DIP Agents, (ii) the Exit Facilities Agent, (iii) the Required AHG Noteholders, but solely in the event of a Plan Restructuring or Credit Bid Transaction, and (iv) the Committees, to the extent that such waiver directly, materially, and adversely affects the rights or entitlements of Committees under the Committee Settlement, *provided* that the wavier of the condition set forth in Article XI.A.14 through Article XI.A.17 of the Plan shall require the consent of the Committees, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan; *provided that*, the condition in Article XI.A.12 of the Plan may not be waived without the consent of the affected Professionals.

3. Effect of Failure of Conditions.

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

4. Substantial Consummation.

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

IX. RISK FACTORS

BEFORE TAKING ANY ACTION WITH RESPECT TO THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO, OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT, INCLUDING OTHER DOCUMENTS FILED WITH THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES. THE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES OR THE RESTRUCTURING AND CONSUMMATION OF THE PLAN.

A. Bankruptcy Law Considerations.

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

1. The Debtors Will Consider All Available Restructuring Alternatives if the Restructuring Transactions Are Not Implemented, and Such Alternatives May Result in Lower Recoveries for Holders of Claims Against and Interests in the Debtors.

If the Restructuring Transactions are not implemented, the Debtors will consider all available restructuring alternatives, including filing an alternative chapter 11 plan, converting to a chapter 7 plan, commencing section 363 sales of the Debtors' assets, and any other transaction that would maximize the value of the Debtors' estates. The terms of any alternative restructuring proposal may be less favorable to Holders of Claims against and Interests in the Debtors than the terms of the Plan as described in this Disclosure Statement.

Any material delay in the confirmation of the Plan, the Chapter 11 Cases, or the threat of rejection of the Plan by the Bankruptcy Court, would add substantial expense and uncertainty to the process.

The uncertainty surrounding a prolonged restructuring would have other adverse effects on the Debtors. For example, it would adversely affect:

- the Debtors' ability to raise additional capital;
- the Debtors' liquidity;
- how the Debtors' business is viewed by regulators, investors, lenders, and credit ratings agencies;
- the Debtors' enterprise value; and
- the Debtors' business relationship with customers and vendors.

2. Parties in Interest May Object to the Plan's Classification of Claims and Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the Confirmation and Effective Date of the Plan are subject to a number of conditions precedent. If such conditions precedent are not waived or not met, the Confirmation and Effective Date of the Plan will not take place. In the event that the Effective Date does not occur, the Debtors may seek Confirmation of a new or amended Plan. If the Debtors do not secure sufficient working capital to continue their operations of if the new plan is not confirmed, however, the Debtors may be forced to liquidate their assets.

4. The Debtors May be Unable to Finalize a Resolution in Mediation, which could Impact the Debtors' Ability to Confirm the Plan

As discussed above, the Debtors and other parties in interest have reached an agreement in principle on a global settlement of issues subject to Mediation, among others. The definitive documentation of the global settlement remains subject to final approval from the Debtors, the DIP Lenders, the Ad Hoc Secured Noteholder Group, McKesson, and the Committees. The Debtors are hopeful that the global settlement will be finalized in advance of the Combined Hearing. However, there is no guarantee that the global settlement will be finalized. Among other issues, and although the Debtors have reached an agreement in principle with McKesson regarding the terms of the McKesson New Contract, pursuant to which McKesson will supply certain of the Reorganized Debtors with, among other things, pharmaceutical products critical to the operation of their pharmacy business, such agreement has not been formally executed nor approved by the Bankruptcy Court. Failure to consummate the McKesson Settlement may negatively affect the Debtors' ability to successfully confirm the Plan.[30]

30 The definitive documentation memorializing and implementing the McKesson Settlement and the McKesson 503(b)(9) Settlement remain subject to ongoing review, negotiation, finalization, and discussions with other key stakeholders.

The Debtors believe that the Plan attached hereto provides for the best (and only) available alternative to the Debtors' creditors, provides for a greater recovery (or potential recovery, as applicable) for creditors compared to a liquidation, and provides the greatest chance for the Debtors to emerge from these Chapter 11 Cases as a revitalized, streamlined going-concern retail pharmacy business.

5. The Debtors May Fail to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may need to seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Interests and Allowed Claims as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

6. The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court,

it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

7. The Debtors May Not Be Able to Secure Nonconsensual Confirmation Over Certain Impaired Non-Accepting Classes.

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

8. Certain Parties May Argue That Their Claims are Non-Dischargeable, and if Successful With Respect to Material Claims, the Debtors May be Unable to Secure Confirmation of the Plan.

Certain creditors may take the position their claims are non-dischargeable. Such creditors may make such allegations at any time, notwithstanding the existence of deadlines established by the Bankruptcy Rules or applicable Court order, entry of the Confirmation Order, or the occurrence of the Effective Date. Claimholders and other interested parties should refer to Articles IX.D.6(c) and IX.D.6(e) of this Disclosure Statement for discussions of certain debts and Claims, including those arising under the federal False Claims Act, that the United States asserts are not dischargeable claims or debts within the meaning of sections 727 or 1141, as applicable, of the Bankruptcy Code. Such assertions of non-dischargeablility, if successful with respect to material claims, could result in denial of confirmation, changes to the Plan, or, if asserted after occurrence of the Effective Date, the Reorganized Debtors being required to honor such claims.

9. The Debtors May Not Be Able to Obtain Exit Facility Commitments.

Based on the Financial Projections, the Debtors believe that they will need exit financing or alternative sources of liquidity to support their efforts to effectuate this restructuring and exit from these Chapter 11 Cases. There is a risk that the Debtors may not be able to secure Exit Facility Commitments and consummate the Plan. If the Debtors are unable to secure Exit Facility Commitments, the Plan may not be feasible.

10. Even if the Restructuring Transactions are Successful, the Debtors Will Face Continued Risk Upon Confirmation.

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to chapter 11 proceedings, changes in demand for the Debtors' services, and increasing expenses. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their Petitions. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan in order to achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' businesses after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

11. The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code.

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

12. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

13. Contingencies Could Affect Votes of Voting Impaired Classes to Accept or Reject the Plan.

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Class that is entitled to vote to accept or reject the Plan or require any sort of revote by such Impaired Class.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

14. Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article X of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Post-Effective Date Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan remain subject to Mediation and the completion of any ongoing diligence efforts by the Disinterested Directors at the applicable Debtor Entities and objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.[31]

The releases provided to the Released Parties and the exculpation provided to the Exculpated Parties are necessary to the success of the Debtors' reorganization because the Released Parties and Exculpated Parties have made significant contributions to the Debtors' reorganizational efforts and have agreed to make further contributions, but only if they receive the full benefit of the Plan's release and exculpation provisions. The Plan's release and exculpation provisions are an inextricable component of the Plan and the significant deleveraging and financial benefits embodied in the Plan.

B. Risks Related to Recoveries under the Plan.

1. In the Event of a Plan Restructuring, the Reorganized Debtors May Not Be Able to Achieve Their Projected Financial Results.

In the event of a Plan Restructuring, assuming that the Effective Date occurs, the Reorganized Debtors may not be able to achieve their projected financial results. The Financial Projections attached hereto represent the Debtors' management team's best estimate of the Debtors' future financial performance, which are necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations, as well as the United States and world economies in general, and the industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections are reasonable, there can be no assurance that they will be realized. If the Reorganized Debtors do not achieve their projected financial results, or are unable to procure sufficient exit financing to effectuate the Restructuring Transactions, the value of the New Common Stock may be negatively affected, and the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. In the Event of a Plan Restructuring, Certain Significant Holders of Shares of New Common Stock May Have Substantial Influence Over the Reorganized Debtors Following the Effective Date.

In the event of a Plan Restructuring, assuming that the Effective Date occurs, holders of Claims who receive distributions representing a substantial percentage of the outstanding shares of the New Common Stock may be in a position to influence matters requiring approval by the holders of shares of New Common Stock, including, among other things, the election of directors and the approval of a change of control of the Reorganized Date Debtors. The holders may have interests that differ from those of the other holders of shares of New Common Stock and may vote in a manner adverse to the interests of other holders of shares of New Common Stock. This concentration of ownership may facilitate or may delay, prevent, or deter a change of control of the Reorganized Debtors and consequently impact the value of the shares of New Common Stock. In addition, a holder of a significant number of shares of New Common Stock may sell all or a large portion of its shares of New Common Stock within a short period of time, which sale may adversely affect the trading price of the shares of New Common Stock. A holder of a significant number of shares of New Common Stock may, on its own account, pursue acquisition opportunities that may be complementary to the Reorganized Debtors' businesses, and as a result, such acquisition opportunities may be unavailable to the Reorganized Debtors. Such actions by holders of a significant number of shares of New Common Stock may have a material adverse impact on the Reorganized Debtors' businesses, financial condition, and operating results.

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[31] Releases effectuated through the Plan remain the subject of Mediation. The Debtors will seek approval of the substance and structure of the releases at Confirmation. Solicitation of elections with respect to Holder releases will occur after Confirmation, following the conclusion of the Mediation process.

3. Estimated Recoveries to Holders of Allowed Claims and Interests Are Not Intended to Represent Potential Market Values.

The Debtors' estimated recoveries to Holders of Allowed Claims and Allowed Interests are not intended to represent the market value of the Debtors' Securities. The estimated recoveries are based on numerous assumptions (the realization of many of which will be beyond the control of the Debtors), including: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to maintain adequate liquidity to fund operations; (d) the assumption that capital and equity markets remain consistent with current conditions; and (e) the Debtors' ability to maintain critical existing customer relationships, including customer relationships with key customers.

4. The Reorganized Debtors May Not Be Able to Generate or Receive Sufficient Cash to Service Their Debt and May Be Forced to Take Other Actions to Satisfy Their Obligations, Which May Not Be Successful.

The Reorganized Debtors' ability to make scheduled payments on their debt obligations depends on their financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to maintain a level of cash flow sufficient to permit them to pay the principal, premium, if any, and interest on their debt, including the Exit Facilities.

The Debtors do not have a commitment from either the DIP Lenders or a third party to provide the Exit Facilities. There is no guarantee that the Debtors will be able to secure such a commitment and, thus, the Debtors may seek to emerge from the Chapter 11 Cases without an Exit Facility or with an Exit Facility on unfavorable terms. Either situation would negatively affect the New Rite Aid's ability to operate going forward.

If cash flows and capital resources are insufficient to fund the Reorganized Debtors' debt obligations, they could face substantial liquidity problems and might be forced to reduce or delay investments and capital expenditures, or to dispose of assets or operations, seek additional capital or restructure or refinance debt, including the Exit Facilities. These alternative measures may not be successful, may not be completed on economically attractive terms, or may not be adequate to satisfy their debt obligations when due.

Further, if the Reorganized Debtors suffer or appear to suffer from a lack of available liquidity, the evaluation of their creditworthiness by counterparties and rating agencies and the willingness of third parties to do business with them could be adversely affected.

5. The New Common Stock is Subject to Dilution.

The ownership percentage represented by the New Common Stock distributed on the Effective Date under the Plan will be subject to dilution from the New Common Stock issued in connection with the issuance of additional shares of New Common Stock or the conversion of any options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence, including pursuant to the Management Incentive Plan.

6. A Decline in the Reorganized Debtors' Credit Ratings Could Negatively Affect the Debtors' Ability to Refinance Their Debt.

The Debtors' or the Reorganized Debtors' credit ratings could be lowered, suspended, or withdrawn entirely, at any time, by the rating agencies, if, in each rating agency's judgment, circumstances warrant, including as a result of exposure to the credit risk and the business and financial condition of the Debtors or the Reorganized Debtors, as applicable. Downgrades in the Reorganized Debtors' long-term debt ratings may make it more difficult to refinance their debt and increase the cost of any debt that they may incur in the future.

7. Certain Tax Implications of the Plan May Increase the Tax Liability of the Reorganized Debtors.

Holders of Allowed Claims should carefully review Article XIII of this Disclosure Statement, entitled "Certain U.S. Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors and the Reorganized Debtors and Holders of certain Claims.

C. Risks Relating to the Sale Transaction Restructuring, if Applicable.

1. The Debtors Might Not Be Able to Satisfy Closing Conditions in Connection with the Sale Transaction Restructuring.

It is possible that the Debtors may not satisfy the closing conditions of a Sale Transaction Restructuring if the Debtors determine to pursue a Sale Transaction Restructuring. A failure to satisfy any of the closing conditions of the Sale Transaction Restructuring related

thereto could prevent the Sale Transaction Restructuring and the Plan from being consummated, which could lead to the Chapter 11 Cases being converted to cases under chapter 7.

2. The Sale Transaction Restructuring, if Applicable, Will Affect the Debtors' Operations.

Pursuant to the Sale Transaction Restructuring, as applicable, all, substantially all, or one or more groups of assets of the Debtors may be sold pursuant to Bankruptcy Code sections 105, 363 and 365. Any remaining assets of the Debtors will be transferred to the Reorganized Debtors and will either be operated in the ordinary course or wound down. To the extent substantially all the assets of the Debtors are sold in a Restructuring Transaction that is a Sale Transaction Restructuring, it is anticipated that Reorganized Debtors will have no active ongoing operations except as contemplated for the Wind-Down Debtors or the Plan Administrator, as applicable. To the extent only certain of the Debtors' assets are sold, the Reorganized Debtors are anticipated to continue operating the remaining assets. However, whatever form the Restructuring Transaction takes, the Debtors could experience business disruptions that negatively affect their operations.

D. Risks Related to the Debtors' and New Rite Aid's Businesses.

1. New Rite Aid May Not Be Able to Generate Sufficient Cash to Service All of Their Indebtedness.

New Rite Aid's ability to make scheduled payments on, or refinance their debt obligations, depends on the New Rite Aid's financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond New Rite Aid's control. New Rite Aid may be unable to maintain a level of cash flow from operating activities sufficient to permit New Rite Aid to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, potential borrowings under any Exit Facilities or Takeback Facilities and upon emergence.

2. The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) the ability to develop, confirm, and consummate the Restructuring Transactions specified in the Plan; (b) the ability to obtain Bankruptcy Court approval with respect to motions Filed in the Chapter 11 Cases from time to time; (c) the ability to maintain relationships with suppliers, vendors, service providers, customers, employees, and other third parties; (d) the ability to maintain contracts that are critical to the Debtors' operations; (e) the ability of third parties to seek and obtain Bankruptcy Court approval to terminate contracts and other agreements with the Debtors; (f) the ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

3. Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' and Subsequently New Rite Aid's Businesses.

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on

business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that customers and suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the Reorganized Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

4. Financial Results May Be Volatile and May Not Reflect Historical Trends.

During the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as restructuring activities and expenses, contract terminations and rejections, and claims assessments significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date. In addition, if the Debtors emerge from the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

Finally, the business plan was developed by the Debtors with the assistance of their restructuring advisor, Alvarez & Marsal. There can be no assurances that the Debtors' business plan will not change, perhaps materially, as a result of decisions that the board of directors may make after fully evaluating the strategic direction of the Debtors and their business plan. Any deviations from the Debtors' existing business plan would necessarily cause a deviation.

5. The Debtors' Business is Subject to Various Laws and Regulations That Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business.

The Debtors' operations are subject to various federal, state, and local laws and regulations, including state healthcare licenses (e.g., state pharmacy license requirements), occupational health and safety laws and evolving environmental standards. The Debtors may be required to make large expenditures to comply with such regulations. Failure to comply with these laws and regulations may result in the suspension or termination of operations and subject the Debtors to administrative, civil, and criminal penalties, which could have a material adverse effect on the business, financial condition, results of operations and cash flows of New Rite Aid. In addition, to the extent a Sale Transaction Restructuring that involves the transfer of pharmacy retail assets is effectuated, certain state healthcare licenses (e.g., state pharmacy license requirements) may not transfer. As a result, such pharmacy may be required to temporarily shut operations and then re-open under the new owner's license. Similarly, any Medicare or Medicaid enrollments will not transfer, and the new owner will have to enroll in such programs before they can seek reimbursement. This disruption to operations and revenue could have a material adverse effect on the business, financial condition, results of operations and cash flows of New Rite Aid.

Governmental investigations, as well as *qui tam* lawsuits, may lead to significant fines, penalties, settlements, or other sanctions, including exclusion from federal and state healthcare programs. Settlements of lawsuits involving Medicare and Medicaid enrollment and/or payment issues routinely require both monetary payments and corporate integrity agreements, each of which could have an adverse effect on the Debtors' business, results of operations, financial position, and cash flows.

6. New Rite Aid May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases.

In the future, New Rite Aid may become party to litigation. Any claims against New Rite Aid, whether meritorious or not, could be time-consuming, result in costly litigation, and divert significant resources. If any of these legal proceedings were to be determined adversely to New Rite Aid, or New Rite Aid were to enter into a settlement arrangement, New Rite Aid could be exposed to monetary damages that could have an adverse effect on New Rite Aid's business, financial condition and results of operations and therefore any distributions made to Holders of New Common Stock. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims or Interests under the Plan. It is not possible to predict the potential litigation that New Rite Aid may become party to, nor the final resolution of such litigation. The impact of any such litigation on New Rite Aid businesses and financial stability, however, could be material.

As disclosed in the Debtors' SEC filings, the Debtors are regularly involved in a variety of legal matters including arbitration, litigation (and related settlement discussions), audits by counter parties under our contracts, and other claims, and is subject to regulatory proceedings including audits, inspections, inquiries, investigations, and similar actions by health care, insurance, pharmacy, tax, and other governmental authorities arising in the ordinary course of its business and across a number of subject areas (including employment, data privacy, and general liability matters). The Debtors record accruals for outstanding legal matters and applicable regulatory proceedings when it believes it is probable that a loss has been incurred, and the amount can be reasonably estimated. These estimates are updated as the facts and circumstances of the cases develop and/or change.

(a) Usual and Customary Litigation.

As of the Petition Date, the Debtors were defending several lawsuits alleging that they overcharged for prescription drugs by not submitting the price available to members of the Debtors' Rx Savings Program as the pharmacy's usual and customary ("U&C") price, as well as related theories.

- *Humana Health Plan, Inc. v. Rite Aid Hdqtrs. Corp.*, 22-cv-226-DJH-CHL (W.D. Ky.). Humana Health Plan, Inc. sought to enforce a previously issued arbitration award against the Debtors for $122.6 million plus interest regarding alleged U&C overcharges. On August 4, 2023, the Bankruptcy Court issued an order confirming the arbitration award and entered judgment against the Debtors. At this time, the Debtors have accrued an amount equal to the Arbitration Award plus post-judgment interest. The Debtors have entered into an agreement with Humana that tolled the enforcement of the judgment until October 15, 2023.

- *Stafford v. Rite Aid Corp.*, 17-cv-01340-AJB-JLB (S.D. Cal.) (consolidated with *Josten v. Rite Aid Corp.* No. 18-cv-00152-TWR-AHG). Plaintiff brought a putative consumer class action against the Debtors, asserting that it was obligated to charge plaintiff's insurance companies its U&C prices for prescription drugs but failed to do so.

- *Cnty. Of Monmouth v. Rite Aid Corp. et al.*, 2:20-cv-02024-KSM (E.D. Pa.). In April 2020, the County of Monmouth and Diane Scavello commenced a putative class action against the Debtors, seeking to represent a class of third-party payers and insured Rite Aid customers who were allegedly overcharged for prescription drug purchases. Plaintiffs assert claims for fraud, negligent misrepresentation, unjust enrichment, and violation of twelve states' consumer protection laws. On March 31, 2023, the court denied the Debtors' motion to compel arbitration.

- *Blue Cross and Blue Shield of North Carolina v. Rite Aid Corp. et al.*, 20-cv-01731 (D. Minn.). The Debtors are defending two consolidated lawsuits filed by various Blue Cross/Blue Shield plans operating in eight states, alleging the Debtors improperly submitted various U&C overcharges to several pharmacy benefit managers.

- *WellCare Health Plans, Inc. v. Rite Aid Hdqtrs. Corp.*, 22-CA-000524 (Fla. 13th Cir. Ct.). The Debtors are defending a lawsuit filed in January 2022 in Florida state court for breach of contract, fraud, and unjust enrichment related to U&C pricing. The claims are raised by WellCare plans as well as Meridian, whose health plans and PBM WellCare acquired in 2020 and was assigned their interests. WellCare alleges that the Debtors inflated its U&C prices by not using Rx Savings Program prices and thus overcharged members insured under primarily Medicare Advantage, Medicare Part D, and Medicaid plans.

(b) **Drug Utilization and Code 1 Litigation.**

U.S. ex rel. Schmuckley v. Rite Aid Corp., 2-12-CV-01699-KM-EFB (C.D. Cal.). Plaintiff Loyd Schmuckley, as relator, brought a *qui tam* lawsuit against the Debtors, alleging that it failed to perform certain verification and documentation requirements for "Code 1" drugs between 2007 and 2014 as required under California's Medicaid program. The State of California intervened in 2017, asserting False Claims Act claims, among others. The parties have reached an agreement to settle this matter. Under the settlement, among other provisions, the Company paid the California Department of Justice $2.0 million, and the California Department of Justice will file a general unsecured proof of claim for $58.0 million against Rite Aid's bankruptcy estate. The settlement did not resolve Relator's claim for attorney fees and expenses.

On February 12, 2024, the law firm Waters, Kraus & Paul commenced an adversary proceeding (Case No. 24-01062-MBK) against Debtors Rite Aid Corporation, Rite Aid Hdqtrs. Corp., and Thrifty Payless, Inc. (together, the "Rite Aid Defendants") by filing a complaint (the "Schmuckley Complaint") seeking a determination from the Bankruptcy Court that certain fees and expenses incurred in connection with the commencement, pursuit, and settlement of the lawsuit captioned *United States, et al., ex rel. Loyd F. Schmuckley Jr. v. Rite Aid Corporation, et al.,* Case No. 2:12-CV-1699 (the "FCA Action"), filed with the United States District Court for the Eastern District of California, are not dischargeable in the Debtors' Chapter 11 Cases. While the underlying claims asserted in the FCA Action were resolved through the California AG Agreement and are being addressed elsewhere in the Plan, the fees and expenses of Loyd F. Schmuckley, Jr., as Relator, and Waters, Kraus & Paul were expressly carved out for separate determination. As of the date hereof, the Rite Aid Defendants' deadline to respond to the Schmuckley Complaint is April 15, 2024.

(c) **Controlled Substances Litigation.**

The Debtors are currently a defendant in a number of lawsuits relating to alleged opioid abuse along the pharmaceutical supply chain, including manufacturers, wholesale distributors, and retail pharmacies. As of September 13, 2023, 1,658 opioid lawsuits have been filed against the Debtors; 1,509 of the lawsuits are pending in federal court (of which 1,472 lawsuits have been transferred to the multi-district litigation noted below), and 149 lawsuits have been filed in state court. The Debtors have also asserted an insurance coverage action for costs that may be reimbursed for these opioid-related lawsuits.[32]

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32 In *Rite Aid Corp. et al. v. ACE Americans Ins. Co. et al.,* No. 339, 2020 (Del.), the Company has asserted insurance recovery and breach of contract claims against its insurance carrier, seeking the recovery of defense, settlement, and/or judgment costs that may be paid for opioid-related lawsuits including the MDL. Although the trial court determined that this insurer was obligated to reimburse the Company for its defense costs, the Delaware Supreme Court reversed the trial court's order and ruled that the insurer had no duty to defend the first MDL suits set for trial based on the specific allegations at issue in those cases. The matter has been remanded to the lower court for further proceedings.

In re Nat'l Prescription Opiate Litig., 17-MD-2804 (N.D. Ohio). Numerous counties, cities, municipalities, Native American tribes, hospitals, third-party payers, and others across the U.S. asserted opioid-related claims that include public nuisance and negligence theories of liability against the Debtors and various other defendants in the MDL. On June 1, 2022, the U.S. Judicial Panel on Multidistrict Litigation ordered that newly filed cases will no longer be transferred to the MDL. Cases against the Debtors that are not part of the MDL are pending in state and federal court and allege similar claims. The Debtors presently have no active MDL cases being prepared for trial at this time. At least 136 cases naming the Debtors are pending, and more than 100 other cases have a potential remand, although the court has only remanded one case where Rite Aid is a defendant. From time to time, some of these cases may be settled, dismissed or otherwise terminated, and additional such cases may be filed and the Debtors are exploring possible avenues for resolving some or all of its portfolio of opioids-related litigation, although no assurance can be given that the litigation will be resolved to the parties' mutual satisfaction, or that a resolution will not include a monetary payment, and that the payment will not be material.

U.S. ex rel. White et al. v. Rite Aid Corp. et al., 21-cv-01239-CEF (N.D. Ohio). On October 2, 2019, three former Rite Aid pharmacy personnel filed a *qui tam* complaint against certain of the Debtors in the U.S. District Court for the Eastern District of Pennsylvania, which action was later transferred to the U.S. District Court for the Northern District of Ohio (the "N.D. Ohio District Court"). On March 13, 2023, the United States intervened in the action, naming Rite Aid Corporation and certain other Debtors as

defendants. The United States has alleged violations of the federal False Claims Act and Controlled Substances Act relating to the dispensing of controlled substances, primarily opioids. In connection with the *White* litigation, the United States has asserted that any liabilities of the Debtors resulting from the Debtor defendants' alleged violations of the federal False Claims Act or the Controlled Substances Act would be a non-dischargeable debt under sections 727 or 1141, as applicable, of the Bankruptcy Code.

As described above, on March 11, 2024, the Debtors and the United States filed a joint status report in the N.D. Ohio District Court, indicating an agreement in principle resolving the United States' claims in the *White* action, subject to approval by authorizing officials within the DOJ and additional conditions, including acceptable documentation and the confirmation and effectiveness of a chapter 11 plan of reorganization for the Debtors. The Debtors continue to engage with the DOJ to finalize the terms of the settlement resolving the *White* action.

Further, as described above, the Debtors and the Settling States have reached an agreement in principle regarding the terms of the Controlled Substance Injunction and the resolution of the Settling States' claims against the Debtors. The Controlled Substance Injunction remains subject to final approval by the Debtors and the Settling States. The Debtors continue to engage with the Settling States to finalize the terms of the Controlled Substance Injunction.

(d) **Securities Litigation.**

In re Rite Aid Securities Litigation, 2022-cv-04201 (E.D. Pa.). Plaintiff brought a putative shareholder class action against the Debtors and certain executives, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, alleging misstatements and omissions concerning the growth of Elixir's PBM services businesses. An amended complaint was filed July 31, 2023, and the Debtors filed their motion to dismiss on October 2, 2023. Additionally, the Debtors have responded to a books and records request.

Holland v. Rite Aid Corp. et al., 2023-cv-00589 (N.D. Ohio). Plaintiff brought a putative shareholder class action against the Debtors and certain former and current executives, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, alleging misstatements and omissions concerning the Debtors' risk for regulatory action and litigation related to its controlled substances practices. The matter has been transferred to the Eastern District of Pennsylvania. An amended complaint was filed on September 8, 2023. The Debtors received three books and records requests, which the Debtors are negotiating.

(e) **Elixir Investigation and Related Claims.**

Debtors Rite Aid Corporation, Ex Options, and Ex Solutions, LLC, and their non-Debtor affiliate Elixir Insurance Company (collectively, the "Elixir Companies") are the subjects of an investigation by the DOJ concerning whether they have violated the federal False Claims Act, by knowingly submitting, or causing to be submitted, false claims to Medicare (the "Elixir Investigation"). In connection with the Elixir Investigation, in August 2022 and thereafter, the Elixir Companies received Civil Investigation Demands ("CIDs") from the DOJ, which remain pending. The Elixir Companies continue to engage with DOJ regarding the CIDs and a possible resolution of the of the United States' claims arising from this investigation.

In connection with the Elixir Investigation, the United States asserts that any liabilities of the Debtors resulting from the Debtor defendants' alleged violations of the federal False Claims Act would be non-dischargeable debts under sections 727 or 1141, as applicable, of the Bankruptcy Code.

On March 26, 2024, the Debtors and the DOJ reached a settlement in principle resolving the Elixir Investigation, the CIDs, and the United States' potential claims arising therefrom, subject to final DOJ approval and confirmation and consummation of the Plan. The foregoing settlement in principle remains subject to approval by authorizing officials within the DOJ and additional conditions, including acceptable documentation of the settlement terms and the confirmation and effectiveness of a chapter 11 plan of reorganization for the Debtors. The Debtors continue to engage with the DOJ to finalize the terms of the settlement resolving the Elixir Investigation.

7. The Loss of Key Personnel Could Adversely Affect the Debtors' Operations.

The Debtors' operations are dependent on a relatively small group of key management personnel. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result,

the Debtors may experience increased levels of employee attrition. Because competition for experienced personnel can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience, and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale could have a material adverse effect on the Debtors' ability to meet expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

8. The Debtors May Not Be Able to Accurately Report Their Financial Results.

The Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Debtors' financial statements because of their inherent limitations, including the possibility of human error, and the circumvention or overriding of controls or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Debtors fail to maintain the adequacy of their internal controls, the Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required under the terms of the agreements governing the Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Debtors' business, results of operations, and financial condition. Further, the Debtors may discover other internal control deficiencies in the future and/or fail to adequately correct previously identified control deficiencies, which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

9. Inflation Could Adversely Impact the Debtors' Financial Condition and Results of Operations.

Inflation in the United States began to rise significantly in the second half of the calendar year of 2021 and continued to rise through the middle of 2022; the inflation rate remains relatively high. This is primarily believed to be the result of the economic impacts from the COVID-19 pandemic, including the global supply chain disruptions, strong economic recovery and associated widespread demand for goods, and government stimulus packages, among other factors. For instance, global supply chain disruptions have resulted in shortages in materials and services. Such shortages have resulted in inflationary cost increases for labor, materials, and services, and could continue to cause costs to increase as well as scarcity of certain products. The Debtors are experiencing inflationary pressures in many areas of their businesses, including with respect to employee wages and the cost of prescription drugs, although, to date, they have been able to slightly offset such pressures through price increases and other measures. The Debtors cannot, however, predict any future trends in the rate of inflation or associated increases in their operating costs and how that may impact their business. To the extent the Debtors are unable to recover higher operating costs resulting from inflation or otherwise mitigate the impact of such costs on their business, gross margins could decrease, and their financial condition and results of operations could be adversely affected. Acts by the U.S. Federal Reserve, or other governmental entities, intended to address inflation may also have a negative impact on the Debtors, such as increased borrowing costs.

10. Failure or Significant Disruption to the Debtors' Information Technology Systems / Infrastructure or a Cyber-Security Breach Could Adversely Affect the Debtors' Operations.

Technology and computer systems are critical to many aspects of the Debtors' pharmacy business, including, but not limited to, the drug supply chain, the Debtors' dispensing of drugs, and the Debtors' reimbursement. For instance, the Debtors have historically relied extensively on computer systems used by Rite Aid, Elixir Insurance, Bartell, and Health Dialog, to manage the Debtors' ordering, pricing, point-of-sale, inventory replenishment, and other processes. The Debtors' computer systems are at risk for failures, security breaches, and natural disasters, and they have been subject to attack by perpetrators of random or targeted malicious technology-related events, such as cyberattacks, ransomware, computer malware, worms, bot attacks, or other destructive or disruptive software and attempts to misappropriate customer information, including credit card information. These sorts of attacks could subject the Debtors' systems to damage or interruption from power outages, computer and telecommunications failures, computer malware, cyber-security breaches, vandalism, coordinated cyber-security attacks, severe weather conditions, catastrophic events, and human error. The Debtors' disaster recovery planning considers many possible scenarios but cannot account for all eventualities. Collectively, the Debtors are building a security-aware culture across the organization by providing role-based security training, developing security champions

across technology and business areas, and partnering with industry experts. The Debtors' information security program is designed to protect confidential information, networks, and systems against attacks through a multi-layered approach to address information security threats and vulnerabilities. However, a compromise of the Debtors' information security controls or of those businesses with whom the Debtors interact, which results in confidential information being accessed, obtained, damaged, or used by unauthorized or improper persons, could harm the Debtors' reputation and expose them to regulatory actions and claims from customers and clients, financial institutions, payment card associations, and other persons, any of which could adversely affect the Debtors' business, financial position and results of operations. Moreover, a data security breach could require that the Debtors expend significant resources related to the Debtors' information systems and infrastructure and could distract management and other key personnel from performing their primary operational duties. The Debtors could also be adversely impacted by any significant disruptions in, or security breaches of, the systems and technology of third-party suppliers, or processors the Debtors interact with, including key payors and vendors with whom the Debtors share information. If the Debtors' systems are damaged, fail to function properly, or otherwise become unavailable, the Debtors may incur substantial costs to repair or replace them, and may experience loss of critical data and interruptions or delays in the Debtors' ability to perform critical functions, which could adversely affect the Debtors' business and results of operations. Any compromise or breach of the Debtors' data security, whether external or internal, or misuse of customer, associate, supplier, or the Debtors' data could also result in a violation of applicable privacy, information security, and other laws, significant legal and financial exposure, fines or lawsuits, damage to the Debtors' reputation, loss or misuse of the information, and a loss of confidence in the Debtors' security measures, which could harm the Debtors' business. Although the Debtors maintain cyber-security insurance, they cannot know that the coverage limits under the Debtors' insurance program will be adequate to protect them against future claims.

To effectively compete with the Debtors' competitors and continue business partner relations, the Debtors must and are investing in and updating their technology and computer systems. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to the Debtors' business, compliance with those requirements could also result in additional costs. While the Debtors seek to ensure that their security operations are current and that their technology can properly interface with the Debtors' business partners, there are risks that the Debtors' technology investments will not be successful, will not provide a return on investment, and/or may fail or never be deployed. Oftentimes, the Debtors are implementing multiple updates or technology changes at the same time. The Debtors are currently in the process of changing their omni-channel distribution, and there can be no assurance that the Debtors will be able to implement this technology on its intended timeline or that it will achieve its intended benefits.

11. Any Failure to Protect the Security of Personal Information About the Debtors' Customers and Associates, Could Result in Significant Business Liability and Reputational Harm.

In the ordinary course of business, the Debtors collect, process and store certain personal information that the Debtors' customers provide to purchase products or services, enroll in promotional programs, register on the Debtors' the website, or otherwise communicate and interact with us, including in connection with the Debtors' administration of COVID-19 vaccines. The Debtors may collect, maintain, and store information about the Debtors' associates in the normal course of business and contract with third-party business associates and vendors to accomplish these tasks. The Debtors may share information about such persons with vendors that assist with certain aspects of their business. Despite instituted safeguards for the protection of such information, security could be compromised, and confidential customer or business information misappropriated, for which the Debtors have paid related penalties in the past. Data breaches or violations of data protection laws may result in liability for the Company, even if caused, in whole or in part, by a business associate, vendor, or other third-party. The unlawful handling or disclosure of sensitive personal information could also pose a serious risk to the Debtors' customers' trust in the Company, including the unlawful handling or disclosure due to security breaches of the systems and technology of third-party suppliers or processors that the Debtors interact with, including key payors and vendors with whom they share information including PHI, PII, and personal credit card information. The Debtors are constantly working to enhance their defenses against Ransomware attacks, but there is always a risk of controls being defeated which could result in loss of customer or business information that could disrupt the Debtors' operations, damage their reputation, and expose them to claims from customers, financial institutions, payment card companies and other persons, or result in governmental investigation and enforcement, sanctions, fines, and/or penalties, any of which could have an adverse effect on the Debtors' business, financial condition, and results of operations. Compliance with more rigorous privacy and information security laws and standards, including, without limitation, the 2010 FTC Consent Order to which the Debtors are subject regarding the protection of personal information, may result in significant expense due to increased investment in technology, the ongoing development and implementation of new operational and control processes, and other security protocols or efforts. The Debtors' brand, reputation, and customer loyalty may be negatively impacted, and they may become subject to enforcement actions, fines, penalties, and additional obligations under new or extended consent orders, in the event of any personal

information-related privacy or security issues or the breach or violation of the FTC Consent Order. The occurrence or scope of any future data privacy or security failures are unpredictable, and it may prove difficult or impossible to fully mitigate or remediate their negative consequences. If the Debtors fail to comply or are alleged to have failed to comply with applicable data protection and privacy and security laws and regulations, they could be subject to government regulatory investigations and enforcement actions, as well as private individual or class action lawsuits.

12. New and Emerging Payment Models for Health Care Services Reimbursement May Hinder the Debtors' Retail Pharmacies' Ability to Compete and Negatively Impact the Debtors' Revenue.

Government and commercial payors are increasingly exploring alternatives to fee-for-service payment models. Such alternatives include risk sharing, value-based payment and bundled payment systems for health care services. The Debtors' retail pharmacies do not operate as part of integrated health care delivery models and, unlike some of the Debtors' competitors, they have not invested in health care delivery models which integrate different health care services, such as pharmacy and primary care services. Additionally, the Debtors' retail pharmacies are not active participants in any risk assumption payment models. Moreover, it is operationally difficult to apply value-based payment to prescription drug benefit services. To the extent that payors increasingly embrace these new payment delivery models and systems, and the Debtors' retail competitors are able to adapt to such changes, the Debtors' retail pharmacies risk being excluded from such networks and the corresponding loss of reimbursement. Even though the COVID-19 pandemic and resulting government waivers have allowed pharmacists to embrace an expanded scope of services, the end of the COVID-19 pandemic could result in a rollback of those waivers, and the Debtors' pharmacists may no longer be authorized to offer such services as part of the various novel delivery and payment models.

13. A Change in the Debtors' Pharmacy and Payor Mix Could Adversely Affect the Debtors' Profit Margins.

The Debtors' Retail Pharmacy Segment is subject to changes in pharmacy and payor mix, including shifts in pharmacy prescription volume toward programs offering less favorable reimbursement terms, which could adversely affect the results of the Debtors' operations. For instance, the Debtors anticipate that a growing number of prescription drug sales will involve government subsidized drug benefit programs, 90-day fill programs, and specialty drug sales, under which the Debtors' business may receive lower margins. As the Debtors' government-funded businesses grow, their exposure to changes in law and policy under those programs will increase. Also, the government could reduce funding for health care or other programs or cancel, decline to renew, or modify the Debtors' contracts, which could adversely impact their business, operating results, and cash flows. Moreover, many Medicare Part D plans and commercial payors are adopting preferred pharmacy networks, in which participating pharmacies must accept lower reimbursement in exchange for access to the payors' patient population. The Debtors could incur negative financial impacts should the terms and conditions of such preferred networks become less favorable or if the Debtors are unable to offset lower reimbursement with additional prescription volume, other business, or improved efficiencies. The Debtors could also be negatively impacted by changes in the relative distribution of drugs dispensed at the Debtors' pharmacies between brands and generics or if the Debtors experience an increase in the amounts they pay to procure pharmaceutical products.

14. A Substantial Portion of the Debtors' Pharmacy Revenue is Currently Generated From a Limited Number of Third-Party Payors, and, if There is a Loss of, or Significant Change to Prescription Drug Reimbursement Rates by, a Major Third-Party Payor, the Debtors' Revenue Will Decrease and the Debtors' Business and Prospects Could be Adversely Impacted.

A substantial portion of the Debtors' pharmacy revenue is currently generated from a limited number of third-party payors. While the Debtors are not limited in the number of third-party payors with which they can do business and results may vary over time, the Debtors' top five third-party payors accounted for 83.4%, 77.4%, and 77.9% of their pharmacy revenue during fiscal 2023, 2022, and 2021, respectively. The largest third-party payor, CVS/Caremark, represented 33.4%, 32.1%, and 30.4% of pharmacy sales during fiscal 2023, 2022, and 2021, respectively. The Debtors expect that a limited number of third-party payors will continue to account for a significant percentage of their pharmacy revenue, and the loss of all or a portion of, or a significant change to customer access or prescription drug reimbursement rates by, a major third-party payor could decrease the Debtors' revenue and harm their business. Revenue could further be impacted through changes in third-party payor behavior responding to the implementation of CMS' final rule on the assessment of pharmacy price concessions, specifically through the Part D bid process and subsequent contracts.

In 2020, CMS adopted the Transparency in Coverage Final Rule, which requires non-grandfathered group health plans and health insurance issuers offering non-grandfathered coverage in the group and individual markets to disclose on a public website certain price information, including negotiated rates and historical net prices for covered prescription drugs. Enforcement began on July 1,2022. CMS' enforcement of the rule could inhibit the ability of pharmacy stakeholders, including the Debtors' PBM and retail pharmacy business segments, respectively, from negotiating favorable reimbursement contracts for the Debtors' Company.

15. Certain Risks are Inherent in Providing Pharmacy Services; the Debtors' Insurance May Not be Adequate to Cover Any Claims Against Them.

Pharmacies are exposed to risks inherent in the packaging and distribution of pharmaceuticals and other healthcare products, such as with respect to improper filling of prescriptions, labeling of prescriptions, adequacy of warnings, unintentional distribution of counterfeit drugs, and expiration of drugs. In addition, federal and state laws that require the Debtors' pharmacists to offer counseling, without additional charge, to customers about medication, dosage, delivery systems, common side effects, and other information the pharmacists deem significant can impact the Debtors' business. The Debtors' pharmacists may also have a duty to warn customers regarding any potential negative effects of a prescription drug if the warning could reduce or negate these effects. Although the Debtors maintain professional liability and errors and omissions liability insurance, from time to time, claims result in the payment of significant amounts, some portions of which are not funded by insurance. The Debtors cannot assure you that the coverage limits under their insurance programs will be adequate to protect them against future claims, or that the Debtors will be able to maintain this insurance on acceptable terms in the future. The Debtors' results of operations, financial condition, or cash flows may be adversely affected if in the future their insurance coverage proves to be inadequate, unavailable, there is an increase in liability for which the Debtors self-insure, or they suffer reputational harm as a result of an error or omission.

16. Trading in Common Stock During the Pendency of the Chapter 11 Cases is Highly Speculative and Poses Substantial Risks

All of the indebtedness is senior to the existing common stock in the Debtors' capital structure. The Plan contemplates that the Debtors' existing equity interests will be cancelled and discharged in connection with the Chapter 11 Cases and the holders of those equity interests, including the holders of common stock, will be entitled to no recovery. Accordingly, any trading in common stock during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks to purchasers of common stock.

E. Risks Related to the Offer and Issuance of Securities Under the Plan.

1. A Liquid Trading Market for the New Common Stock May Not Develop.

Following emergence from chapter 11, New Rite Aid will not be a publicly traded company. As the New Common Stock are not expected to be listed on a securities exchange following emergence from chapter 11, it is unlikely that there will be a liquid trading market for the New Common Stock. To the extent there is a trading market for the New Common Stock, the liquidity of any market for New Common Stock will depend upon, among other things, the number of holders of shares of the New Common Stock, the Debtors' financial performance and prospects, and the market for similar securities, none of which can be determined or predicted. Accordingly, there can be no assurance that an active trading market for the New Common Stock will develop, nor can any assurance be given as to the liquidity or prices at which such securities might be traded. In the event an active trading market does not develop, the ability to transfer or sell the New Common Stock may be substantially limited.

As it is not expected that any of the New Common Stock will be listed on a securities exchange, the Reorganized Debtors do not expect to be subject to the reporting requirements of the Securities Act, and Holders of the New Common Stock will not be entitled to any information except as expressly required by the applicable governance documents. As a result, the information which the Debtors are required to provide the holders of New Common Stock on an ongoing basis is expected to be less than the Debtors would be required to provide if the New Common Stock were registered under the Exchange Act or listed on a national securities exchange. This lack of information could impair your ability to evaluate your ownership and impair the marketability of the New Common Stock.

2. The Trading Price for the New Common Stock May Be Depressed Following the Effective Date.

Holders of Claims that receive the New Common Stock may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of New Common Stock available for trading could cause the trading price for the New Common Stock to be depressed, particularly in the absence of an established trading market for the New Common Stock.

3. Certain Holders of the New Common Stock May Be Restricted in Their Ability to Transfer or Sell Their Interests.

Pursuant to section 1145(a)(1) of the Bankruptcy Code, 1145 Securities issued under the Plan may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities. Resales by Holders of Claims or Interests (as applicable) who receive New Common Stock pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. Such holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act.

The New Common Stock are not expected to be registered under the Securities Act or any state securities laws, and the Debtors make no representation regarding the right of any Holder of New Common Stock to freely resell the New Common Stock. *See* Article XII to this Disclosure Statement, entitled "Certain Securities Law Matters," which begins on page 147.

4. Restricted Securities Issued under the Plan May Not Be Resold or Otherwise Transferred Unless They Are Registered Under the Securities Act or an Exemption from Registration Applies.

To the extent that securities issued pursuant to the Plan are not covered by section 1145(a)(1) of the Bankruptcy Code, such securities shall be issued pursuant to section 4(a)(2) under the Securities Act and will be deemed "restricted securities" that may not be sold, exchanged, assigned, or otherwise transferred unless they are registered, or an exemption from registration applies, under the Securities Act. Holders of such restricted securities may not be entitled to have their restricted securities registered and may be required to agree not to resell them except in accordance with an available exemption from registration under the Securities Act. Under Rule 144 of the Securities Act, the public resale of restricted securities is permitted if certain conditions are met, and these conditions vary depending on whether the holder of the restricted securities is an "affiliate" of the issuer, as defined in Rule 144. In order to resell securities under Rule 144, both non-affiliates and affiliates will need to meet the holding period requirements specified by Rule 144. In addition, in order to resell securities under Rule 144, an affiliate must comply with the volume, manner of sale, and notice requirements of Rule 144.

Holders of New Common Stock who are deemed to be "underwriters" under Section 1145(b) of the Bankruptcy Code will also be subject to restrictions under the Securities Act on their ability to resell those securities. Resale restrictions are discussed in more detail in Article XII to this Disclosure Statement, entitled "Certain Securities Law Matters," which begins on page 147.

5. Restrictions May Be Placed on the New Common Stock Following the Effective Date.

If as of the Effective Date the Debtors expect to qualify for the 382(l)(5) Exception (as defined herein) and not elect out of its application, the certificate of incorporation of New Rite Aid, with the consent of the Required AHG Noteholders, may include certain restrictions and information procedures with respect to transfers with respect to the New Rite Aid Common Stock to minimize the likelihood of a subsequent "ownership change" and thus protect the value of its available tax attributes. For further information on the potential restrictions and procedures, *see* Article XIII to this Disclosure Statement, entitled "Special Bankruptcy Exceptions."

X. SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the Holders of Claims in those Classes that are entitled to vote to accept or reject the Plan.

A. Holders of Claims or Interests Entitled to Vote on the Plan.

Only Holders of Claims in Class 5 (the "Voting Class") are entitled to vote to accept or reject the Plan. The Holders of Claims in the Voting Class are Impaired under the Plan and may, in certain circumstances, receive a distribution under the Plan. Accordingly, Holders of Claims in the Voting Class have the right to vote to accept or reject the Plan. The Debtors are ***not*** soliciting votes from Holders of Claims or Interests in Classes 1, 2, 3, 4, 6, 7, 8, 9, or 10.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.

PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER AND SOLICITATION PROCEDURES FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

B. Voting Record Date.

The Voting Record Date is February 20, 2024 (the "Voting Record Date"). The Voting Record Date is the date on which it will be determined which Holders of Claims or Interests in the Voting Class are entitled to vote to accept or reject the Plan and whether Claims have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim. For the avoidance of doubt, a holder will only be entitled to receive a Solicitation Package based on a claim arising from a rejected executory contract or unexpired lease if such claim is filed by the Voting Record Date.

C. Voting on the Plan.

The Voting Deadline is April 15, 2024, at 4:00 p.m. (prevailing Eastern Time). In order to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed, and delivered as directed, so that your Ballot, pre-validated beneficial holder Ballot or the master Ballot containing your vote is **actually received** by the Claims and Noticing Agent on or before the Voting Deadline. Ballots or master Ballots returned by facsimile will not be counted. Additionally, certain Holders of Class 5 Claims may need to abide by certain voting procedures, as discussed further in this section.

DELIVERY OF BALLOTS. PLEASE SELECT JUST ONE OPTION TO SUBMIT YOUR VOTE:

FOR CLASS 5 NOMINEES AND CLASS 5 BENEFICIAL HOLDERS OF THE SENIOR SECURED NOTES THAT RECEIVED A PRE-VALIDATED BALLOT AND A RETURN ENVELOPE ADDRESSED TO THE SOLICITATION AGENT:

VIA E-MAIL (PREFERRED METHOD): RETURN A PROPERLY EXECUTED MASTER OR PRE-VALIDATED BALLOT WITH YOUR VOTE TO RITEAIDBALLOTS@RA.KROLL.COM (PLEASE REFERENCE "RITE AID MASTER BALLOT" OR "RITE AID PRE-VALIDATED BALLOT" IN THE SUBJECT LINE, AS APPLICABLE)

VIA MAIL OR OVERNIGHT COURIER: YOU MAY SUBMIT YOUR MASTER BALLOT OR YOUR PRE-VALIDATED BALLOT (AS APPLICABLE) BY THE POSTAGE PREPAID RETURN ENVELOPE PROVIDED OR BY FIRST CLASS MAIL, OR OVERNIGHT COURIER:

RITE AID CORPORATION BALLOTS PROCESSING CENTER
C/O KROLL RESTRUCTURING ADMINISTRATION LLC
850 THIRD AVENUE, SUITE 412
BROOKLYN, NY 11232

IF YOU WOULD LIKE TO COORDINATE HAND DELIVERY OF YOUR MASTER BALLOT OR PRE-VALIDATED BALLOT (AS APPLICABLE), PLEASE EMAIL RITEAIDBALLOTS@RA.KROLL.COM AND PROVIDE THE ANTICIPATED DATE AND TIME OF YOUR DELIVERY.

FOR CLASS 5 BENEFICIAL HOLDERS THAT RECEIVED A RETURN ENVELOPE ADDRESSED TO THEIR NOMINEE:

PLEASE RETURN YOUR BALLOT TO YOUR NOMINEE, ALLOWING ENOUGH TIME FOR YOUR NOMINEE TO CAST YOUR VOTE ON A MASTER BALLOT BEFORE THE VOTING DEADLINE. CLASS 5 BENEFICIAL HOLDERS SHOULD VOTE IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED BY THEIR NOMINEE.

BALLOTS WILL NOT BE ACCEPTED BY TELECOPY, FACSIMILE, EMAIL, OR OTHER ELECTRONIC MEANS OF TRANSMISSION.

PLEASE RETURN A PROPERLY EXECUTED PAPER BALLOT WITH YOUR VOTE.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE CLAIMS AND NOTICING AGENT AT 844-274-2766 (US/CANADA, TOLL FREE) OR +1 646-440-4878 (INTERNATIONAL, TOLL). ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED EXCEPT AS OTHERWISE PROVIDED FOR IN THE SOLICITATION PROCEDURES OR IN THE SOLE AND ABSOLUTE DISCRETION OF THE DEBTOR.

1. Voting Procedures for Certain Holders of Notes in Class 5.

Certain voting parties hold their Claims in "street name" through a bank, broker, dealer, trustee, or other intermediary (each, a "Nominee"), including Holders of certain Senior Secured Notes Claims (the "Beneficial Holder(s)"). Such Beneficial Holders may vote on the Plan by one of the following two methods (as selected by such Beneficial Holder's Nominee):

- Complete and sign the enclosed Beneficial Holder Ballot (or submit your vote in such other manner as your Nominee may instruct). Return the Beneficial Holder Ballot to your Nominee as promptly as possible according to your Nominee's instructions and in sufficient time to allow your Nominee to include your vote on a master Ballot and return such completed master Ballot to the Claims and Noticing Agent so that it is actually received by the Claims and Noticing Agent by the Voting Deadline. If no self-addressed, postage-paid envelope was enclosed for this purpose, contact your Nominee for instructions; or

- Complete and sign the pre-validated Beneficial Holder Ballot (as described below) provided to you by your Nominee. Return the pre-validated Beneficial Holder Ballot to the Claims and Noticing Agent according to delivery instructions provided by your Nominee or as provided above by the Voting Deadline.

Any vote returned to a Nominee will not be counted for purposes of acceptance or rejection of the Plan until such Nominee properly completes and delivers to the Claims and Noticing Agent a master Ballot casting the vote of such Beneficial Holder.

If any Beneficial Holder holds Senior Secured Notes Claims through more than one Nominee, such Beneficial Holder may receive multiple mailings containing Beneficial Holder Ballots. The Beneficial Holder should execute a separate Beneficial Holder Ballot for each block of certain Senior Secured Notes Claims that it holds through any particular Nominee and return each Beneficial Holder Ballot to the respective Nominee in the return envelope provided therewith. Beneficial Holders who execute multiple Beneficial Holder Ballots with respect to certain Senior Secured Notes Claims held through more than one Nominee must indicate on each Beneficial Holder Ballot the names of all such other Nominees and the additional amounts of such Senior Secured Notes Claims so held and voted.

A Nominee that, on the Voting Record Date, is the record Holder of certain Senior Secured Notes Claims for one or more Beneficial Holders is authorized to distribute the Beneficial Holder Ballot and solicitation materials and information to, and collect votes from, its Beneficial Holder clients, as appropriate, in accordance with its customary practices, including the use of a voter information

form ("VIF") in lieu of, or in addition to, a Beneficial Holder Ballot, electronic mail, telephone, and electronic website link (for access to solicitation materials and/or submission of Plan votes).

D. Ballots Not Counted.

The following Ballots will not be counted toward Confirmation: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of such Claim; (ii) it was transmitted by means other than as specifically set forth in the Ballots, (iii) any Ballot cast by any party that does not hold a Claim in a Voting Class; (iv) any unsigned Ballot; (v) any Ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; (vi) any Ballot sent to any of the Debtors, the Debtors' agents or representatives, or the Debtors' advisors (other than the Claims and Noticing Agent); and (vii) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described in the Disclosure Statement Order and the Solicitation Procedures attached thereto. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.**

E. Votes Required for Acceptance by a Class.

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims and interests voting to accept, as a percentage of the allowed claims or interests, as applicable, that have voted. Acceptance by a class of claims requires an affirmative vote of more than one-half in number of total allowed claims that have voted and an affirmative vote of at least two-thirds in dollar amount of the total allowed claims that have voted. Acceptance by a class of interests requires an affirmative vote of at least two-thirds in amount of the total allowed interests that have voted.

F. Certain Factors to Be Considered Prior to Voting.

There are a variety of factors that all Holders of Claims entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. These factors may impact recoveries under the Plan and include, among other things:

- unless otherwise specifically indicated, the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and the Disclosure Statement;
- although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;
- the Debtors may request Confirmation without the acceptance of the Plan by all Impaired Classes in accordance with section 1129(b) of the Bankruptcy Code; and
- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims and Professional Fee Claims.

While these factors could affect distributions available to Holders of Allowed Claims and Allowed Interests under the Plan, the occurrence or impact of such factors may not necessarily affect the validity of the vote of the Voting Class or necessarily require a re-solicitation of the votes of Holders of Claims in the Voting Class pursuant to section 1127 of the Bankruptcy Code.

For a further discussion of risk factors, please refer to the "Risk Factors" section in Article IX of this Disclosure Statement.

G. Solicitation Procedures.

1. Claims and Noticing Agent.

Pursuant to the Bankruptcy Court's Order approving the Kroll Retention Application, the Debtors have retained Kroll to act as, among other things, the Claims and Noticing Agent in connection with the solicitation of votes to accept or reject the Plan.

2. Solicitation Package.

The following materials constitute the solicitation package that will be distributed to Holders of Claims in the Voting Class (collectively, the "Solicitation Package"): (a) the Solicitation Procedures; (b) the applicable forms of Ballots, together with detailed voting instructions and instructions on how to submit the Ballots; (c) the Cover Letter, which describes the contents of the Solicitation Package and urges Holders of Claims in the Voting Class to vote to accept the Plan; (d) the Combined Hearing Notice; (e) the Disclosure Statement (and the exhibits thereto, including the Plan); (f) the Disclosure Statement Order (without exhibits, except for the Solicitation Procedures); (g) a pre-addressed, postage pre-paid reply envelope; and (h) any additional documents that the Bankruptcy Court has ordered to be made available to Holders of Claims in the Voting Class.

The Solicitation Package shall provide the Disclosure Statement (with all exhibits thereto, including the Plan), the Disclosure Statement Order (without exhibits) and the Solicitation Procedures in electronic format, flash drive or CD-ROM, and all other contents of the Solicitation Package, including the Cover Letter, Combined Hearing Notice, and Ballots, shall be provided in paper format. In the case of Beneficial Holders of the Senior Secured Notes Claims in Class 5, the Solicitation Packages shall be served in accordance with the customary procedures of the bank or brokerage firm (or that firm's agent) (each, a "Nominee") holding the securities in "street name" for its Beneficial Holder clients. Any Voting Holder, excluding Beneficial Holders of the Senior Secured Notes Claims in Class 5, who has not received a Solicitation Package should contact the Solicitation Agent. Any Beneficial Holder of the Senior Secured Notes Claims in Class 5 who has not received a Solicitation Package should contact their Nominee for further assistance.

3. Distribution of the Solicitation Package and Plan Supplement.

The Debtors are causing the Claims and Noticing Agent to distribute the Solicitation Package to Holders of Claims in the Voting Class on April 1, 2024 (the "Solicitation Mailing Deadline"), or, to the extent such distribution is not made by the Solicitation Mailing Deadline, immediately thereafter; *provided* that the Debtors shall distribute the Combined Hearing Notice no later than two (2) business days following the Solicitation Mailing Deadline, as provided in the Disclosure Statement Order.

The Solicitation Package (except the Ballot) may also be obtained from the Claims and Noticing Agent by: (a) calling 844-274-2766 (US/Canada, toll-free) or +1 646-440-4878 (international, toll), (b) emailing RiteAidInfo@ra.kroll.com (with "Rite Aid Solicitation" in the subject line) and/or (c) writing to the Claims and Noticing Agent at Rite Aid Corporation Ballot Processing Center, c/o Kroll Restructuring Administration LLC, 850 Third Avenue, Suite 412, Brooklyn, New York 11232. You may also obtain copies of the solicitation materials and any pleadings filed with the Bankruptcy Court, free of charge, by visiting the Debtors' restructuring website, https://restructuring.ra.kroll.com/riteaid, or for a fee on the Bankruptcy Court's website at https://www.njb.uscourts.gov, the required password for which can be gotten via PACER at https://www.pacer.gov/.

The Debtors shall file the Plan Supplement, to the extent reasonably practicable, with the Bankruptcy Court no later than 7 days before the Voting Deadline (*i.e.*, April 8, 2024). If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website.

XI. CONFIRMATION OF THE PLAN

A. The Combined Hearing.

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a plan of reorganization. The Combined Hearing may, however, be continued or adjourned from time to time without further notice to parties in interest other than an adjournment announced in open court or a notice of adjournment Filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. An objection to Confirmation of the Plan must be Filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the applicable order of the Bankruptcy Court so that it is actually received on or before the deadline to file such objections as set forth therein.

B. Requirements for Confirmation of the Plan.

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of Holders of Claims or Interests.

At the Combined Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

C. Best Interests of Creditors/Liquidation Analysis.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each Holder of a claim or an equity interest in such impaired class either (1) has accepted the plan or (2) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that the non-accepting Holder would receive or retain if the debtors liquidated under chapter 7 on such date.

The Liquidation Analysis (the "Liquidation Analysis") has been prepared by the Debtors' financial and restructuring advisors, Alvarez & Marsal, and Kirkland & Ellis LLP and is attached hereto as **Exhibit D** and incorporated herein by reference. Based upon the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Claims or Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code.

D. Feasibility.

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors, with the assistance of their restructuring advisors, Alvarez & Marsal, and Kirkland & Ellis LLP have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared their projected consolidated balance sheet, income statement, and statement of cash flows (the "Financial Projections"). Creditors and other interested parties should review Article IX of this Disclosure Statement, entitled "Risk Factors," for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

The Financial Projections are attached hereto as **Exhibit E** and incorporated herein by reference. Based upon the Financial Projections, the Debtors believe that Reorganized Debtors will be a viable operation following the Chapter 11 Cases and that the Plan will meet the feasibility requirements of the Bankruptcy Code.

E. Acceptance by Impaired Classes.

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[33]

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number of the Allowed Claims in such class that vote on the Plan actually cast their Ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a Class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their Ballots in favor of acceptance.

Pursuant to Article III.E of the Plan, if a Class contains Claims eligible to vote and no holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

F. Confirmation Without Acceptance by the Voting Class.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided* that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

Although certain Impaired Classes are conclusively deemed to reject the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. The Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

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[33] A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

1. No Unfair Discrimination.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test.

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

The Debtors submit that if the Debtors "cram down" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100 percent of the amount of Allowed Claims or Interests in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

G. Valuation.

At the time of filing this Disclosure Statement, the Debtors continue to engage with multiple parties with respect to potential Other Asset Sales and/or the Sale Transaction Restructuring as a supplement or alternative to the Plan Restructuring, respectively. Because the Debtors do not want to prejudice this competitive sale process by disclosing expected recoveries for Holders of Allowed Senior Secured Notes Claims or Allowed General Unsecured Claims, this Disclosure Statement does not include a valuation analysis. *See* 11 U.S.C. § 1125(b) ("The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets."); *In re SiO2 Medical Products, Inc.*, No. 23-10366 (JTD) (Bankr. D. Del. June 9, 2023) (ECF No. 378) (order approving disclosure statement without a valuation analysis); *In re LBI Media, Inc.*, No. 18-12655 (CSS) (Bankr. D. Del. Jan. 22, 2019) (ECF No. 360) (same); *In re Z Gallerie, LLC.*, No. 19-10488 (LSS) (Bankr. D. Del. May 2, 2019) (ECF No. 259) (same); *In re PES Holdings, LLC.*, No. 19-11626 (KG) (Bankr. D. Del. Dec. 11, 2019) (ECF No. 259) (same). In the event the Debtors proceed to consummate the Plan Restructuring, the Debtors intend to file a valuation analysis with respect to the Plan Restructuring in advance of the Combined Hearing, to the extent necessary to obtain confirmation of the Plan.

XII. CERTAIN SECURITIES LAW MATTERS

A. New Common Stock.

As discussed herein, in the event the Restructuring Transaction is a Plan Restructuring, the Plan provides for the offer, issuance, sale, and distribution of New Common Stock to certain Holders of prepetition Claims against the Debtors. The Debtors believe that the shares of New Common Stock will be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable state securities laws.

The issuance of the New Common Stock (other than any New Common Stock underlying the Management Incentive Plan) after the Petition Date pursuant to the restructuring transactions under the Plan is, and subsequent transfers of such New Common Stock by the holders thereof that are not "underwriters" (which definition includes "Controlling Persons") will be, exempt from federal and state securities registration requirements under the Bankruptcy Code, Securities Act and any applicable state securities laws as described in more detail below, except in certain limited circumstances.

In addition, any New Common Stock underlying the Management Incentive Plan will be offered, issued, and distributed in reliance upon section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration, and will also be considered "restricted securities." Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder provide that under certain conditions the offering, issuance, and distribution of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation S under the Securities Act provides an exemption from registration under the Securities Act for the offering, issuance, and distribution of securities in certain transactions to persons outside of the United States.

The following discussion of the issuance and transferability of the New Common Stock relates solely to matters arising under federal securities laws and state securities laws. The rights of holders of New Common Stock, including the right to transfer such interests, will also be subject to any restrictions in the New Corporate Governance Documents to the extent applicable. Recipients of the New Common Stock are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state securities laws.

B. Exemption from Registration Requirements; Issuance of 1145 Securities under the Plan.

The 1145 Securities will be issued after the Petition Date without registration under the Securities Act, state securities laws, or any similar federal, state, or local law in reliance on section 1145(a) of the Bankruptcy Code.

Section 1145 of the Bankruptcy Code provides, among other things, that section 5 of the Securities Act and any other applicable U.S. state or local law requirements for the registration of issuance of a security do not apply to the offering, issuance, distribution or sale of stock, options, warrants, or other securities by a debtor if (1) the offer or sale occurs under a plan of reorganization of the debtor, (2) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor or an affiliate thereof participating in the plan of reorganization, and (3) the securities are (i) issued in exchange for a claim against, interest in, or claim for an administrative expense against a debtor or an affiliate thereof participating in the plan of reorganization, or (ii) issued principally in such exchange and partly for cash or property. The Debtors believe that the 1145 Securities issued after the Petition Date in exchange for the Claims described above satisfy the requirements of section 1145(a) of the Bankruptcy Code.

The Private Placement Securities will be offered, issued, and distributed in reliance upon section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration.

Accordingly, no registration statement will be filed under the Securities Act or any state securities laws with respect to the initial offer, issuance, and distribution of the New Common Stock. Recipients of the New Common Stock are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state securities laws. As discussed below, the exemptions provided for in section 1145(a) do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code.

Each certificate representing, or issued in exchange for or upon the transfer, sale, or assignment of, the Private Placement Securities or book entry position shall, upon issuance, be stamped or otherwise imprinted with a restrictive legend substantially consistent with the following form:

"THE SECURITIES [REPRESENTED BY THIS CERTIFICATE] WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], AND SUCH SECURITIES [AND THE COMMON STOCK, IF ANY, ISSUABLE UPON EXERCISE OF SUCH SECURITIES] HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

New Rite Aid reserves the right to reasonably require certification, legal opinions, or other evidence of compliance with Rule 144 as a condition to the removal of such legend or to any resale of the Private Placement Securities. New Rite Aid also reserve the right to stop the transfer of any Private Placement Securities if such transfer is not in compliance with Rule 144, pursuant to an effective registration statement or pursuant to another available exemption from the registration requirements of applicable securities laws. All persons who receive Private Placement Securities will be required to acknowledge and agree that (a) they will not offer, sell or otherwise transfer any Private Placement Securities except in accordance with an exemption from registration, including under Rule 144 of the Securities Act, if and when available, or pursuant to an effective registration statement, and (b) the Private Placement Securities will be subject to the other restrictions described above.

Any persons receiving restricted securities under the Plan should consult with their own counsel concerning the availability of an exemption from registration for resale of these securities under the Securities Act and other applicable law.

C. Resales of New Common Stock; Definition of "Underwriter" Under Section 1145(b) of the Bankruptcy Code.

1. Resales of New Common Stock Issued Pursuant to Section 1145.

The 1145 Securities to the extent offered, issued, and distributed pursuant to section 1145 of the Bankruptcy Code, (i) will not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) will be transferable without registration under the Securities Act in the United States and under any state or local law requiring registration for offer or sale of a security by the recipients thereof that are not, and have not been within 90 days of such transfer, an "affiliate" of the Debtors as defined in Rule 144(a)(1) under the Securities Act, subject to the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in

section 1145(b) of the Bankruptcy Code, and compliance with any applicable state or foreign securities laws, if any, and any rules and regulations of the SEC, if any, applicable at the time of any future transfer of the New Common Stock.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (1) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (a) with a view to distribution of such securities and (b) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (4) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a Person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all "affiliates," which are all Persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "Controlling Person" of the debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns 10% or more of a class of securities of a reorganized debtor may be presumed to be a "Controlling Person" and, therefore, an underwriter, although the staff of the SEC has not endorsed this view.

Resales of the 1145 Securities by entities deemed to be "underwriters" (which definition includes "Controlling Persons") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of such 1145 Securities who are deemed to be "underwriters" may be entitled to resell their 1145 Securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of control securities received by such Person if the requirements for sales of such control securities under Rule 144 have been met, including that current information regarding the issuer is publicly available and volume limitations, manner of sale requirements and certain other conditions are met. Whether any particular Person would be deemed to be an "underwriter" (including whether the Person is a "Controlling Person") with respect to the 1145 Securities would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to such New Common Stock and, in turn, whether any Person may freely trade such New Common Stock.

IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A RECIPIENT OF SECURITIES MAY BE AN UNDERWRITER OR AN AFFILIATE OF THE POST-EFFECTIVE DATE DEBTORS, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN SECURITIES TO BE DISTRIBUTED PURSUANT TO THE PLAN. ACCORDINGLY, THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF 1145 SECURITIES CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

2. Resales of New Common Stock Issued Pursuant to Section 4(a)(2) of the Securities Act, Regulation D Promulgated Thereunder, Regulation S under the Securities Act, and/or Other Available Exemptions from Registration.

To the extent the exemption set forth section 1145(a) of the Bankruptcy Code is unavailable, New Common Stock will be offered, issued, and distributed in reliance of Section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration. The Private Placement Securities will be offered, issued, and distributed in reliance upon section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration, will be considered "restricted securities," and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom and pursuant to applicable Blue-Sky Laws.

Generally, Rule 144 of the Securities Act provides a limited safe harbor for the public resale of restricted securities if certain conditions are met. These conditions vary depending on whether the issuer is subject to the reporting requirements of Section 13 or 15(d) under the Exchange Act and whether the holder of the restricted securities is an "affiliate" of the issuer. Rule 144 defines an affiliate as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer." A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities of an issuer that does not file reports with the SEC pursuant to Rule 144 after a one-year holding period. An affiliate may resell restricted securities of an issuer that does not file reports with the SEC under Rule 144 after such holding period, as well as other securities without a holding period, but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale and notice requirements of Rule 144. Restricted securities (as well as other securities held by affiliates) may be resold without holding periods under other exemptions from registration, including Rule 144A under the Securities Act and Regulation S under the Securities Act, but only in compliance with the conditions of such exemptions from registration.

In addition, in connection with resales of any New Common Stock offered, issued, and distributed pursuant to Regulation S under the Securities Act: (i) the offer or sale, if made prior to the expiration of the one-year distribution compliance period (six months for an issuer that is subject to the reporting requirements of Section 13 or 15(d) under the Exchange Act), may not be made to a U.S. person or for the account or benefit of a U.S. person (other than a distributor); and (ii) the offer or sale, if made prior to the expiration of the applicable one-year or six-month distribution compliance period, is made pursuant to the following conditions: (a) the purchaser (other than a distributor) certifies that it is not a U.S. person and is not acquiring the securities for the account or benefit of any U.S. person or is a U.S. person who purchased securities in a transaction that did not require registration under the Securities Act; and (b) the purchaser agrees to resell such securities only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act. The Reorganized Debtors do not expect to be subject to the reporting requirements of Section 13 or 15(d) under the Exchange Act.

Notwithstanding anything to the contrary in this Disclosure Statement, no Entity shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by the Plan or this Disclosure Statement, including, for the avoidance of doubt, whether the New Common Stock are exempt from the registration requirements of section 5 of the Securities Act.

In addition to the foregoing restrictions, the New Common Stock will also be subject to any applicable transfer restrictions contained in the New Corporate Governance Documents.

D. Liquidating Trust Interests and GUC Equity Trust Interests.

The Debtors believe that either (i) the interests in the Liquidating Trust or the GUC Equity Trust Interests shall not be deemed to be "securities" as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws, or the provision of section 1145 of the Bankruptcy Code will apply to such interests (except with respect to an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code) or (ii) that the issuance of such interests shall be exempt from registration under Section 5 of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, regulation D promulgated thereunder, Regulation S under the Securities Act, and/or other available exemptions from registration.

PERSONS WHO RECEIVE SECURITIES UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER THE FEDERAL OR STATE SECURITIES LAWS AND THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE ON SUCH LAWS. THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS

CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE SECURITIES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, WE ENCOURAGE EACH RECIPIENT OF SECURITIES AND PARTY IN INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A SECURITY IS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE FEDERAL OR STATE SECURITIES LAWS OR WHETHER A PARTICULAR RECIPIENT OF NEW COMMON STOCK MAY BE AN UNDERWRITER, WE MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE SECURITIES ISSUED UNDER THE PLAN.

XIII. CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN

A. Introduction.

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors, the Reorganized Debtors, and to certain Holders (which, solely for purposes of this discussion, means the beneficial owners for U.S. federal income tax purposes) of Allowed Senior Secured Notes Claims and General Unsecured Claims. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "IRC"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and authorities, published administrative rules, positions and pronouncements of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those summarized herein. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling or determination from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts and no assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or to Holders of Allowed Senior Secured Notes Claims and General Unsecured Claims in light of their individual circumstances. This discussion does not address tax issues with respect to such Holders of Claims subject to special treatment under the U.S. federal income tax laws (including, for example, banks, brokers dealers, mutual funds, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, small business investment companies, foreign taxpayers, Persons who are related to the Debtors within the meaning of the IRC, Persons liable for alternative minimum tax, Holders of Claims whose functional currency is not the U.S. dollar, Holders of Claims who prepare "applicable financial statements" (as defined in section 451 of the IRC), Persons using a mark-to-market method of accounting, Holders of Claims who are themselves in bankruptcy, regulated investment companies, and those holding, or who will hold, any property described herein as part of a hedge, straddle, conversion, or other integrated transaction). Moreover, this summary does not address any aspect of U.S. non-income (including state or gift), state, local, or non-U.S. taxation, considerations under any applicable tax treaty or any tax arising under section 1411 of the IRC (the "Medicare" tax on certain investment income). Furthermore, this summary assumes that a Holder of an Allowed Claim holds only Claims in a single class and holds such Claims and New Common Stock, as applicable, as "capital assets" (within the meaning of section 1221 of the IRC). This summary also assumes that the various debt and other arrangements to which the Debtors and the Post-Effective Date Debtors are or will be a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the IRC. This discussion also assumes that none of the Allowed Claims is treated as a "short-term" debt instrument or a "contingent payment debt instrument" for U.S. federal income tax purposes and that each of the Allowed Claims are denominated in U.S. dollars. This summary does not discuss differences in tax consequences to Holders of Claims that act or receive consideration in a capacity other than as a Holder of a Claim, and the tax consequences for such Holders may differ materially from that described below. This summary does not address the U.S. federal income tax consequences to Holders of Claims (a) whose Claims are Unimpaired or otherwise entitled to payment in full in Cash under the Plan, (b) that are deemed to reject the Plan, or (c) that are otherwise not entitled to vote to accept or reject the Plan.

For purposes of this discussion, a "U.S. Holder" is a Holder of an Allowed Senior Secured Notes Claim and/or a General Unsecured Claim that for U.S. federal income tax purposes is: (1) an individual citizen or resident of the United States; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (a) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any Holder of an Allowed Senior Secured Notes Claim or a General Unsecured Claim that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder of an Allowed Senior Secured Notes Claim or a General Unsecured Claim, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the partnership (or other pass-through entity). Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are Holders of Allowed Senior Secured Notes Claim and/or a General Unsecured Claims are urged to consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE PLAN, AS WELL AS THE CONSEQUENCES TO THEM OF THE PLAN ARISING UNDER ANY OTHER U.S. FEDERAL TAX LAWS OR THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TREATY.

B. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors.

1. Characterization of the Restructuring Transactions.

The Debtors expect that the Restructuring Transactions will be structured in one of three ways: (a) a recapitalization of the existing Debtors under their current corporate structure (in the event of a Plan Restructuring), (b) a disposition of assets and liabilities of the Debtors to a newly-formed entity in a transaction intended to be tax-free reorganization pursuant to sections 368(a)(1)(G) and 354 of the IRC (in the event of a Credit Bid Transaction) or (c) potentially in conjunction with either of the aforementioned structures, a sale of some, all, or substantially all of the Debtors' assets in one or more taxable sales (in the event of one or more Alternative Sale Transactions). The Plan will implement the Plan Restructuring unless the Debtors pivot or "toggle" to a Sale Transaction Restructuring determined to provide superior value relative to the Plan Restructuring.

The Debtors generally do not expect to recognize any gain or loss as a result of consummating a Plan Restructuring or Credit Bid Transaction, other than with respect to any Alternative Sale Transactions that occur in conjunction therewith. Note, however, there can be no guarantee that a transaction structured as a Credit Bid Transaction will qualify as a tax-free reorganization pursuant to sections 368(a)(1)(G) and 354 of the IRC, in which case, it would be expected that the Credit Bid Transaction would be treated similar to an Alternative Sale Transaction for U.S. federal income tax purposes. In an Alternative Sale Transaction, the Debtors will generally realize gain or loss in an amount equal to the difference between the value of the consideration received by the Debtors (including, for this purpose, assumption of liabilities) and the Debtors' tax basis in such assets sold. Any such gain generally will be reduced by the amount of tax attributes available for use by the Debtors, and any remaining gain will be recognized by the Debtors and result in a cash tax obligation. In all three scenarios, the Debtors will be subject to the rules discussed below with respect to cancellation of indebtedness income ("COD Income"). In both the Plan Restructuring and the Credit Bid Transaction Scenario, the Reorganized Debtors will be subject to the limitations on net operating losses ("NOLs"), deferred interest deductions under section 163(j) of the IRC ("163(j) Deductions") and other tax attributes discussed below.

If the Restructuring Transactions are structured as a Plan Restructuring or Credit Bid Transaction, the New Common Stock may be (or include) stock or other equity interests of a newly-created entity (including the parent of the Reorganized Debtors and/or a newly

formed entity treated as a successor to Rite Aid under the applicable reorganization provisions of the IRC), and the Reorganized Debtors would receive all or a portion of the Debtors' assets.

2. Cancellation of Debt and Reduction of Tax Attributes.

In general, absent an exception, a taxpayer will realize and recognize COD Income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied over (b) the fair market value of the New Common Stock and/or Cash and any other consideration, in each case, given in satisfaction of such indebtedness at the time of the exchange.

Under section 108 of the IRC, however, a taxpayer will not be required to include any amount of COD Income in gross income if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a taxpayer-debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the IRC. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject immediately after the discharge); (f) passive activity loss and credit carryovers; and (g) foreign tax credits carryovers. 163(j) Deductions are not subject to reduction under these rules. Any excess COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact. Alternatively, a debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the IRC.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Pursuant thereto, the tax attributes of each debtor member of an affiliated group of corporations that is excluding COD Income are first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group.

The aggregate tax basis of the Debtors in their assets (determined on an entity-by-entity basis, and in the case of an affiliated group of corporations, subject to the look-through rule described above) is not required to be reduced below the amount of indebtedness (determined on an entity-by-entity basis) that the Debtors will be subject to immediately after the cancellation of debt giving rise to COD Income (the "Asset Tax Basis Floor"). Generally, all of an entity's obligations that are treated as debt under general U.S. federal income tax principles (including intercompany debt treated as debt for U.S. federal income tax purposes) are taken into account in determining an entity's Asset Tax Basis Floor.

In the event of a structure with only one or more Alternative Sale Transactions (or if the Credit Bid Transaction is not respected as a tax-free reorganization), COD Income would reduce the Debtors remaining NOLs but would not affect the tax basis of the assets acquired by the Reorganized Debtors or other buyer in a taxable purchase. In an Alternative Sale Transaction or if the Credit Bid Transaction was treated as a taxable asset sale, the Reorganized Debtors or buyer would not succeed to any of the Debtors tax attributes and should take tax basis in any acquired assets equal their fair market value as of the Effective Date or the closing date of such sale. As noted above, in connection with the Restructuring Transactions structured as a Plan Restructuring or Credit Bid Transaction, the Debtors expect to realize COD Income, all of which would likely be applied to reduce NOLs generated by the Consolidated Group. The exact amount of any COD Income that will be realized by the Debtors will not be determinable until the consummation of the Plan because the amount of COD Income will depend, in part, on the fair market value of the New Common Stock and any other consideration, none of which can be determined until after the Plan is consummated.

(a) **General Section 382 Annual Limitation.**

After giving effect to the reduction in tax attributes from excluded COD Income (if any), to the extent the Reorganized Debtors succeed to the Debtors' tax attributes (i.e., if the Restructuring Transactions are not structured only as one or more Alternative Sale Transactions pursuant to which the Debtors' assets, and not stock of corporate entities, are being transferred to the Reorganized Debtors for U.S. federal income tax purposes), the Reorganized Debtors' ability to use any remaining tax attributes ("Pre-Change Losses") post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (i) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments), and (ii) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the three-calendar-month period ending with the calendar month in which the ownership change occurs, or 3.44 percent for March 2024). The annual limitation may be increased to the extent that the Reorganized Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65. Section 383 of the IRC applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. If the corporation or consolidated group does not continue its historic business or use a significant portion of its historic assets in a new business for at least two years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero, thereby precluding any utilization of the corporation's Pre-Change Losses (absent any increases due to recognized built-in gains). As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

(b) **Special Bankruptcy Exceptions.**

Special rules may apply in the case of a corporation that experiences an "ownership change" as a result of a bankruptcy proceeding. An exception to the annual limitation rules generally applies when so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their claims, at least 50 percent of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). A key aspect of the "qualified creditor" analysis is the length of time that creditors have held their claims, together with a favorable presumption regarding that holding period that applies to creditors who receive less than five percent of the stock of a reorganized company (the "Qualified Creditor Presumption"). If the requirements of the 382(l)(5) Exception are satisfied, a debtor's Pre-Change Losses would not be limited on an annual basis, but, instead, NOL carryforwards and 163(j) Deductions would be reduced by the amount of any interest deductions claimed by the debtor during the three taxable years preceding the effective date of the plan of reorganization and during the part of the taxable year prior to and including the effective date of the plan of reorganization in respect of all debt converted into stock pursuant to the reorganization. If the 382(l)(5) Exception applies and the Reorganized Debtors undergo another "ownership change" within two years after the Effective Date, then the Reorganized Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor corporation does not qualify for it or the debtor corporation otherwise elects not to utilize the 382(l)(5) Exception), another exception will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of (i) the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or (ii) the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that, under it, a debtor corporation is not required to reduce its NOL carryforwards and 163(j) Deductions by the amount of interest deductions claimed within the prior three-year period, and a debtor corporation may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

Whether the section 382 rules will apply and whether the 382(l)(5) Exception is relevant will depend on the manner in which the Plan is implemented. In the case of a Plan Restructuring or Credit Bid Transaction, however, the Debtors believe that the 382(l)(5) Exception may be available based on currently available information and that such exception may provide significant cash tax savings by allowing increased usage of their NOLs.

In light of the substantial value that the 382(l)(5) Exception is expected to provide to the Debtors, the Debtors may file a motion seeking entry of an order from the Bankruptcy Court providing for certain procedures to help safeguard the availability of the 382(l)(5) Exception. In particular, such procedures would be intended to help preserve the 382(l)(5) Exception by assisting the Debtors in taking advantage of the Qualified Creditor Presumption. Among other items, the procedures that are expected to be required by the order would require Substantial Claimholders[34] to provide notice of such status and for the parties to any transfer of Claims to provide notice of such transfer if it would increase the amount of Claims of which a Substantial Claimholder has ownership (as determined under certain attribution rules) or would result in an individual or entity becoming a Substantial Claimholder. Moreover, if the Debtors determine that certain persons or entities must sell or transfer all or a portion of their Beneficial Ownership of Claims acquired on or after the Record Date so that the requirements of the 382(l)(5) Exception are satisfied, the Debtors may file a motion with the Bankruptcy Court for entry of an order—after notice to any statutory committee appointed in these Chapter 11 Cases and the relevant claimholder(s) and a hearing—that such claimholder(s) must sell, cause to sell, or otherwise transfer a specified amount of its Beneficial Ownership of Claims to a person or entity that is not a Substantial Claimholder and whose holding such claims would not result in such transferee becoming a Substantial Claimholder.

34 (a) a "Substantial Claimholder" is any entity or individual person that has Beneficial Ownership of Claims in an amount that would entitle such holder to receive more than 4.75 percent of the equity of the Reorganized Debtors under a chapter 11 plan of reorganization (such amount, the "Threshold Amount"); (b) the "Protected Amount" is the greater of the Threshold Amount and the amount of Claims an entity or individual person is the Beneficial Owner as of the Record Date; (c) the "Record Date" is the date that is five (5) business days after the date the Interim Order is entered; (d) "Beneficial Ownership" will be determined in accordance with the applicable rules of section 382 of the IRC, and the Treasury Regulations promulgated thereunder (other than Treasury Regulations section 1.382-2T(h)(2)(i)(A)) and includes direct, indirect, and constructive ownership (*e.g.*, (1) a holding company would be considered to beneficially own all securities owned by its subsidiaries, (2) a partner in a partnership would be considered to beneficially own its proportionate share of any securities owned by such partnership, (3) an individual and such individual's family members may be treated as one individual, (4) persons and Entities acting in concert to make a coordinated acquisition of securities may be treated as a single entity, and (5) a holder would be considered to beneficially own securities that such holder has an Option (as defined herein) to acquire); (v) a "Claim" means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors arising out of relating to the period prior to the Petition Date, whether secured or unsecured; (vi) an "Option" includes all interests described in Treasury Regulations section 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

If as of the Effective Date the Debtors expect to qualify for the 382(l)(5) Exception and not elect out of its application, the certificate of incorporation of New Rite Aid would likely include certain restrictions and information procedures with respect to transfers with respect to the New Common Stock to minimize the likelihood of a subsequent "ownership change" and thus protect the value of its available tax attributes. If these restrictions are sought, subject to certain exceptions and potential thresholds, the certificate of incorporation of New Rite Aid generally may restrict (i) any person or Entity from accumulating 4.75% or more of any class of stock of New Rite Aid through secondary acquisitions, and, if a person or Entity already owns 4.75% or more of such stock, from acquiring additional stock, and (ii) any person or Entity that owns 4.75% or more of the New Common Stock from disposing of all or portion of such stock. It is expected that such procedures would only apply to the extent New Rite Aid has already experienced a certain threshold of transfers of its ownership. The restrictions would further provide that any attempted transfer of New Common Stock in violation of the restrictions described above will be prohibited and void ab initio.

C. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Allowed Senior Secured Notes Claims and Allowed General Unsecured Claims.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan. U.S. Holders of Allowed Claims are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

The U.S. federal income tax consequences to a U.S. Holder of Allowed Senior Secured Notes Claims or Allowed General Unsecured Claims in a Plan Restructuring will depend, in part, on whether for U.S. federal income tax purposes the (a) Claim surrendered by such U.S. Holder constitutes a "security" of a Debtor, and (b) any consideration received by such U.S. Holder constitutes a stock or

a "security" issued by the same entity against which the Claim is asserted (or, an entity that is a "party to a reorganization" with such entity). Neither the IRC nor the Treasury Regulations promulgated thereunder define the term "security." Whether a debt instrument constitutes a "security" is determined based on all relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument at initial issuance is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that the instrument is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof with respect to other creditors, the right to vote or otherwise participate in the management of the obligor, the convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued.

The character of any gain or loss recognized by a U.S. Holder as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands, whether the Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below.

Due to the inherently factual nature of the determination of whether a debt instrument constitutes a "security", U.S. Holders of Allowed Senior Secured Notes Claims and Allowed General Unsecured Claims are urged to consult their tax advisors regarding the status of their Claims and, if applicable, the consideration received by them, as "securities" for U.S. federal income tax purposes.

1. Consequences of the Restructuring Transactions to U.S. Holders of Allowed Senior Secured Notes Claims.

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Claims, each U.S. Holder of an Allowed Senior Secured Notes Claim will receive its *pro rata* share of, (a) in the event the Restructuring Transaction is a Plan Restructuring, (i) New Common Stock, (ii) the Takeback Notes, (iii) the CMSR Recovery, (iv) the Litigation Trust Class B Interests, and (v) either (A) if the MedImpact Term Loan Stalking Horse Bid is the winning bid to acquire the MedImpact Term Loan, MedImpact NewCo Subscription Rights and MedImpact NewCo Notes; or (B) if the MedImpact Term Loan Stalking Horse Bid is not the winning bid to acquire the MedImpact Term Loan, Cash (the "Senior Secured Noteholder Recovery"), and (b) in the event the Restructuring Transaction is not a Plan Restructuring, Cash.

(a) Treatment of U.S. Holders of Allowed Senior Secured Notes Claims if the Restructuring Transactions are Structured as a Plan Restructuring or as a Credit Bid Qualifying as a Tax-Free Reorganization.

(i) Treatment if Allowed Senior Secured Notes Claims Are Treated as Securities.

If the Senior Secured Notes Claims are treated as securities, then the exchange of such Claims should be treated as a "recapitalization" within the meaning of section 368(a)(1)(E) of the IRC, or potentially in the case of a Credit Bid, a "reorganization" within the meaning of section 368(a)(1)(G) of the IRC.

Other than with respect to any amounts received that are attributable to accrued but unpaid interest (or OID), and subject to the rules relating to market discount, a U.S. Holder of such a Claim should recognize gain (but not loss), to the extent of the *lesser* of (a) the amount of gain realized from the exchange, which should be equal to (i) the *sum* of (A) the fair market value of any New Common Stock, MedImpact NewCo Subscription Rights, interests in the CMSR Recovery, Litigation Trust Class B Interests, and MedImpact NewCo Notes received in exchange for the Claim of such Holder and (B) the issue price of any Takeback Notes received, *minus* (ii) the U.S. Holder's adjusted basis, if any, in the Claim, *and* (b) the *sum* of (i) the fair market value (or issue price, in the case of any Takeback Notes) of any Senior Secured Noteholder Recovery received that does not constitute stock or securities of Rite Aid (or an entity that is a "party to a reorganization" with Rite Aid within the meaning of section 368 of the IRC (together with Rite Aid, a "Rite Aid Reorganization Party")).

With respect to any Senior Secured Noteholder Recovery that is treated as a stock or security of a Rite Aid Reorganization Party, a U.S. Holder should obtain an aggregate tax basis in such consideration, other than any such amounts treated as received in satisfaction of accrued but unpaid interest (or OID), and subject to the rules relating to market discount, *equal* to (a) the tax basis of the Claim exchanged, *minus* (b) the fair market value (or issue price, in the case of any Takeback Notes) of any Senior Secured Noteholder Recovery received that does not constitute stock or securities of a Rite Aid Reorganization Party, *plus* (c) the gain recognized (if any, determined as described above). The holding period for such Senior Secured Noteholder Recovery should include the holding period for the exchanged Claims.

With respect to any Senior Secured Noteholder Recovery that is not treated as a stock or security of a Rite Aid Reorganization Party, a U.S. Holder should obtain a tax basis in such property equal to the property's fair market value (or issue price, in the case of any Takeback Notes) as of the date such property is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such property.

(ii) Treatment Allowed Senior Secured Notes Claims Are Not Treated as Securities.

If the Senior Secured Notes Claims are not treated as securities then the exchange of such Claims should be treated as a taxable exchange pursuant to section 1001 of the IRC.

A U.S. Holder should obtain a tax basis in each Senior Secured Noteholder Recovery received equal to the property's fair market value (or issue price, in the case of any Takeback Notes) as of the date such property is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such property.

(b) Treatment of U.S. Holders of Allowed Senior Secured Notes Claims if the Restructuring Transactions are not Structured as a Plan Restructuring or as a Credit Bid Qualifying as a Tax-Free Reorganization.

To the extent receiving Cash, a U.S. Holder should recognize gain or loss equal to (a) the sum of any Cash received, *minus* (b) the Holder's adjusted tax basis in its Allowed Senior Secured Notes Claim.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest" and "Market Discount" below.

2. Consequences of the Restructuring Transactions to U.S. Holders of Allowed General Unsecured Claims.

Except to the extent that a U.S. Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each U.S. Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, its *pro rata* share of the Committees Initial Cash Consideration, the Committees Post-Emergence Cash Consideration, the GUC Equity Trust Interests, the Litigation Trust Class A Interests, and potentially certain other Cash (the "GUC Recovery").

(a) Treatment of U.S. Holders of Allowed General Unsecured Claims if the Restructuring Transactions are Structured as a Plan Restructuring or as a Credit Bid Qualifying as a Tax-Free Reorganization.

(i) Treatment if Allowed General Unsecured Claim Is Treated as a Security of Rite Aid.

If a General Unsecured Claim is treated as a security of Rite Aid, then the exchange of such Claim should be treated as a "recapitalization" within the meaning of section 368(a)(1)(E) of the IRC, or potentially in the case of a Credit Bid, a "reorganization" within the meaning of section 368(a)(1)(G) of the IRC.

Other than with respect to any amounts received that are attributable to accrued but unpaid interest (or OID), and subject to the rules relating to market discount, a U.S. Holder of such a Claim should recognize gain (but not loss), to the extent of the *lesser* of (a) the amount of gain realized from the exchange, which should be equal to (i) the *sum* of any Cash received and the fair market value of any GUC Equity Trust Interests, the Litigation Trust Class A Interests, and any other GUC Recovery received, *minus* (ii) the U.S. Holder's adjusted basis, if any, in the Claim, *and* (b) the *sum* of (i) the amount of Cash and the fair market value of any other GUC Recovery received that does not constitute stock or securities of a Rite Aid Reorganization Party.

With respect to any GUC Recovery that is treated as a stock or security of a Rite Aid Reorganization Party, a U.S. Holder should obtain an aggregate tax basis in such consideration, other than any such amounts treated as received in satisfaction of accrued but unpaid interest (or OID), and subject to the rules relating to market discount, *equal* to (a) the tax basis of the Claim exchanged, *minus* (b) the fair market value of any GUC Recovery received that does not constitute stock or securities of a Rite Aid Reorganization Party, *plus* (c) the gain recognized (if any, determined as described above). The holding period for such GUC Recovery should include the holding period for the exchanged Claims.

With respect to any GUC Recovery that is not treated as a stock or security of a Rite Aid Reorganization Party, a U.S. Holder should obtain a tax basis in such property equal to the property's fair market value as of the date such property is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such property.

(ii) Treatment if Allowed General Unsecured Claim Is Not Treated as a Security of Rite Aid.

If a General Unsecured Claim is not treated as a security of Rite Aid, then the exchange of such Claim should be treated as a taxable exchange pursuant to section 1001 of the IRC.

Subject to the discussion of accrued interest and market discount below, each Holder of a General Unsecured Claim would generally recognize gain or loss in the exchange in an amount equal to the difference between (a) the amount of Cash received and the fair market value of any other GUC Recovery received, *less* (b) the U.S. Holder's adjusted tax basis in its Allowed General Unsecured Claim.

A U.S. Holder should obtain a tax basis in any non-Cash GUC Recovery received equal to the property's fair market value as of the date such property is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such property.

(b) Treatment of U.S. Holders of Allowed General Unsecured Claims if the Restructuring Transactions are not Structured as a Plan Restructuring or as a Credit Bid Qualifying as a Tax-Free Reorganization.

To the extent receiving Cash, a U.S. Holder should recognize gain or loss equal to (a) the amount of any Cash received, *minus* (b) the Holder's adjusted tax basis in its Allowed General Unsecured Claim.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest" and "Market Discount" below.

3. [GUC Equity Trust Treatment.

(a) Widely Held Fixed Investment Trust Treatment.

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect, except to the extent is is determined to treat the GUC Equity Trust as a "qualified settlement fund," "disputed ownership fund," or otherwise, to treat the GUC Equity Trust as a "widely held fixed investment trust" under section 1.671-5 of the Treasury Regulations and the GUC Trustee will report consistently therewith. Such treatment is assumed with respect to the following discussion. In accordance therewith, neither the GUC Equity Trust nor GUC Equity Trustee shall have the power to vary the investment of the GUC Equity Trust within the meaning of section 301.7701-4(c) of the Treasury Regulations. For U.S. federal income tax purposes, each holder of a GUC Equity Trust Interest will generally be treated as holding their Pro Rata share of the GUC Equity Trust Assets directly (or the New Common Stock held in trust by the GUC Equity Trust for the benefit of each of the Holders of General Unsecured Claims). The consequences to holders of GUC Equity Trust Interests would then generally be as described in *"Consequences to U.S. Holders of the Ownership and Disposition of New Common Stock"* and, for Non-U.S. Holders, "*Consequences to Non-U.S. Holders of the Ownership and Disposition of New Common Stock*."

No request for a ruling from the IRS will be sought on the classification of the GUC Equity Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the GUC Equity Trust. If the IRS were to successfully challenge the classification of the GUC Equity Trust as a widely held fixed investment trust, the federal income tax consequences to the GUC Equity Trust and the holders of GUC Equity Trust Interests could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the GUC Equity Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

The GUC Equity Trust will file information tax returns with the IRS and provide tax information statements to holders of GUC Equity Trust Interests consistently with the rules of section 1.671-5 of the Treasury Regulations and any other applicable provisions of law, including information regarding items of income, gain, deduction, loss, or credit attributable to the GUC Equity Trust Assets. Each holder of GUC Equity Trust Interests must report on its federal income tax return its share of all such items.

(b) **Disputed Ownership Fund or Qualified Settlement Fund Treatment.**

With respect to any of the assets of the GUC Equity Trust that are subject to potential disputed claims of ownership or uncertain distributions, or to the extent "widely held fixed investment trust" treatment is otherwise unavailable or not elected to be applied with respect to the GUC Equity Trust, such assets may be subject to disputed ownership fund treatment under section 1.468B-9 of the Treasury Regulations, and in such case it is intended that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for any such account. Any taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, it may be determined to treat the GUC Equity Trust as a a "qualified settlement fund" within the meaning of the Treasury Regulations promulgated under section 468B of the Tax Code. Such Treasury Regulations provide that a fund, account, or trust will be a qualified settlement fund if three conditions are met. First, the fund, account, or trust must be established pursuant to an order of or be approved by a government authority, including a court, and must be subject to the continuing jurisdiction of that government authority. A court order giving preliminary approval to a fund, account, or trust will satisfy this requirement even though the order is subject to review or revision. Second, the fund, account, or trust must be established to resolve or satisfy on or more contested or uncontested claims that have resulted or may result from an event (or related series of events) that has occurred and that has given rise to at least one claim asserting liability arising, among other things, out of a tort. Third, the fund, account, or trust must be a trust under applicable state law or have its assets physically segregated from the other assets of the transferor and person related to the transferor. The GUC Equity Trust may be established with the express purposes of satisfying the requirements of a qualified settlement fund and may be treated as a separate taxable entity, with its modified gross income subject to U.S. federal income tax at the highest rate applicable to estates and trusts (currently 37%). For purposes of determining the GUC Equity Trust's modified gross income, payments to the GUC Equity Trust and payments from the GUC Equity Trust to holders of GUC Equity Trust Interests in settlement of their Claims would not be taken into account.

4. Liquidating Trust Treatment for SCD Trust, Litigation Trust, and Other Circumstances.

This section shall apply to interests in the SCD Trust, Litigation Trust (except to the extent it is determined to treat the Litigation Trust as a "qualified settlement fund," "disputed ownership fund," "widely held fixed investment trust," and/or otherwise), and, otherwise, in the case of a Restructuring Transaction that is not consummated as a Plan Restructuring pursuant to the terms in the Plan and herein.

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect to treat the SCD Trust and the Litigation Trust (solely for purposes of this section, referred to collectively as the "Trusts") as "liquidating trusts" under section 301.7701-4(d) of the Treasury Regulations and grantor trusts under section 671 of the IRC, and the trustees of the Trusts will take positions on the Trusts' tax return accordingly. For U.S. federal income tax purposes, the transfer of assets to the Trusts will be deemed to occur as (a) a first-step transfer of the Litigation Trust Assets and SCD Claim, in each case, as encumbered by any liabilities (solely for purposes of this section, referred to collectively as the "Trusts Assets"), as applicable, to the Holders of the applicable Claims, and (b) a second-step transfer by such Holders to the Trusts, as applicable.

No request for a ruling from the IRS will be sought on the classification of the Trusts. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Trusts. If the IRS were to successfully challenge the classification of the Trusts as a grantor trust, the federal income tax consequences to the Trusts and the Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the Trusts as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the Trusts Assets to the Trusts, the trustees of the Trusts shall make a good faith valuation of the Trusts Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustees of the Trusts, and the holders of Claims receiving interests in the Trusts shall take consistent positions with respect to the valuation of the Trusts Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the Trusts among the Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the Trusts had sold all of the Trusts Assets at their tax book value and distributed the proceeds to the applicable Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Trusts. The tax book value of the Trusts Assets shall equal their fair market value on the date of the transfer of the applicable Trusts Assets to the Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements. The holders of interests in any Trust will be treated as the owners of their pro rata share of any Trust Assets.

The Trusts shall in no event be dissolved later than five (5) years from the creation of such Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Trust that any further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Trusts Assets.

The Trusts will file annual information tax returns with the IRS as grantor trusts pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Trusts Assets (e.g., income, gain, loss, deduction, and credit). Each Trust beneficiary holding a beneficial interest in a Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Trusts will pertain to Trusts beneficiaries who receive their interests in a Trust in connection with the Plan.

(a) **Disputed Ownership Fund, Qualified Settlement Fund, or Widely Held Fixed Investment Trust Treatment.**

With respect to any of the assets of a Trust that are subject to potential disputed claims of ownership or uncertain distributions, or to the extent "liquidating trust" treatment is otherwise unavailable or not elected to be applied with respect to a Trust, such assets may be subject to disputed ownership fund treatment under section 1.468B-9 of the Treasury Regulations, and in such case it is intended that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for any such account. Any

taxes (including with respect to interest, if any, earned in the account) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes).

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, it may be determined to treat a Trust as a "qualified settlement fund" within the meaning of the Treasury Regulations promulgated under section 468B of the Tax Code. Such Treasury Regulations provide that a fund, account, or trust will be a qualified settlement fund if three conditions are met. First, the fund, account, or trust must be established pursuant to an order of or be approved by a government authority, including a court, and must be subject to the continuing jurisdiction of that government authority. A court order giving preliminary approval to a fund, account, or trust will satisfy this requirement even though the order is subject to review or revision. Second, the fund, account, or trust must be established to resolve or satisfy on or more contested or uncontested claims that have resulted or may result from an event (or related series of events) that has occurred and that has given rise to at least one claim asserting liability arising, among other things, out of a tort. Third, the fund, account, or trust must be a trust under applicable state law or have its assets physically segregated from the other assets of the transferor and person related to the transferor. The Trust may be established with the express purposes of satisfying the requirements of a qualified settlement fund and may be treated as a separate taxable entity, with its modified gross income subject to U.S. federal income tax at the highest rate applicable to estates and trusts (currently 37%). For purposes of determining the Trust's modified gross income, payments to the Trust and payments from the Trust to holders of interests therein in settlement of their Claims would not be taken into account.

The treatment of a "widely held fixed investment trust" would be as described above with respect to the GUC Equity Trust.

5. Accrued Interest.

To the extent that the fair market value of the consideration received by a U.S. Holder on an exchange of its Allowed Claim under the Plan is attributable to accrued but unpaid interest on such Allowed Claim, the receipt of such amount generally should be taxable to the U.S. Holder as ordinary interest income (to the extent such amount was not previously included in the gross income of such U.S. Holder). Conversely, a U.S. Holder of an Allowed Claim may be able to deduct a loss to the extent that any accrued interest on such debt instruments was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder of an Allowed Claim under the Plan is not sufficient to fully satisfy all principal and interest on its Allowed Claim, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration distributed to U.S. Holders will be allocated first to the principal amount of the Allowed Claim, with any excess allocated to accrued but unpaid interest, if any, on such U.S. Holder's Allowed Claims. Certain legislative history indicates that an allocation of consideration between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated first to principal, rather than interest. Certain Treasury Regulations, however, allocates payments first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan.

U.S. Holders of Allowed Claims are urged to consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

6. Market Discount.

Under the "market discount" provisions of the IRC, some or all of any gain realized by a U.S. Holder of an Allowed Claim who exchanges such Allowed Claim for an amount on the Effective Date may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on such exchanged Allowed Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with original issue discount, its adjusted issue price, by at least a *de minimis* amount (equal to 1/4 of 1 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, *multiplied* by the remaining number of complete years to maturity).

Any gain recognized by a U.S. Holder on the disposition of an Allowed Claim (determined as described above) which was acquired with market discount should be treated as ordinary income to the extent of the amount of market discount that accrued thereon while such Allowed Claim was treated as held by such U.S. Holder (unless such U.S. Holder elected to include such amount of market discount in income as it accrued). To the extent that a U.S. Holder exchanges any Allowed Claim that was acquired with market discount in a tax-free transaction for other property, any market discount that accrued on such Allowed Claim (*i.e.*, up to the time of the exchange), but was not recognized by such U.S. Holder, is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of such property is treated as ordinary income to the extent of such accrued, but not recognized, market discount.

U.S. Holders of Allowed Claims are urged to consult their own tax advisors concerning the application of the market discount rules to their Allowed Claim.

7. Consequences to U.S. Holders of the Ownership and Disposition of New Common Stock.

(a) **Dividends on New Common Stock.**

Any distributions made on account of the New Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of New Rite Aid as determined under U.S. federal income tax principles. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares of the New Common Stock. Any such distributions in excess of the U.S. Holder's basis in its shares of the New Common Stock (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as New Rite Aid has sufficient earnings and profits and certain holding period requirements are satisfied. The length of time that a U.S. Holder has held its stock is reduced for any period during which such U.S. Holder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends-received deduction may be disallowed.

(b) **Sale, Redemption, or Repurchase of New Common Stock.**

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Common Stock. Such capital gain generally will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder has held the New Common Stock for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Common Stock, as applicable as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Allowed Senior Secured Notes Claims or recognized an ordinary loss on the exchange of its Allowed Senior Secured Notes Claims for New Common Stock.

8. U.S. Federal Income Tax Consequences to U.S. Holders of Ownership and Disposition of the Takeback Notes.

(a) **Payments of Qualified Stated Interest**

Payments or accruals of "qualified stated interest" (as defined below) on the Takeback Notes will be includible in the U.S. Holder's gross income as ordinary interest income and taxable at the time that such payments are accrued or are received in accordance

with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of the Takeback Notes, at a single fixed rate of interest, or, subject to certain conditions, based on one or more interest indices.

(b) **Original Issuance Discount**

Where, as here, certain U.S. Holders of Senior Secured Notes Claims receiving debt instruments are also receiving other property in exchange for their Claims (*e.g.*, New Common Stock), the "investment unit" rules may apply to the determination of the "issue price" for any debt instrument received in exchange for their Senior Secured Notes Claims. In such case, the issue price of the Takeback Notes will depend, in part, on the issue price of the "investment unit," and the respective fair market values of the elements of consideration that compose the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument. As a result, the issue price of the investment unit will depend on whether the investment unit is considered, for U.S. federal income tax purposes and applying rules similar to those applied to debt instruments, to be traded on an established market (*i.e.*, whether there is trading on an "established securities market" at any time during the 31-day period ending 15 days after the Effective Date). In general, consideration can be treated as being traded on an established market for these purposes even if no trades actually occur and there are merely firm or indicative quotes available with respect to the items discussed below. Additionally, when determining fair market value under these rules, actual trades and firm quotes will generally be dispositive, while it may be possible to refute the application of mere "indicative" quotes if such indicative quotes "materially misrepresent[] the fair market value of the property" being valued.

If none of the components of an investment unit nor the surrendered Senior Secured Notes Claims are publicly traded on an established market, then the issue price of the applicable Takeback Notes would generally be determined under section 1273(b)(4) or 1274 of the Tax Code, as applicable. If none of the components of the investment unit are publicly traded on an established market, but the Senior Secured Notes Claims are so traded, then the issue price of the investment unit will be determined by the fair market value of such Senior Secured Notes Claims.

If the investment unit received in exchange for Senior Secured Notes Claims is considered to be publicly traded on an established market, the issue price of the investment unit would be the fair market value of the investment unit. The law is somewhat unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. In the event that an applicable Takeback Notes is publicly traded on an established market but the New Common Stock and/or other elements of consideration are not treated as publicly traded on an established market, the determination of the issue price of the loans under the applicable Takeback Notes is unclear. Such issue price could be based on (i) in the case where the Senior Secured Notes Claims are also publicly traded on an established market, on the trading value of such Senior Secured Notes Claims, allocated as described above, (ii) based on the demonstrated trading price of the applicable Takeback Notes, or (iii) the stated redemption price at maturity of the applicable Takeback Notes.

If an issue price is determined for the investment unit received in exchange for the Senior Secured Notes Claims under the above rules, then the issue price of an investment unit is allocated among the elements of consideration making up the investment unit based on their relative fair market values, with such allocation determining the issue price of the applicable Takeback Notes.

An issuer's allocation of the issue price of an investment unit is binding on all U.S. Holders of the investment unit unless a U.S. Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the investment unit.

As discussed above, a debt instrument, such as a Takeback Notes, is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a *de minimis* amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. Moreover, a Takeback Notes could be treated as issued with OID to the extent the allocation rules described above result in the Takeback Notes having an issue price that is less than their stated redemption price at maturity.

For purposes of determining whether there is OID, the *de minimis* amount is generally equal to ¼ of 1 percent of the principal amount of the Takeback Notes multiplied by the remaining number of complete years to maturity from their original issue date, or if the

Takeback Notes provide for payments other than payments of qualified stated interest before maturity, multiplied by the weighted average maturity (as determined under applicable Treasury Regulations). If the Takeback Notes are issued with OID, a U.S. Holder generally (i) will be required to include the OID in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the Takeback Notes, in advance of the receipt of the cash attributable to such OID and regardless of the holder's method of accounting for U.S. federal income tax purposes, but (ii) will not be required to recognize additional income upon the receipt of any Cash payment on the Takeback Notes that is attributable to previously accrued OID that has been included in its income. If the amount of OID on the Takeback Notes is *de minimis*, rather than being characterized as interest, any payment attributable to the *de minimis* OID will be treated as gain from the sale of the Takeback Notes, and a Pro Rata amount of such *de minimis* OID must be included in income as principal payments are received on the Takeback Notes.

(c) **Sale, Taxable Exchange or other Taxable Disposition**

Upon the disposition of the Takeback Notes by sale, exchange, retirement, redemption or other taxable disposition, a U.S. Holder will generally recognize gain or loss equal to the difference, if any, between (i) the amount realized on the disposition (other than amounts attributable to accrued but untaxed interest, which will be taxed as ordinary interest income to the extent not previously so taxed) and (ii) the U.S. Holder's adjusted tax basis in the Takeback Notes, as applicable. A U.S. Holder's adjusted tax basis in their interest in the Takeback Notes will be determined in the manner set forth above. A U.S. Holder's adjusted tax basis will generally be increased by any accrued OID previously included in such U.S. Holder's gross income. A U.S. Holder's gain or loss will generally constitute capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held such Takeback Notes for longer than one year. Non-corporate taxpayers are generally subject to a reduced federal income tax rate on net long-term capital gains. The deductibility of capital losses is subject to certain limitations.

9. Consequences to U.S. Holders of the Ownership and Disposition of MedImpact NewCo Notes.

If the MedImpact Term Loan Backstop Parties are the winning bidder for the MedImpact Term Loan, any MedImpact NewCo Notes issued to such Holders are expected to be treated as equity interests in the MedImpact Term Loan NewCo for U.S. federal income tax purposes. It has not yet been determined if the MedImpact Term Loan NewCo will be treated as a C corporation, partnership or disregarded entity, or trust for U.S. federal income tax purposes. If treated as a C corporation, then ownership of the MedImpact NewCo Notes is generally expected to have consequences as described in Section C.6 above, except that MedImpact Term Loan NewCo would be the issuer rather than New Rite Aid. If treated as a partnership or disregarded entity, then holders of the MedImpact NewCo Notes will take into account their share of income, gain, loss, deduction, and credit from MedImpact Term Loan NewCo on their individual income tax returns. If treated as a trust, then ownership of the MedImpact NewCo Notes is generally expected to have consequences similar to those described in Section C.4 above.

10. Treatment of MedImpact NewCo Subscription Rights.

Although not entirely free from doubt, the Reorganized Debtors intend to take the position that a U.S. Holder of a Senior Secured Notes Claim that elects to exercise its MedImpact NewCo Subscription Rights should be treated as purchasing, in exchange for its MedImpact NewCo Subscription Rights, and the amount of Cash paid by the U.S. Holder to exercise such rights, MedImpact Rights Offering NewCo Notes. Such a purchase should generally be treated as the exercise of an option under general U.S. federal income tax principles, and such U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the MedImpact NewCo Subscription Rights. A U.S. Holder's aggregate tax basis in the MedImpact Rights Offering NewCo Notes received should equal the sum of (a) the amount of Cash paid by the U.S. Holder to exercise the rights in respect of such consideration, plus (b) such U.S. Holder's tax basis in such rights immediately before such rights are exercised. A U.S. Holder's holding period for the MedImpact Rights Offering NewCo Notes received pursuant to such exercise should begin on the day following the Effective Date.

A U.S. Holder that elects not to exercise the MedImpact NewCo Subscription Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise such rights should consult with their own tax advisors as to the tax consequences of such decision.

D. Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders of Allowed Senior Secured Notes Claims and General Unsecured Claims. This discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan to such Non-U.S. Holder and the ownership and disposition of the New Common Stock or MedImpact NewCo Notes, as applicable.

1. Gain Recognition by Non-U.S. Holders.

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

Any gain realized by a Non-U.S. Holder generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor form or such other form as the IRS may prescribe). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. Accrued Interest.

Subject to the discussion of FATCA below, payments to a Non-U.S. Holder that are attributable to accrued but untaxed interest (or original issue discount, if any) with respect to Allowed Senior Secured Notes Claims generally will not be subject to U.S. federal income or withholding tax, *provided* that the Non-U.S. Holder provides to the withholding agent, prior to receipt of such payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person, unless:

(a) the Non-U.S. Holder actually or constructively owns ten percent or more of the total combined voting power of all classes of Debtor's stock entitled to vote;

(b) the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to Debtor (each, within the meaning of the IRC);

(c) the non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the IRC; or

(d) such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax on a net basis generally in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued interest at a rate of thirty percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for the exemption from withholding tax with respect to accrued but untaxed interest (or original issue discount, if any) that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a thirty percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on any payments that are attributable to accrued but untaxed interest (or original issue discount, if any). For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business. As described above in more detail under the heading "Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders - Accrued Interest," the aggregate consideration to be distributed to holders of Allowed Claims in each Class will be allocated first to the principal amount of such Allowed Claims, with any excess allocated to accrued but unpaid interest on such Allowed Claims, if any.

3. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Payments of Interest and of Owning and Disposing of the Takeback Notes.

(a) **Interest Payments; Accrued Interest (and OID).**

Subject to the discussion of backup withholding and FATCA below, interest income (which, for purposes of this discussion of Non-U.S. Holders, includes OID and accrued but untaxed interest, including in each case any such amounts paid to a Non-U.S. Holder under the Plan) of a Non-U.S. Holder that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder may qualify for the so-called "portfolio interest exemption" and, therefore, will not be subject to U.S. federal income tax or withholding, provided that:

- the Non-U.S. Holder does not own, actually or constructively, a 10 percent or greater interest in New Rite Aid (or, in the case of interest received pursuant to the Plan, the Debtors) within the meaning of Section 871(h)(3) of the Code and Treasury Regulations thereunder;
- the Non-U.S. Holder is not a controlled foreign corporation related to New Rite Aid (or, in the case of interest received pursuant to the Plan, the Debtors), actually or constructively through the ownership rules under Section 864(d)(4) of the Tax Code;
- the Non-U.S. Holder is not a bank that is receiving the interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and
- the beneficial owner gives New Rite Aid (or, as applicable, the Debtors') paying agent an appropriate IRS Form W-8 (or suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed establishing its status as a Non-U.S. Holder.

If not all of these conditions are met, interest on the Takeback Notes paid to a Non-U.S. Holder or interest paid to a Non-U.S. Holder pursuant to the Plan that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will generally be subject to U.S. federal income tax and withholding at a 30 percent rate, unless an applicable income tax treaty reduces or eliminates such withholding and the Non-U.S. Holder claims the benefit of that applicable income tax treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed.

If interest on the Takeback Notes or interest paid to a Non-U.S. Holder pursuant to the Plan is effectively connected with a trade or business in the United States ("ECI") carried on by the Non-U.S. Holder, the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30 percent withholding tax described above will not apply), provided the appropriate statement is provided to New Rite Aid (or, with respect to interest received pursuant to the Plan, the Debtors) paying agent unless an applicable income tax treaty provides otherwise. To claim an exemption from withholding, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor

form or such other form as the IRS may prescribe). If a Non-U.S. Holder is eligible for the benefits of any applicable income tax treaty between the United States and its country of residence, any interest income that is ECI will be subject to U.S. federal income tax in the manner specified by the applicable income tax treaty if the Non-U.S. Holder claims the benefit of the applicable income tax treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed. In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional branch profits tax at a 30 percent rate, or, if applicable, a lower applicable income tax treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments).

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and, as applicable, must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

(b) **Sale, Taxable Exchange, or Other Disposition of the Takeback Notes.**

A Non-U.S. Holder will generally not be subject to U.S. federal income tax on any gain realized on a sale, exchange, retirement, redemption, or other taxable disposition of the Takeback Notes (other than any amount representing accrued but unpaid interest on the loan) unless:

- the gain is ECI (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment that such Non-U.S. Holder maintains in the United States); or
- in the case of a Non-U.S. Holder who is a nonresident alien individual, such Non-U.S. Holder is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met.

If a Non-U.S. Holder falls under the first of these exceptions, unless an applicable income tax treaty provides otherwise, the Non-U.S. Holder will generally be taxed on the net gain derived from the disposition of the Takeback Notes under the graduated U.S. federal income tax rates that are applicable to U.S. Holders and, if the Non-U.S. Holder is a foreign corporation, it may also be subject to the branch profits tax described above. To claim an exemption from withholding, such non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor form or such other form as the IRS may prescribe). If an individual Non-U.S. Holder falls under the second of these exceptions, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (unless a lower applicable income tax treaty rate applies) on the amount by which the gain derived from the disposition exceeds such Non-U.S. Holder's capital losses allocable to sources within the United States for the taxable year of the disposition.

4. Consequences to Non-U.S. Holders of the Ownership and Disposition of New Common Stock.

(a) **Dividends.**

Any distributions made with respect to New Common Stock (other than certain distributions of stock of New Rite Aid) will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of New Rite Aid, as determined under U.S. federal income tax principles (and thereafter first as a return of capital which reduces basis and then, generally, capital gain). Except as described below, dividends paid with respect to New Common Stock held by a Non-U.S. Holder that are not ECI (or, if an applicable income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under an applicable income tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or suitable substitute or successor form or such other form as the IRS may prescribe), upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower applicable income tax treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Common Stock held by a Non-U.S. Holder that are ECI (and, if an applicable income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a

Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If a Reorganized Debtor is considered a "U.S. real property holding corporation" (a "USRPHC"), distributions to a Non-U.S. Holder will generally be subject to withholding by Reorganized Debtor at a rate of 15 percent to the extent they are not treated as dividends. In the event the New Common Stock are regularly traded on an established market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent of the aggregate fair market value of the class of equity interests that includes New Common Stock during a specified testing period. Exceptions to such withholding may also be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations.

(b) **Sale, Redemption, or Repurchase of New Common Stock.**

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Common Stock of New Rite Aid unless:

(i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the United States;

(ii) such gain is ECI (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or

(iii) the issuer of such New Common Stock is or has been during a specified testing period a USRPHC (as discussed below).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Common Stock. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, a non-U.S. Holder of New Common Stock generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its New Common Stock under the Foreign Investment in Real Property Tax Act and the Treasury Regulations thereunder ("FIRPTA"). Taxable gain from a non-U.S. Holder's disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and the non-U.S. Holder's adjusted tax basis in such interest) would constitute ECI. A non-U.S. Holder would also be subject to withholding tax equal to fifteen percent of the amount realized on the disposition and generally required to file a U.S. federal income tax return. The amount of any such withholding may be allowed as a credit against the non-U.S. Holder's U.S. federal income tax liability and may entitle the non-U.S. Holder to a refund if the non-U.S. Holder properly and timely files a tax return with the IRS.

In general, a corporation would be a USRPHC with respect to a non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds fifty percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of (a) the five-year period ending on the effective time of the applicable disposition or (b) the non-U.S. Holder's holding period for its interests in the corporation.

In general, FIRPTA will not apply upon a non-U.S. Holder's disposition of its New Common Stock if (x) the New Common Stock is treated as "regularly traded" on an established market and continue to be regularly traded on an established market and (y) the non-U.S. Holder did not directly or indirectly own more than five percent of the value of the New Common Stock during a specified testing period.

5. FATCA.

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S.-source payments of fixed or determinable, annual, or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S.-source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

Withholding with respect to the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest has been eliminated under proposed Treasury Regulations, which can be relied on until final regulations become effective.

Each Non-U.S. Holder are urged to consult its own tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

6. Information Reporting and Back-Up Withholding.

The Debtors and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments made to a Holder of a Claim under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; *provided* that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

XIV. RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: April 1, 2024

Rite Aid Corporation
on behalf of itself and all other Debtors

/s/ Jeffrey S. Stein
Jeffrey S. Stein
Chief Executive Officer
Chief Restructuring Officer
Rite Aid Corporation

Exhibit A

Plan of Reorganization

[*Filed separately*]

Exhibit B

Proposed Disclosure Statement Order

Exhibit C

Corporate Organization Chart

Exhibit D

Liquidation Analysis

Exhibit E

Financial Projections

Exhibit E-1

Redline of Financial Projections

Exhibit F

NAS Claimants' Addendum

Exhibit F-1

NAS Claimants' Proposal

The NAS Claimants requested that the following proposed provisions be included in the Plan. The Debtors have included this Exhibit F-1 without substantive revision as it was proposed by the NAS Claimants. The Debtors made certain nonsubstantive formatting revisions for consistency with the Disclosure Statement and the other exhibits attached thereto.

For the avoidance of doubt, the Debtors do not approve of, agree with, or substantively accept any of the assertions made in the NAS Claimants' Proposal and dispute that they are appropriate for inclusion in the Plan or for attachment to the Disclosure Statement, substantively and/or procedurally. The Debtors assert that this Disclosure Statement complies with section 1125 of the Bankruptcy Code without inclusion of the NAS Claimants' Proposal and that the Plan complies with section 1129 of the Bankruptcy Code without corresponding revisions. The Plan for which the Debtors have requested to solicit votes does not include these provisions. The Debtors reserve all rights to oppose any request by the NAS Claimants for revisions to the Plan or further revisions to this Disclosure Statement in connection with the NAS Claimants' Proposals.

I. ESTABLISHMENT OF MINORS' TRUST

The trusts to be created under the Plan will contain a trust for the payment of opioid-related claims by minors ("Minors Trust"). The Minors' Trust will be funded with approximately $2.0 billion over 2 years as follows for the benefit of holders of opioid-related claims asserted by NAS Claimants against the Debtor, a combination of (a) Cash Contribution: on the effective date of the Plan, $1.0 billion in cash will be delivered to the Minors' Trust, subject to adjustment as follows: (a) commencing on the first business day after the confirmation date, interest will accrue on such amount at the rate of 4% per annum and (b) such amount will be reduced by the amount of expenses of the Minors' Trust that are paid by the reorganized Debtor in advance of the effective date of the Plan; (b) On the first

anniversary of the effective date of the Plan $750 million will be delivered to the Minors' Trust; (c) On the second anniversary of the effective date of the Plan $250 million will be delivered to the Minors' Trust.

Promissory Note: On the Effective Date of the Plan, a $400 million promissory note ("NAS Promissory Note") will be delivered to the Minors' Trust for all opioid-related claims by NAS Claimants, with such promissory note to bear no interest and mature on the first anniversary of the Effective Date.

It is anticipated that the Minors' Trust will pay all current opioid-related claims asserted by NAS Claimants against the Debtor within one year after it is established. All opioid-related claims asserted by NAS Claimants will be processed, liquidated, and paid by the Minors' Trust. In that regard, the Plan includes opioid personal injury trust distribution procedures for opioid-related claims asserted by NAS Claimants that describe a detailed methodology for the fair and equitable resolution of opioid-related claims, such as NAS, FOE and NOWS. The trust distribution procedures are attached as an exhibit to the Plan and are summarized later in this Disclosure Statement. The compensation anticipated to be paid by the trust for opioid-related claims asserted by NAS Claimants against the Debtor compares very favorably to amounts claimants have received to date in the tort system, as the trust will pay out over $2 billion while the vast majority of NAS Claimants have recovered nothing, if only for the fact that among the numerous actions that have been filed with the courts not one has proceeded to trial, and one settlement in a contested matter led to a $500,000 recovery for the minor asserting opioid-related claims. Pursuant to the Plan and sections 524(g) and/or 105(a) of the Bankruptcy Code, the sole recourse for claimants that are minors will be to the Minors' Trust. Claimants of the Debtor, including minors, will no longer have any right to assert opioid-related claims against the Debtor or other parties identified in the Plan.

As defined in the Plan and used in this Disclosure Statement: "Ancillary Indemnity Claim" means a Claim for contribution, reimbursement, subrogation, or indemnity (as those terms are defined by applicable non-bankruptcy law of the relevant jurisdiction), whether contractual or implied by law, and any other derivative Claim, whether in the nature of or sounding in contract, tort, warranty, or other theory of law, that is not an Indirect NAS Claimant Personal Injury Claim.

Indirect NAS Personal Injury Claim. "Indirect NAS Personal Injury Claim" means (a) a Opioid Personal Injury Claim asserted for and on behalf of a minor for contribution, reimbursement, subrogation, or indemnity (as those terms are defined by applicable non-bankruptcy law of the relevant jurisdiction), whether contractual or implied by law, and any other derivative Opioid Personal Injury Claim, whether in the nature of or sounding in contract, tort, warranty, or other theory of law in respect of

(i) the payment, whether pursuant to a settlement, judgment, or verdict, of any claim for or otherwise relating to death, injury, or damages that is asserted by or on behalf of an injured individual, the estate, legal counsel, relative, assignee, or other representative of any injured individual, or an individual who claims injury or damages as a result of the injury or death of another individual or (a) the payment of medical or other expenses of, or the provision of medical treatment, medical equipment, or other services or goods to, an injured individual, but, for the avoidance of doubt, not a Claim for contribution, reimbursement, subrogation, or indemnity, or any other derivative Claim, in respect of legal fees or expenses incurred by the holder of such NAS Personal Injury Claim in connection with such payment, (b) a NAS Personal Injury Claim of for contribution, reimbursement, subrogation, or indemnity under any or otherwise, or (c) a Governmental Action Claim.

(ii) For the avoidance of doubt, an Indirect NAS Personal Injury Claim shall not include (a) any claim for or otherwise relating to death, injury, or damages caused by NAS or a product or material containing opioids that is asserted by or on behalf of any injured individual, the estate, legal counsel, relative, assignee, or other representative of any injured individual, or an individual who claims injury or damages as a result of the injury or death of another individual caused by FOE or a product or material containing NAS regardless of whether such claim is seeking compensatory, special, economic, non-economic, punitive, exemplary, administrative, or any other costs or damages, or any legal, equitable or other relief whatsoever, including pursuant to a settlement, judgment, or verdict or

any claim against any based on, arising out of, or in any way relating to the_____. By way of illustration and not limitation of claims contemplated by the foregoing clause (is), an Indirect NAS Personal Injury Claim shall not include any claim for loss of consortium, loss of companionship, services and society, or wrongful death. "NAS Personal Injury Claim" means any claim or NAS Personal Injury Demand against the Debtor or any

other Protected Party, whether known or unknown, including with respect to any manner of alleged bodily injury, death, sickness, disease, emotional distress, fear of cancer, medical monitoring, or any other alleged personal injuries (whether physical, emotional, or otherwise), directly or indirectly arising out of or in any way relating to the presence of or exposure to opioid products based on the alleged pre-Effective Date acts or omissions of the Debtor or any other Person for whose conduct the Debtor has, or is alleged to have, liability, whether by assumption of such liability from such other Person, by agreement to indemnify, defend, or hold harmless such other Person from and against such liability, or otherwise, including any such claims and NAS Personal Injury Demands directly or indirectly arising out of or in any way relating to: (a) any opioid products previously dispensed, distributed, marketed, sold, supplied, installed, maintained, serviced, specified, selected, repaired, removed, replaced, released, and/or in any other way made available by the Debtor or any other Person; (b) any opioid or opioid-containing materials present at any premises owned, leased, occupied, or operated by any Person.

NAS Personal Injury Claims include all such claims and NAS Personal Injury Demands, whether:

(1) in tort, contract, warranty, restitution, conspiracy, contribution, indemnity, guarantee, subrogation, reimbursement, or any other theory of law, equity or admiralty, whether brought, threatened, or pursued in any United States court or other court anywhere in the world, including Canada.

(2) liquidated or unliquidated, fixed or contingent, direct or indirect, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or hereafter arising, in law, equity, or otherwise (including under piercing the corporate veil, agency, alter ego, successor liability, fraudulent conveyance, conspiracy, enterprise liability, market share, joint venture, or any other legal or equitable theory);

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(3) seeking compensatory, special, economic, non-economic, punitive, exemplary, administrative, or any other costs, fees, injunctive, or similar relief, or any other measure of damages;

(4) seeking any legal, equitable, or other relief of any kind whatsoever, including, for the avoidance of doubt, any claims and NAS Personal Injury Demands arising out of or in any way relating to the presence of or exposure to NAS or NAS-containing products assertable against the Debtor or any other Protected Party; or

(5) held by Persons residing within the United States or in a foreign jurisdiction, including Canada. NAS Personal Injury Claims also include any such claims that have been resolved or are subject to resolution pursuant to any agreement, or any such claims that are based on a judgment or verdict. NAS Personal Injury Claims do not include any claim or demand by any present or former employee of a predecessor or Affiliate of the Debtor for benefits under a policy of workers' compensation insurance or for benefits under any state or federal workers' compensation statute or other statute providing compensation to an employee from an employer.

For the avoidance of doubt, NAS Personal Injury Claims include: (is) all claims, demands, debts, obligations, or liabilities for compensatory damages (such as, without limitation, loss of consortium, medical monitoring, personal or bodily injury, wrongful death, survivorship, proximate, consequential, general, and special damages) and punitive damages; (ii) PI/Stay Order Claims. Notwithstanding the foregoing, NAS Personal Injury Claims do not include any claim that a Settling NAS Insurance Company may have against its reinsurers and/or retrocessionaires in their capacities as such, and nothing in the Plan, the Plan Documents, or the Confirmation Order shall impair or otherwise affect the ability of a Settling NAS Insurance Company to assert any such claim against its reinsurers and/or retrocessionaires in their capacities as such.

Exhibit F-2

NAS Claimants' Combined Objection

The NAS Claimants requested that the following objection to final approval of the Disclosure Statement and confirmation of the Plan be attached to the Disclosure Statement. The Debtors have included this Exhibit F-2 without substantive revision as it was drafted by the NAS Claimants.

For the avoidance of doubt, the Debtors do not approve of, agree with, or substantively accept any of the assertions made in the NAS Claimants' Combined Objection and dispute each of the assertions therein. The Debtors assert that this Disclosure Statement complies with section 1125 of the Bankruptcy Code and that the Plan complies with section 1129 of the Bankruptcy Code. The Debtors reserve all rights to oppose the NAS Claimants' Combined Objection at the Combined Hearing.
