

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

In re:

NEW RUE21 HOLDCO, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10939 (BLS)

(Jointly Administered)

Ref. Docket No. 94, 151, 171 & 172

**ORDER (I) APPROVING BIDDING
PROCEDURES FOR SALE OF THE DEBTORS'
REMAINING ASSETS, (II) AUTHORIZING DEBTORS' ENTRY INTO THE
STALKING HORSE APA AND THE DEBTORS' ABILITY TO PROVIDE THE
STALKING HORSE BID PROTECTIONS THEREUNDER, (III) SCHEDULING
AN AUCTION AND A SALE HEARING AND APPROVING THE FORM
AND MANNER OF NOTICE THEREOF, (IV) APPROVING ASSUMPTION
AND ASSIGNMENT PROCEDURES, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² and supplement to the Motion [Docket No. 171] of the debtors and debtors-in-possession (the “Debtors”) in the above-captioned cases for entry of an order (the “Order”) (i) approving the bidding procedures (the “Bidding Procedures,” in the form attached hereto as **Exhibit 1**) for the sale or disposition (the “Sale” or “Sale Transaction”) of substantially all of the Debtors’ remaining assets, including their intellectual property, personal property (including certain furniture, fixtures, and equipment), and leasehold interests that have not been assumed and assigned or rejected (collectively, the “Assets”), (ii) authorizing the Debtors to enter into that certain *Asset Purchase Agreement*, by and among the Debtors and YM Inc. (Sales) (the “Stalking Horse APA”) for the Purchased Assets (as defined in the Stalking Horse APA,

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their federal tax identification numbers, are New rue21 Holdco, Inc. (4668), r21 Holdings, Inc. (1618), New rue21 Intermediate, Inc. (9166), New rue21, LLC (4521), New RSC, LLC (4690), and r services llc (9425). The Debtors’ headquarters is located at 800 Commonwealth Drive, Warrendale, PA 15086.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or Bidding Procedures, as applicable.

attached hereto as **Exhibit 4**, and to provide the Bid Protections; (iii) scheduling one or more auctions (the “Auction”) of the Assets, and one or more hearings to consider approval of the Sale (the “Sale Hearing”), and approving the form and manner of the notice thereof (the “Sale Hearing Notice,” in the form attached hereto as **Exhibit 2**), (iv) approving the form and manner of notice to each relevant non-debtor counterparty (each, a “Counterparty”) to an executory contract or unexpired lease (each, a “Contract”) of (a) the Debtors’ calculation of the amount necessary to cure any defaults under an applicable Contract (the “Cure Amount”), (b) certain other information regarding the potential assumption and assignment of Contracts in connection with the sale of the Assets (the “Assumption and Assignment Notice,” substantially in the form attached hereto as **Exhibit 3**), and (c) the assumption and assignment procedures related thereto (the “Assumption and Assignment Procedures”), and (v) granting related relief; and the Court having reviewed the Motion, the First Day Declaration [Docket No. 19], and the Adams Declaration in support of the Motion [Docket No. 172]; and the Court having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on May 24, 2024 to consider certain of the relief requested in the Motion (the “Bidding Procedures Hearing”); and after due deliberation, this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors, and the Debtors having demonstrated good, sufficient and sound business justifications for the relief granted herein;

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

B. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested in the Motion are sections 105(a), 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014 and Local Rules 2002-1, 6004-1, and 9006-1.C. Notice of the Motion and the Bidding Procedures Hearing was sufficient under the circumstances and no other or further notice need be provided.

C. The Debtors and their advisors engaged in a robust and extensive marketing and sale process prior to the commencement of these chapter 11 cases (the “Chapter 11 Cases”). The Bidding Procedures are designed to continue that marketing and sale process with respect to the Assets following entry of this Order in order to solicit the highest or otherwise best value for the Assets. The Bidding Procedures, the Stalking Horse APA, and the Bid Protections are fair, appropriate, and reasonably designed to enable the Debtors to receive bids for the Assets, and they represent the best method for maximizing the realizable value of the Assets for the benefit of the Debtors’ estates.

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

D. The Bidding Procedures are reasonably designed to promote active bidding at, and participation in, the Auction to ensure that the highest or otherwise best value is generated for the Assets.

E. The Motion and this Order are reasonable and appropriate, and the Bidding Procedures comply with the requirements set forth by Local Rule 6004-(1)(c).

F. The Assumption and Assignment Procedures set forth herein are fair, reasonable, appropriate, and comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

G. The Debtors have articulated good and sufficient business reasons for the Court to approve (i) the Bidding Procedures; (ii) the Stalking Horse APA and Bid Protections; (iii) the form and manner of the Sale Hearing Notice of the Bidding Procedures, one or more Auctions of the Assets, and one or more Sale Hearings; (iv) the form and manner of the Assumption and Assignment Notice to each relevant Counterparty to a Contract of (a) the Debtors' calculation of the Cure Costs and (b) certain other information regarding the potential assumption and assignment of Contracts in connection with the Sale of the Assets; and (v) the Assumption and Assignment Procedures. The best interests of the Debtors, their estates, creditors, and other parties in interests will be served by such approval and authorization.

H. The Bid Protections to be paid in accordance with the Stalking Horse APA are: (i) an actual and necessary cost of preserving the Debtors' estates within the meaning of sections 503(b) and 507(a) of the Bankruptcy Code; (ii) commensurate to the real and substantial benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; (iii) reasonable and appropriate in light of the size and nature of the proposed Sale embodied in the Stalking Horse APA and comparable transactions, the commitments that have been made by the Stalking Horse Bidder for

the benefit of the Debtors' estates, the Stalking Horse Bidder's lost opportunities resulting from the time spent pursuing the Sale and the commitment of capital in connection therewith, the condition of the Purchased Assets, and the efforts that have been and will be expended by the Stalking Horse Bidder; (iv) reasonably tailored to encourage bidding for the Assets by providing a baseline of value, increasing the likelihood of competitive bidding at the Auction, and facilitating participation of other bidders in the sale process, thereby increasing the likelihood that the Debtors will receive the best possible price and terms for the Assets; and (v) a condition to and necessary to induce the Stalking Horse Bidder to continue to pursue the Sale and to continue to be bound by the Stalking Horse APA.

I. The Stalking Horse Bid represents the highest and best offer the Debtors have received to date to purchase the Purchased Assets. The Stalking Horse APA provides the Debtors the opportunity to sell the Purchased Assets in a manner designed to preserve and maximize their value and provide a floor for a further marketing and auction process, to the benefit of the Debtors' estates, their creditors, and all other parties in interest. Designation of the Stalking Horse Bidder as a "stalking horse bidder" and the Stalking Horse APA as a "stalking horse agreement" is in the best interests of the Debtors' estates and their creditors and reflects a sound exercise of their business judgment. The Stalking Horse Bidder has provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Purchased Assets will be realized.

J. The Bid Protections are an essential inducement and condition of the Stalking Horse Bidder's entry into, and continuing obligations under, the Stalking Horse APA. Unless it is assured that the Bid Protections will be available, the Stalking Horse Bidder is unwilling to remain obligated to consummate the Sale or otherwise be bound under the Stalking Horse APA (including

the obligations to maintain its committed offer while such offer is subject to higher or otherwise better offers). The Bid Protections induced the Stalking Horse Bidder to submit a bid that will serve as a minimum floor bid for the Purchased Assets on which the Debtors, their creditors, and other bidders can rely, and which encourages and facilitates the Auction process. The Stalking Horse Bidder has provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Purchased Assets will be realized. Accordingly, the Bid Protections are reasonable and appropriate and represent the best method for maximizing the value of the Purchased Assets.

K. The Stalking Horse Bidder is a third-party purchaser and is unrelated to any of the Debtors. Neither the Stalking Horse Bidder, nor any of its affiliates, subsidiaries, officers, directors, members, partners, or principals, or any of their respective representatives, successors, or assigns is an “insider” of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code.

L. The Sale Hearing Notice and the Assumption and Assignment Notice are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the Sale Hearing, the Bidding Procedures, the Stalking Horse APA, the Bid Protections, the Assumption and Assignment Procedures, the Debtors’ proposed Cure Amounts, any proposed assumption of a Contract in connection with the Sale of the Assets, and all relevant and important dates and deadlines with respect to the foregoing, and no other or further notice of the Auction, the Sale of the Assets, or the assumption and assignment of Contracts in connection therewith shall be required.

M. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders, and all other parties in interest.

N. Good and sufficient notice of the relief sought in the Motion has been provided under the circumstances and no other or further notice is required, except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED to the extent set forth herein.
2. All objections to the relief granted in this Order that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits with prejudice.

A. The Bidding Procedures, Bid Protections, Bid Deadline, and Related Relief

3. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, are hereby approved in their entirety, are incorporated herein by reference, and shall govern the submission, receipt, and analysis of all Bids and the proceedings related to the Sale of the Assets and the Auction. The procedures and requirements set forth in the Bidding Procedures, including those associated with submitting a “Qualified Bid,” are fair, reasonable, and appropriate, and are designed to maximize recoveries for the benefit of the Debtors’ estates, creditors, and other parties in interest. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

4. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Order shall not diminish or otherwise impair the

effectiveness of such procedures, it being the Court's intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Order.

5. Subject to this Order and the Bidding Procedures, the Debtors, in the exercise of their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, shall have the right to (a) determine which bidders qualify as Qualified Bidders and which Bids qualify as Qualified Bids (other than the Stalking Horse Bidder, who shall automatically be deemed a Qualified Bidder under the Bidding Procedures); (b) make final determinations as to Auction Packages (as defined in the Bidding Procedures); (c) select the Baseline Bid for each Auction Package; (d) determine the amount of each Minimum Overbid; (e) determine the Leading Bid for each Auction Package; (f) determine which Qualified Bid is the Successful Bid and which Qualified Bid is the Backup Bid (each as defined in the Bidding Procedures) after the Successful Bid for an Auction Package; (g) reject any Bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of this Order or any other applicable order of the Court, the Bidding Procedures, the Bankruptcy Code, or other applicable law, and/or (iii) contrary to the best interests of the Debtors and their estates; (h) schedule and conduct Sub-Auctions for each Auction Package that has at least one Qualified Bid; (i) adjourn or cancel the Auction with respect to any or all of the Assets one or more times in accordance with the Bidding Procedures, and terminate the proposed Sale for any Assets; and (j) adjourn or reschedule the Sale Hearing with respect to a Sale Transaction involving any or all of the Assets in accordance with the Bidding Procedures.

6. In connection with any Sale pursuant to Bidding Procedures, a counterparty to a real property lease (each a "Lease Counterparty") bidding thereon shall be entitled to credit bid all or a portion of the applicable Cure Cost for such real property lease. If such Lease Counterparty

is the Successful Bidder on the applicable real property lease and it is later determined by the Court, or through an agreement by and among the Debtors and Lease Counterparty, that the actual Cure Cost is a lesser amount, then the Lease Counterparty shall promptly pay the difference in cash to the Debtors upon the Closing of the Sale.

7. The Debtors shall have the right to, in their reasonable business judgment, and in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, modify the Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth therein, (b) adopt new rules and procedures for conducting the bidding and Auction process, or (c) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximizing the value of the Assets; provided that such extensions, waivers, new rules and procedures, accommodations, and modifications (i) do not conflict with and are not inconsistent with this Order, the Bidding Procedures, the Bankruptcy Code, or any order of the Court and (ii) are promptly communicated to each Qualified Bidder.

8. The Debtors are authorized to enter into the Stalking Horse APA (including all schedules, exhibits, and other ancillary documents thereto), subject to higher and better offers at the Auction in accordance with the Bidding Procedures. The Debtors are authorized to perform all obligations of the Debtors set forth in the Stalking Horse APA that are intended to be performed prior to the Sale Hearing and prior to entry of the Sale Order, subject to the terms of the Bidding Procedures. The Stalking Horse Bidder is deemed a Qualified Bidder, and the Stalking Horse Bid as set forth in the Stalking Horse APA is deemed a Qualified Bid.

9. No person or entity (other than the Stalking Horse Bidder) shall be entitled to any expense reimbursement, break-up fees, “topping,” termination, or other similar fee or payment

and, by submitting a bid, such person or entity is deemed to have waived its right to request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of section 503(b) of the Bankruptcy Code or otherwise.

10. Any Prospective Bidder that desires to make a Bid must transmit via email (in .pdf or similar format) or deliver written copies of its bid to the following parties so as to be received not later than **4:00 p.m. (ET) on May 28, 2024** (the “Bid Deadline”): (i) proposed counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), and Joseph R. Brandt, Esq. (jbrandt@willkie.com) and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); and (ii) the Debtors’ proposed financial advisor, Riveron, Riveron RST, LLC 77 West Wacker Dr, Suite 4000 Chicago, IL 60601, Attn: Colin Adams (Colin.Adams@riveron.com), Alphesh Amin (Alpesh.Amin@riveron.com), and David Interdonato (David.Interdonato@riveron.com).

11. The Bid Protections are approved as follows: a Break-Up Fee in the amount equal to \$90,000 and Expense Reimbursement not to exceed \$75,000. The Bid Protections shall survive any termination of the Stalking Horse APA in accordance with the terms thereof, dismissal or conversion of any of the Chapter 11 Cases, and confirmation of any plan of reorganization or liquidation, and shall be joint and several obligations binding and enforceable against each Debtor and its respective estates, any trustee, examiner or other representative of the Debtors’ estates and any successors thereto. Notwithstanding anything to the contrary in the Stalking Horse APA, the

Bid Protections shall be allowed as administrative expense claims in the Chapter 11 Cases under sections 503(b), 507(a)(2), and 105(a) of the Bankruptcy Code. The Debtors are authorized and directed to pay any and all amounts owing to the Stalking Horse Bidder on account of the Bid Protections solely on the terms set forth in the Stalking Horse APA; provided, however, that counsel to the Stalking Horse Bidder shall provide the Debtors and the Consultation Parties with summary invoices and/or documentation in support of the Expense Reimbursement proposed to be paid no later than three (3) Business Days following an event that gives rise to payment of the Expense Reimbursement, and the Consultation Parties shall have the right to review such summary invoices and/or documentation, and may object to such payment on or before two (2) Business Days following the receipt of such summary invoices and/or documentation, solely on the basis that such fees are unreasonable and/or undocumented. The Bid Protections shall be payable to the Stalking Horse Bidder upon the earlier to occur of: (a) the consummation of a Competing Bid; provided, that the Bid Protections shall be paid out of the gross proceeds realized from such Competing Bid, (b) the effective date of any plan of reorganization or liquidation, pursuant to the terms and conditions of the Stalking Horse APA; provided, that the payment of the Bid Protections shall be a condition precedent to the effective date of any such plan, free and clear of all liens and without further order of this Court; and (c) if the Stalking Horse APA is terminated for any reason other than pursuant to Section 4.4(g) thereof; provided, that the Bid Protections shall be paid promptly as an allowed administrative expense claim, including in accordance with Paragraph 12 below. Nothing in this Order shall be construed as authorizing and directing the payment of the Bid Protections to the Stalking Horse Bidder in the event that it is the Successful Bidder with respect to the Purchased Assets.

12. Notwithstanding anything to the contrary herein or in the Stalking Horse APA, in the event that the Bankruptcy Court enters a Final Order (a) converting the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code or (b) appointing a trustee, receiver or other Person responsible for operation or administration of Seller or its business or assets, or a responsible officer for any Seller, or an examiner with enlarged powers relating to the operation or administration of Seller or its business or assets (each event in the foregoing clauses (a) and (b), a “Conversion Event”), then the Stalking Horse Bidder shall not exercise its termination right provided in Section 4.4(e) of the Stalking Horse Purchase Agreement for a period of at least fourteen (14) days following such Conversion Event, but no later than June 14, 2024 (the “Conversion Event Period”); provided that, for the avoidance of doubt, immediately upon expiration of the Conversion Event Period, unless otherwise agreed in writing by the Stalking Horse Bidder in its sole discretion, the Stalking Horse Bidder shall be entitled to terminate the Stalking Horse APA pursuant to Section 4.4(e) thereof and the Bid Protections shall be paid within five (5) Business Days of termination in accordance with Section 4.4(e) of the Stalking Horse APA (and notwithstanding anything to the contrary herein or in the Stalking Horse APA); and for the avoidance of doubt, in the event that the Chapter 11 Cases are converted into cases under chapter 7 of the Bankruptcy Code and the Stalking Horse APA is terminated upon expiration of the Conversion Event Period, the Bid Protections shall constitute allowed administrative expenses in the chapter 7 cases.

B. Key Dates and Deadlines

<u>Deadline</u>	<u>Event</u>
May 21, 2024, at 4:00 p.m. (ET)	Bidding Procedures Objection Deadline
May 24, 2024, at 11:00 a.m. (ET)	Hearing to consider approval of Bidding Procedures and entry of Bidding Procedures Order
Two business days after the entry of the Bidding Procedures Order, or as soon as practicable thereafter	Deadline for Debtors to file and serve Sale Hearing Notice
As soon as practicable after the entry of the Bidding Procedures Order	Deadline for Debtors to file and serve Assumption and Assignment Notice
As soon as practicable after the entry of the Bidding Procedures Order	Deadline for the Debtors to publish the Sale Hearing Notice
May 28, 2024, at 4:00 p.m. (ET)	Deadline to Object to Assumption and Assignment of Contracts
May 28, 2024, at 4:00 p.m. (ET)	Bid Deadline
No later than 24 hours prior to Auction, if applicable	Deadline to Designate Qualified Bidders
May 29, 2024, at 10:00 a.m. (ET)	Auction, solely in the event the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid
May 29, 2024, at 4:00 p.m. (ET)	Sale Objection Deadline ⁴
As soon as practicable after the Auction, if applicable	Deadline for Debtors to file Notice of Auction Results
At the Sale Hearing	Post-Auction Objection Deadline ⁵
May 30, 2024, at 1:30 p.m. (ET)	Sale Hearing
May 31, 2024	Closing of Sale

C. The Auction

13. Subject to the terms of the Bidding Procedures, if the Debtors receive more than one Qualified Bid (other than the Stalking Horse Bid) for the Assets, the Debtors shall conduct an

⁴ Deadline for any objection to a sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) entry of any Sale Order.

⁵ Deadline for any objection to (i) conduct at Auction and (ii) adequate assurance of future performance under Assigned Contracts.

Auction for such Assets on **May 29, 2024 at 10:00 a.m. (ET)**, or such later time as the Debtors shall notify all Qualified Bidders who have submitted Qualified Bids. No later than twenty-four (24) hours prior to the commencement of the Auction, the Debtors, after consultation with the Consultation Parties, shall notify each Acceptable Bidder whether such party is a Qualified Bidder. The Auction, if required, will be conducted (i) at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, or (ii) electronically or at such other date, time or location as designated by the Debtors may designate on proper notice. If the Debtors conduct the Auction virtually, the Debtors will provide instructions setting forth how to attend the Auction to the participants or other attendees via electronic mail. The Debtors will provide notice (via electronic mail or otherwise) of any change in the date, time, or location of the Auction to Qualified Bidders.

14. If the Debtors do not receive any Qualified Bids other than the Stalking Horse Bid by the Bid Deadline, the Debtors shall not hold an Auction, and the Stalking Horse Bidder shall be named the Successful Bidder immediately following the Bid Deadline. In the event the Debtors, in consultation with the Consultation Parties, determine not to hold an Auction for some or all of the Assets, the Debtors will file with the Court, serve on the Sale Notice Parties, and cause to be published on the website maintained by Kroll Restructuring Administration LLC (“Kroll”), the Debtors’ proposed noticing and claims agent in these Chapter 11 Cases, located at www.cases.ra.kroll.com/rue21 (the “Claims Agent Website”), a notice containing the following information: (i) a statement that the Auction for the applicable Assets has been canceled, (ii) the identity of the Successful Bidder, (iii) a summary of the material terms of such Successful Bid, and (iv) the date, time, and location of the Sale Hearing.

15. Only Qualified Bidders may be eligible to participate in the Auction, subject to any other limitations as the Debtors may reasonably impose in accordance with the Bidding

Procedures. Qualified Bidders participating in the Auction must appear in person or virtually at the Auction, or through a duly authorized representative. The Consultation Parties, the Stalking Horse Bidder, and their respective advisors are permitted to attend the Auction or any Sub-Auction. The Debtors may establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder, Consultation Party, and the Stalking Horse Bidder at the Auction. Any creditor and its advisors wishing to attend the Auction may do so by contacting, no later than one (1) day prior to the start of the Auction, the Debtors' advisors.

16. Pursuant to Local Rule 6004-1(c)(ii): (a) each bidder participating at the Auction shall be required to confirm on the record that it has not engaged in any collusion with respect to the bidding or the Sale, as set forth in the Bidding Procedures; (b) the Auction shall be conducted openly and all creditors will be permitted to attend (but, unless such creditor is a Qualified Bidder or Consultation Party, not participate in) the Auction; and (c) the Auction shall be transcribed by a court reporter or videotaped.

17. As soon as is reasonably practicable after the conclusion of the Auction or Sub-Auction, the Debtors will file with the Court, serve on the Sale Notice Parties, and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction or Sub-Auction (the "Notice of Auction Results"), which shall (a) identify each Successful Bidder and each Backup Bidder (as applicable), (b) summarize the material terms of such bids, and (c) set forth the date, time, and location of the Sale Hearing.

18. The Debtors will evaluate all Bids received from a Prospective Bidder that are timely submitted by the Bid Deadline and may engage in negotiations with Prospective Bidders who submitted Bids as the Debtors deem appropriate, in the exercise of their reasonable judgment

and in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties. The Debtors may, in their reasonable business judgment and in consultation with the Consultation Parties, (a) determine which Acceptable Bidders are Qualified Bidders (other than the Stalking Horse Bidder, who shall automatically be deemed a Qualified Bidder); (b) determine which Bids are Qualified Bids (other than the Stalking Horse Bid, which shall automatically be deemed a Qualified Bid); (c) determine which Qualified Bid is the highest or otherwise best offer, the “Successful Bid,” and which is the next highest or otherwise best proposal, the “Backup Bid”; (d) reject, at any time before entry of an Order of the Court approving the Successful Bid, any Bid (other than the Stalking Horse Bid) that, in the discretion of the Debtors, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Bidding Procedures, any order of the Court, the terms and conditions of the Sale, or (iii) contrary to the best interests of the Debtors, their estates, their creditors, and other stakeholders; (e) at or before the conclusion of the Auction or any Sub-Auction, may modify the Bidding Procedures and impose additional procedural rules and terms and conditions upon Qualified Bidders as the Debtors determine to be in the best interests of the Debtors’ estates in these Chapter 11 Cases, including to (i) extend or waive deadlines or other terms and conditions set forth herein, (ii) adopt new rules and procedures for conducting the bidding and Auction process, or (iii) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximize the value of the Assets; and (f) modify the Bidding Procedures, as applicable, at any time with or without prejudice; provided that such extensions, waivers, new rules and procedures, accommodations and modifications (x) do not conflict with and are not materially inconsistent with the Order, the Bidding Procedures, the Bankruptcy Code or any order of the Court, and (y) are communicated to each Qualified Bidder;

provided, further, that, for the avoidance of doubt, the Debtors may not modify the Bid Protections, unless the Stalking Horse Bidder agrees to such modification in writing.

D. Sale Hearing and Objection Procedures

19. Consummation of any Sale Transaction pursuant to a Successful Bid shall be subject to Court approval. The Sale Hearing shall be held before the Court on **May 30, 2024, at 1:30 p.m. (ET)**, subject to Court availability; provided, that the Debtors may seek an adjournment or rescheduling of the Sale Hearing, consistent with the Bidding Procedures.

20. The Sale Hearing Notice, substantially in the form attached hereto as **Exhibit 2**, is approved, and no other or further notice of the proposed sale of the Assets, the Auction, the Sale Hearing, or the Sale Objection Deadline shall be required. Within two (2) Business Days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors shall file with this Court and serve a notice of the Auction and Sale (the “Sale Hearing Notice”) on: (a) the Sale Notice Parties (as defined in the Bidding Procedures); (b) all parties to executory contracts and leases to be assumed, assigned, or rejected as part of the proposed Sale; (c) all parties who have expressed a written interest in some or all of the Debtors’ Assets in the 12 months prior to entry of this Order, which service may be sent by email, if a mailing address for any of such parties is unknown; (d) all known holders of liens, encumbrances, and other claims secured by the Debtors’ Assets; (e) the Internal Revenue Service; (f) all applicable state and local taxing authorities; (g) each governmental agency that is an interested party with respect to the Sale and transactions proposed thereunder; and (h) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

21. As soon as reasonably practicable after entry of the Order, the Debtors shall publish the Sale Hearing Notice, with any modifications necessary for ease of publication, in a national

publication of the Debtors' sole discretion and on the Debtors' Claims Agent Website to provide notice to any other potentially interested parties.

22. The Sale Hearing Notice complies with the provisions of Bankruptcy Rule 9008 and is deemed sufficient and proper notice of the proposed sale of the Assets, the Auction, the Sale Hearing, or the Sale Objection Deadline to any other interested parties whose identities are unknown to the Debtors.

23. All general objections, if any, to any Sale Transaction, including the basis of the identity of the Stalking Horse Bidder (each, a "Sale Objection"), must be made no later than **4:00 p.m. (ET) on May 29, 2024** (the "Sale Objection Deadline"). Sale Objections must: (i) be in writing and specify the nature of such objection; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Court; (iii) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (iv) be filed with the Court and served on the following parties (the "Objection Notice Parties") so as to be actually received no later than the Sale Objection Deadline: (a) the Debtors, 800 Commonwealth Drive, Warrendale, PA 15086, Attn: Michele Pascoe; (b) proposed counsel for the Debtors, (i) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), and Joseph R. Brandt, Esq. (jbrandt@willkie.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); (c) counsel to the Prepetition ABL Agent, (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, Attn: Christopher L. Carter, Esq. (christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1202 North Market Street, Suite

1500, Wilmington, DE 19801, Attn: Kurt F. Gwynne, Esq. (kgwynne@reedsmith.com); (d) counsel to the Prepetition Term Loan Lenders, (i) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Adam C. Harris, Esq. (adam.harris@srz.com) and Abbey Walsh, Esq. (abbey.walsh@srz.com), and (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com); (e) proposed counsel for the official committee of unsecured creditors, (i) Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Jeffrey L. Cohen, Esq. (jcohen@lowenstein.com), Brent Weisenberg, Esq. (bweisenberg@lowenstein.com), Daniel B. Besikof, Esq. (dbesikof@lowenstein.com), and Colleen M. Restel, Esq. (crestel@lowenstein.com), and (ii) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: Christopher M. Samis, Esq. (csamis@potteranderson.com); (f) counsel for the Stalking Horse Bidder, (i) Goulston & Storrs, One Post Office Square, 25th Floor, Boston, MA 02109, Attn: Douglas B. Rosner, Esq. (drosner@goulstonstorrs.com) and Mollie Adam, Esq. (MAdam@goulstonstorrs.com), (ii) Lampert LawGiC Professional Corporation, 229 Sheppard Avenue West, Suite 1800 Toronto, Ontario M2N 1N2, Attn: Leigh Lampert (LL@lampertlawgic.com); and (iii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801, Attn: Derek C. Abbot (dabbot@morrisnichols.com) and Matthew O. Talmo (mtalmo@morrisnichols.com); and (g) if applicable, counsel for any Backup Bidder(s).

24. Following publication of the Notice of Auction Results, parties with requisite standing may object to the conduct of the Auction and/or the particular terms of the Sale to a Successful Bidder (the “Post-Auction Objection”) at the Sale Hearing (the “Post-Auction

Objection Deadline”). Any Post-Auction Objection must state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof.

25. Any party who fails to file and serve a timely Sale Objection or Post Auction Objection in accordance with the terms of this Order shall be forever barred from asserting, at the Sale Hearing or thereafter, any objection to the relief requested in the Motion, or to the consummation or performance of the Sale Transaction, including the transfer of Assets to the Successful Bidder free and clear of liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code, and shall be deemed to “consent” to such sale for purposes of section 363(f) of the Bankruptcy Code.

26. The Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

E. Assumption and Assignment Procedures

27. The Assumption and Assignment Procedures set forth below regarding the assumption and assignment of the Contracts (each, a “Designated Contract,” and, collectively, the “Designated Contracts”) proposed to be assumed by the Debtors in connection with the Sale pursuant to section 365(b) of the Bankruptcy Code and assigned to the Stalking Horse Bidder or other Successful Bidder, if any, are hereby approved to the extent set forth herein and shall govern the assumption and assignment of all of the Debtors’ Designated Contracts, subject to the payment of any Cure Costs necessary to cure any defaults arising under any Designated Contract:

- a. **Assumption and Assignment Notice.** The Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 3**, is approved and no other or further notice of the Debtors’ proposed Cure Costs with respect to Contracts listed on an Assumption and Assignment Notice is necessary or required. As soon as reasonably practicable after entry of this Order (the “Assumption and Assignment Service Deadline”), the Debtors shall serve the Assumption and Assignment Notice by first class mail or email on each

Counterparty to the Contracts to be assumed and assigned as part of the proposed Sale (or their respective counsel, if known). The Assumption and Assignment Notice shall inform each recipient of (i) the timing and procedures relating to such assumption and assignment, (ii) the title (or an appropriate description) and date of the Designated Contract (if available), (iii) the name of the non-Debtor counterparty to the Designated Contract, (iv) the Debtors' good faith estimates of the Cure Costs (if any) required in connection with the Designated Contract, (v) the identity of the Stalking Horse Bidder or other Successful Bidder to whom the Designated Contract is to be assigned, and (vi) the Cure Objection Deadline; provided, however, that service of an Assumption and Assignment Notice does not constitute an admission that such Contract is an executory contract or unexpired lease that any stated Cure Cost constitutes a claim against the Debtors, the Stalking Horse Bidder, or any Successful Bidder, and all rights with respect thereto are expressly reserved. Further, the inclusion of a Contract on the Assumption and Assignment Notice is not a guarantee that such Contract will ultimately be assumed and assigned. Any determination of whether such Contract is executory or can be rejected will be made in accordance with the Bankruptcy Code, the Bankruptcy Rules, and all applicable orders of this Court.

- b. **Cure Costs.** The payment of the applicable Cure Costs shall (i) effect a cure of all defaults existing thereunder, (ii) compensate for any actual pecuniary loss to such counterparty resulting from such default, and (iii) together with the assumption of the Designated Contracts by the Debtors and the assignment of the Designated Contracts to the Stalking Horse Bidder or other Successful Bidder, constitute adequate assurance of future performance thereof. Each Qualified Bid shall provide for the Qualified Bidder's assumption of the Cure Costs for any Contracts to be assumed and assigned to the Qualified Bidder. Objections to adequate assurance of future performance of the Designated Contracts by the Stalking Horse Bidder must be filed with the Court and served on the Objection Notice Parties no later than May 28, 2024, at 4:00 p.m. (ET). In the event the Successful Bidder is not the Stalking Horse Bidder, objections to adequate assurance of future performance of the Designated Contracts by the Successful Bidder shall be heard at the Sale Hearing.
- c. **Supplemental Assumption and Assignment Notice.** To the extent the Debtors, at any time after the Assumption and Assignment Service Deadline (i) identify additional Contracts to be assumed and assigned to the Stalking Horse Bidder or Successful Bidder (the "Additional Designated Contracts"), (ii) remove Designated Contracts from the list of executory contracts and unexpired leases proposed to be assumed and assigned in connection with a Sale, and/or (iii) modify the previously stated Cure Cost associated with any Designated Contracts, the Debtors will promptly file with this Court and serve by first-class mail or email a supplemental notice of Contract assumption (a "Supplemental Assumption and Assignment Notice") on each of the Counterparties to such Additional Designated Contract and their counsel of

record, if any. Each Supplemental Assumption and Assignment Notice will include the same information with respect to listed Designated Contracts as was included in the Assumption and Assignment Notice. The Stalking Horse Bidder may designate Additional Designated Contracts to be assumed and assigned or remove Designated Contracts from the list of such contracts at any time through and until May 24, 2024 (as set forth in the Stalking Horse APA). Counterparties to Additional Designated Contracts or that otherwise receive a Supplemental Assumption and Assignment Notice shall have until 4:00 p.m. (ET) on the date that is seven (7) days after the filing and service of the Supplemental Assumption and Assignment Notice by the Debtors to the Counterparty to file a Cure Objection (as defined herein).

- d. **Objections.** Objections, if any, to the proposed assumption and assignment or the Cure Cost proposed with respect thereto (each, a “Cure Objection”), must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served upon the Objection Notice Parties, so as actually to be received on or before the Sale Objection Deadline or deadline set forth in the Supplemental Assumption and Assignment Notice, as applicable (each, a “Cure Objection Deadline”). For the avoidance of doubt, a timely filed and properly served Cure Objection will reserve the Counterparty’s rights relating to the Designated Contract, but will not be deemed to constitute an objection to the relief generally requested in the Motion with respect to the approval of the Sale.
- e. **Dispute Resolution.** In the event that a non-Debtor Contract Counterparty files a timely Cure Objection and the Debtors and such Counterparty cannot resolve such objection, the objection shall be heard at the Sale Hearing or such later date that the Debtors determine, subject to the Court’s calendar. The Debtors and any objecting Counterparty shall first confer in good faith to attempt to resolve the Contract Objection without Court intervention. If a Cure Objection is resolved in a manner that is not in the best interests of the Debtors and their estates, whether or not such resolution occurs prior to or after the closing of the Sale Transaction, the Debtors may determine that any Contract subject to such resolved Cure Objection no longer will be assumed and assigned in connection with the Sale Transaction (subject to the terms of the Sale Transaction). If such objection has not been resolved prior to the closing date of the applicable Sale (whether by an order of the Court or by agreement with the Counterparty), the Successful Bidder may elect, in its sole discretion, to: (i) treat such counterparty’s contract (the “Disputed Contract”) as an excluded contract or (ii) temporarily treat such counterparty’s contract as an excluded contract, proceed to closing of the Sale, and determine whether to treat the Disputed Contract as a Designated Contract or excluded contract within five (5) business

days after resolution of such objection (whether by order of the Court or by agreement with the counterparty).

- f. **Contract Assumption.** No Assigned Contract shall be deemed assumed and assigned pursuant to section 365 of the Bankruptcy Code until the later of (i) the date the Court has entered an order assuming and assigning such Assigned Contracts or (ii) the date the Sale has closed.

28. Any party failing to timely file an objection to the Cure Cost or the proposed assumption and assignment of a Designated Contract or Additional Designated Contract listed on the Assumption and Assignment Notice or any Supplemental Assumption and Assignment Notice is deemed to have consented to (a) such Cure Cost, (b) the assumption and assignment of such Designated Contract or Additional Designated Contract, (c) the related relief requested in the Motion, and (d) the Sale. Such party shall be forever barred and estopped from objecting to the Cure Costs, the assumption and assignment of the Designated Contract, or Additional Designated Contract, adequate assurance of future performance, the relief requested in the Motion, whether applicable law excuses such Counterparty from accepting performance by, or rendering performance to, the Stalking Horse Bidder or Successful Bidder, as applicable, for purposes of section 365(c)(1) of the Bankruptcy Code and from asserting any additional cure or other amounts against the Debtors and the Stalking Horse Bidder or Successful Bidder, as applicable, with respect to such party's Designated Contract or Additional Designated Contract. The Cure Cost for such Designated Contract shall be controlling, notwithstanding anything to the contrary in such Designated Contract, or any other related document, and the counterparty shall be deemed to have consented to the Cure Cost and shall be forever barred from asserting any other claims related to such Designated Contract against the Debtors and their estates or the Successful Bidder, or the property of any of them, to the extent such claim existed prior to the entry of the Sale Order.

29. The Assumption Procedures are appropriate and fair to all Counterparties and comply in all respects with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The Assumption and Assignment Notice is reasonably calculated to (a) provide sufficient, effective notice to all Counterparties and any other affected parties of the Debtors' intent to assume and assign to the Stalking Horse Bidder or any Successful Bidder, as applicable, some or all of the Designated Contracts, and (b) afford the Counterparties with the opportunity to exercise any rights affected by the Motion and the relief granted by this Order pursuant to Bankruptcy Rules 2002(a)(2), 6004, and 6006.

30. In accordance with the Bidding Procedures, Qualified Bids shall be accompanied by Adequate Assurance Information (as defined in the Bidding Procedures). To the extent that any Successful Bid contemplates the assumption and assignment of any Contract, the Debtors shall include the Adequate Assurance Information provided by the Successful Bidder in the notice announcing the Successful Bid.

31. The Debtors reserve all of their rights, claims, and causes of action with respect to each Contract listed on any Assumption and Assignment Notice.

F. Other Related Relief

32. The Prepetition Term Loan Agent (as defined in the Cash Collateral Order⁶), on behalf of the Prepetition Term Loan Lenders (as defined in the Cash Collateral Order), is hereby designated as a Qualified Bidder solely for the purpose of submitting a Term Loan Back Up Bid or Term Loan Competing Bid (each as defined below). Notwithstanding anything to the contrary

⁶ "Cash Collateral Order" shall mean the *Interim Order (I) Authorizing Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [D.I. 78].

set forth in the Bidding Procedures or this Order, the Prepetition Term Loan Agent (a) shall be entitled to (i) submit at any time (including at the Auction) a Qualified Bid for the purpose of being designated as the Back Up Bidder (a “Term Loan Back-Up Bid”), (ii) submit at any time (including at the Auction) a competing Qualified Bid in the event the Stalking Horse Bid is amended or modified in a manner materially adverse to the interests of the Prepetition Term Loan Agent and Prepetition Term Loan Lenders (as determined by the Prepetition Term Loan Agent in consultation with the Consultation Parties) (a “Term Loan Competing Bid”), and (iii) “credit bid” all or any portion of the outstanding Prepetition Term Loan Obligations (as defined in the Cash Collateral Order) pursuant to Section 363(k) of the Bankruptcy Code as consideration, solely in connection with a Term Loan Back Up Bid or Term Loan Competing Bid; and (b) shall not be required to provide any deposit in connection with a Term Loan Back Up Bid or Term Loan Competing Bid.

33. For the avoidance of doubt and notwithstanding anything to the contrary herein, nothing in this Order, the Bidding Procedures, or the Motion shall be construed to in any way amend, impair, prejudice, alter, or otherwise modify the terms of the Stalking Horse APA or the Stalking Horse Bidder’s rights thereunder. The Stalking Horse Bidder shall have standing to appear and be heard on all issues related to the Auction, the sale of the Assets, and related matters, including the right to object to the sale of the Assets or any portion thereof.

34. All persons and entities that participate in the Auction or bidding for any Asset during the Sale Transaction process shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order, (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order, and

(iii) consented to the entry of a final order or judgment in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

35. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified with respect to the Debtors to the extent necessary, without further order of the Court, to allow the Stalking Horse Bidder or other Successful Bidder, if any, to (i) deliver any notice provided for in the Stalking Horse APA, including, without limitation, a notice terminating the Stalking Horse APA, executed purchase agreement, or relevant real property lease in accordance with the terms thereof, and (ii) take any and all actions permitted under the Stalking Horse APA, executed purchase agreement, or Lease Termination Agreement in accordance with the terms and conditions thereof.

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

37. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

38. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

39. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: May 23rd, 2024
Wilmington, Delaware

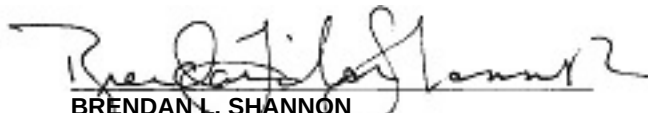

BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

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

In re:

NEW RUE21 HOLDCO, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10939 (BLS)

(Jointly Administered)

BIDDING PROCEDURES

On May 2, 2024, the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”).

On [●], 2024, the Court entered an order [Docket No. [●]] (the “Bidding Procedures Order”) ², pursuant to which the Court authorized the Debtors to solicit bids for and conduct an auction (including any Sub-Auction (as defined herein) the “Auction”) for a sale or disposition (collectively, the “Sale,” and each, a “Sale Transaction”) of all or substantially all of the Debtors’ remaining Assets (as defined herein), or sub-groups thereof, free and clear of all liens, claims, encumbrances, and other interests and in accordance with the following procedures (the “Bidding Procedures”).

These Bidding Procedures set forth the process through which a person or entity interested in all or a material portion of the Assets (each, a “Prospective Bidder”) may submit a binding proposal or offer (each, a “Bid”) pursuant to which the Prospective Bidder proposes to, among other things, purchase, acquire, and take assignment and delivery of the Assets and assume certain liabilities (the “Liabilities”) of the Debtors. This process is intended to obtain a Sale proposal that is in the best interests of the Debtors, their creditors, and their equity holders.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their federal tax identification numbers, are New rue21 Holdco, Inc. (4668), r21 Holdings, Inc. (1618), New rue21 Intermediate, Inc. (9166), New rue21, LLC (4521), New RSC, LLC (4690), and r services llc (9425). The Debtors’ headquarters is located at 800 Commonwealth Drive, Warrendale, PA 15086.

² All capitalized terms used but not defined herein shall have the meanings given to them in the Motion, the Bidding Procedures Order or the Interim Cash Collateral Order [Docket No. 78], as applicable.

ANY PARTY INTERESTED IN BIDDING ON ALL OR ANY PORTION OF THE DEBTORS' ASSETS SHOULD CONTACT THE DEBTORS' ADVISORS, AS FOLLOWS:

Riveron RST, LLC

77 West Wacker Dr, Suite 4000
Chicago, IL 60601
Attn: Colin Adams
(Colin.Adams@riveron.com);
Alpesh Amin
(Alpesh.Amin@riveron.com);
and
David Interdonato
(David.Interdonato@riveron.com)

**Willkie Farr & Gallagher
LLP**

787 Seventh Avenue
New York, New York 10019
Attn: Rachel C. Strickland
(rstrickland@willkie.com);
Andrew S. Mordkoff
(amordkoff@willkie.com);
Joseph R. Brandt
(jbrandt@willkie.com); and
Jessica D. Graber
(jgraber@willkie.com)

**Young Conaway
Stargatt & Taylor, LLP**

1000 North King Street
Wilmington, Delaware
19801
Attn: Edmon L. Morton
(emorton@ycst.com);
Matthew B. Lunn
(mlunn@ycst.com); and
Shane M. Reil
(sreil@ycst.com)

I. DESCRIPTION OF THE ASSETS AND THE STALKING HORSE BID.

A. The Assets

The Debtors are seeking to sell substantially all of their remaining assets, including their intellectual property, personal property (including certain furniture, fixtures, and equipment), and leasehold interests that have not been assumed and assigned or rejected (collectively, the “Assets”).³ The sale of the Assets shall be subject to a competitive bidding process as set forth herein and approval by the Court pursuant to sections 105, 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6003, 6004, 6006, 9007, 9008, and 9014, and Local Rules 2002-1, 6004-1, and 9006-1.

Subject to the conditions set forth herein, a Prospective Bidder may bid on the Assets (i) in individual lots, (ii) as a collective whole, or (iii) in any combination. In addition to the Stalking Horse Bid (as defined below) and as set forth herein, the Debtors will consider Bids for any or all of the Assets in a single Bid from a single bidder or in multiple Bids from multiple bidders. Any Bid for an individual Asset, even if such Bid is the highest or otherwise best Bid for such individual Asset, shall be subject to higher or otherwise better Bids, as determined by the Debtors in consultation with the Consultation Parties, on packages of Assets that include the individual Asset. Additionally, any Bid for all or substantially all of the Assets is subject to Bids on individual Assets or packages of Assets that are, in the aggregate, higher or otherwise better Bids, as determined by the Debtors in consultation with the Consultation Parties.

³ Certain of the Debtors’ assets, including the Debtors’ inventory and certain of the fixtures, furniture and equipment contained in the Debtors’ Stores may be sold pursuant to the Store Closing Order [Docket No. 77], but any such assets that have not yet been sold may be included in a Qualified Bid. Additionally, individual leases may, to the extent not yet rejected or assigned, be included in a Qualified Bid.

The ability to undertake and consummate a Sale of all or any number or combination of the Assets shall be subject to competitive bidding, as set forth herein, and approval by the Court.

B. The Stalking Horse APA and Stalking Horse Bidder

On May 16, 2024, the Debtors entered into that certain *Asset Purchase Agreement* (the “Stalking Horse APA”) with YM, Inc. (Sales) (the “Stalking Horse Bidder” and, such bid, the “Stalking Horse Bid”). Subject to Court approval, pursuant to the Stalking Horse APA, the Stalking Horse Bidder has committed to pay the Purchase Price (as defined in the Stalking Horse APA) to purchase the Purchased Assets (as defined in the Stalking Horse APA) free and clear of all liens, claims, encumbrances (other than Assumed Liabilities and Permitted Liens, as defined in the Stalking Horse APA). In the event that the Stalking Horse APA is terminated, pursuant to the conditions thereunder, or in the event that the purchase of the Assets is ultimately consummated by any person other than the Stalking Horse Bidder, the Debtors will pay the Stalking Horse Bidder (at the time required under, and in accordance with the terms of, the Stalking Horse APA) a break-up fee in the amount equal to \$90,000 (the “Break-Up Fee”) and reimburse the Stalking Horse Bidder for its reasonable and documented expenses in conjunction with the Stalking Horse Bid up to a maximum amount of \$75,000 (the “Expense Reimbursement,” and together with the Break-Up Fee, the “Bid Protections”). The Stalking Horse Bid shall set the floor for all Bids for the Assets at the Auction. Pursuant to the Bidding Procedures Order, the Debtors obtained approval of the Stalking Horse APA, including the Bid Protections, as the Stalking Horse Bid for the Assets.

The Stalking Horse APA executed by the Debtors for the transactions contemplated thereby is hereby deemed an Acceptable Bid for all purposes. The Stalking Horse Bidder is hereby deemed to be an Acceptable Bidder. Any substantial contribution claims by any Prospective Bidder are deemed waived.

II. KEY DATES AND DEADLINES⁴

<u>Deadline</u>	<u>Event</u>
May 21, 2024, at 4:00 p.m. (ET)	Bid Procedures Objection Deadline
May 24, 2024, at 11:00 a.m. (ET)	Hearing to consider approval of Bidding Procedures and entry of Bidding Procedures Order
Two business days after the entry of the Bidding Procedures Order, or as soon as practicable thereafter	Deadline for Debtors to file and serve Sale Hearing Notice
As soon as practicable after the entry of the Bidding Procedures Order	Deadline for Debtors to file and serve Assumption and Assignment Notice

⁴ References to “days” means calendar days unless business days are expressly specified. If any time period referring to business days expires on a day which is a Saturday, Sunday, or legal holiday on which banking institutions in New York City, New York or governmental entities in the State of Delaware are authorized or obligation by law or executive order to close, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday, or holiday.

As soon as practicable after the entry of the Bidding Procedures Order	Deadline for the Debtors to publish the Sale Hearing Notice
May 28, 2024, at 4:00 p.m. (ET)	Deadline to Object to Assumption and Assignment of Contracts
May 28, 2024, at 4:00 p.m. (ET)	Bid Deadline
No later than 24 hours prior to Auction, if applicable	Deadline to Designate Qualified Bidders
May 29, 2024, at 10:00 a.m. (ET)	Auction, solely in the event the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid
May 29, 2024, at 4:00 p.m. (ET)	Sale Objection Deadline ⁵
As soon as practicable after the Auction, if applicable	Deadline for Debtors to file Notice of Auction Results
At the Sale Hearing	Post-Auction Objection Deadline ⁶
May 30, 2024, at 1:30 p.m. (ET)	Sale Hearing
May 31, 2024	Closing of Sale

III. DUE DILIGENCE

Only Prospective Bidders that have executed confidentiality agreements with the Debtors and have provided evidence satisfactory to the Debtors (in the Debtors' discretion, after consultation with the Consultation Parties) of their financial capacity to close the proposed Sale (such Prospective Bidders, an "Acceptable Bidder") shall be eligible to receive due diligence information, access to the Debtors' confidential electronic data room (the "Data Room"), and additional non-public information regarding the Debtors and the Assets.

Upon execution of a valid confidentiality agreement and up to and including the Bid Deadline (as defined herein), the Debtors shall grant any Prospective Bidder access to the Data Room or additional information allowing such Prospective Bidder to conduct due diligence on the potential acquisition of some or all of the Assets. Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who (i) is not a Prospective Bidder, (ii) does not comply with the participation requirements set forth above, or (iii) is a competitor of the Debtors and (b) if and to the extent doing so would (i) violate any law to which the Debtors are subject, including any privacy law, (ii) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (iii) violate any legally-binding obligation of any Debtor with respect to

⁵ Deadline for any objection to a sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) entry of any Sale Order.

⁶ Deadline for any objection to (i) conduct at Auction and (ii) adequate assurance of future performance under Assigned Contracts.

confidentiality, non-disclosure or privacy or (iv) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (provided that, in case of each of clauses (i) through (iv), the Debtors shall use commercially reasonable efforts to provide such access and information as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation, or law). Notwithstanding the foregoing, the Debtors reserve the right, in their sole discretion, to withhold or limit access to any information that the Debtors determine to be sensitive or otherwise not appropriate to disclose to any Prospective Bidder.

The Debtors may terminate access to the Data Room and any other non-public information in their reasonable discretion at any time, including if (1) a Prospective Bidder fails to become a Qualified Bidder (as defined below) or (2) these Bidding Procedures are terminated. The Prospective Bidder shall return or destroy any non-public information the Debtors or their advisors provided to the Prospective Bidder in accordance with the terms of the confidentiality agreement executed by the Debtors and the Prospective Bidder.

The Debtors will work to accommodate all reasonable requests from the Stalking Horse Bidder and any Prospective Bidders for additional information and due diligence access. Each Prospective Bidder shall be required to acknowledge that it has had an opportunity to conduct any and all due diligence regarding the Assets in conjunction with submitting its Bid (as defined below). All due diligence requests shall be directed to the Debtors' proposed financial advisor, Riveron RST, LLC.

The due diligence period will end on the Bid Deadline and, subsequent to the Bid Deadline, the Debtors shall have no obligation to furnish any due diligence information. Additional due diligence will not be provided after the Bid Deadline, unless otherwise deemed appropriate by the Debtors. The Debtors and their representatives and advisors are not responsible for, and will bear no liability with respect to, any information obtained by any Acceptable Bidder in connection with the Sale.

IV. BID DEADLINE

A Prospective Bidder that desires to make a bid must transmit via email (in .pdf or similar format) or deliver written copies of its bid to the following parties so as to be received not later than **4:00 p.m. (prevailing Eastern Time) on May 28, 2024** (the "**Bid Deadline**"): (i) proposed counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com) and Joseph R. Brandt, Esq. (jbrandt@willkie.com) and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); and (ii) the Debtors' proposed financial advisor, Riveron RST, LLC, Attn: Colin Adams (Colin.Adams@riveron.com), Alphesh Amin (Alpesh.Amin@riveron.com) and David Interdonato (David.Interdonato@riveron.com).

The Debtors may, in their reasonable judgment, and in consultation with the Consultation Parties and the Stalking Horse Bidder, extend the Bid Deadline for all or certain Prospective Bidders.

V. BID REQUIREMENTS

A. Qualified Bid Requirements

Any Bid will be considered a qualified bid only if the Bid is submitted in writing by an Acceptable Bidder by the Bid Deadline and is determined to comply with all of the following in the Debtors' reasonable business judgment (after consultation with the Consultation Parties) (such Bid, a "Qualified Bid" and and such bidder, a "Qualified Bidder"):

1. **Identity.** The Bid must fully disclose the identity of each person or entity that (a) is bidding for all or any portion of the Assets; (b) is sponsoring or financing the bid (including through the issuance of debt in connection with such bid); (c) is participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such bid) the Auction in connection with such bid and the complete terms of any such participation; and/or (d) will directly or indirectly own and/or control any amount of equity and/or voting securities of the Qualified Bidder; in each case, including its full legal name, jurisdiction of incorporation or formation, and its location in the Qualified Bidder's corporate structure. The Bid must also disclose any past or present connections or agreements with the Debtors, the Stalking Horse Bidder, any other known Prospective Bidder or Qualified Bidder, or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors).
2. **Purchased Assets and Liabilities.** Each Qualified Bidder must state that the Bid includes *an irrevocable and binding offer* by the Qualified Bidder to purchase some or all of the Assets (identified with specificity). The Bid must clearly identify the following: (a) the Assets, or the portion thereof, to be purchased; and (b) the Liabilities and obligations to be assumed, including any indebtedness and applicable Cure Costs to be assumed, if any; provided, that the Bid must provide for the Qualified Bidder's assumption of the Cure Costs for any Contracts to be assumed and assigned to the Qualified Bidder. If the Bid is for more than one Asset, the Bid must include an allocation of the purchase price across the individual Assets.
3. **Purchase Price.** The Bid must clearly set forth the cash purchase price, assumed Liabilities, and any other non-cash consideration (with the form of such consideration specified), to be paid for the Assets to be purchased; provided that the proposed purchase price shall satisfy the Minimum Bid requirement set forth below. A Bid that contemplates a Sale for less than all of the Assets, but includes multiple segments or groups of Assets must contain sufficient information as to allow the Debtors to determine an allocation of value among each segment or group of Assets (including, as applicable, by allocating the purchase price among each of the Assets that the Qualified Bidder intends to acquire).
4. **Minimum Bid.** If at least one Qualified Bid (in addition to the Stalking Horse Bid) is received by the Bid Deadline with regard to the Assets, the Debtors will conduct an Auction with respect to such Assets and shall determine, in their reasonable discretion, and in consultation with the Consultation Parties, which Qualified Bid is the highest or otherwise best Qualified Bid for purposes of constituting the opening bid at the Auction (the "Minimum Bid"). The Minimum Bid for Assets contained in the Stalking Horse Bid must

have a value to the Debtors, as determined by the Debtors in their reasonable business judgment and in consultation with the Consultation Parties, that: (a) is greater than or equal to the value of the Stalking Horse Bid, taking into account the aggregate cash consideration, assumption of liabilities, and other non-cash consideration contemplated by the Stalking Horse Bid; and (b) includes cash consideration in an amount equal to or greater than (i) the sum of the Purchase Price under the Stalking Horse APA, plus (ii) the amount of any Bid Protections, plus (iii) \$150,000 (the “Initial Bid Increment”). For the avoidance of doubt, if the Debtors receive one or more Bids that do not each independently constitute a “Minimum Bid,” but otherwise meet all requirements set forth herein for a “Qualified Bid,” then the Debtors may aggregate two or more such Qualified Bids and treat them as a single Qualified Bid for purposes of constituting the Minimum Bid.

5. ***Partial Bid.*** The Debtors may consider a Bid for a portion of the Assets (each such bid, a “Partial Bid”) if the Debtors receive one or more other Partial Bids for any Assets such that, when taken together, and after considering the risks associated with consummating several individual Bids, the Partial Bids collectively constitute a higher or otherwise better bid than any other Bid received.

6. ***Proposed Asset Purchase Agreement.*** A Qualified Bid must be in the form of an asset purchase agreement reflecting the terms and conditions of the Bid (each, a “Proposed Asset Purchase Agreement”). A Proposed Asset Purchase Agreement shall (a) be duly authorized and executed, (b) be based on, and marked against, the Stalking Horse APA to reflect any proposed amendments and modifications to the Stalking Horse APA and the applicable schedules and exhibits, (c) specify the proposed purchase price for the Assets, and (d) identify any then-known Contracts proposed for or that may be proposed for assumption and assignment in connection with the proposed Sale Transaction. Notwithstanding the foregoing, with respect to a counterparty to a real property lease (each a “Lease Counterparty”) bidding thereon (a “Landlord Lease Bid”), such Lease Counterparty shall submit, in lieu of a Proposed Asset Purchase Agreement, a lease termination agreement, substantially in the form attached hereto as **Exhibit A**.

7. ***Financial Information.*** A Qualified Bid must include the following: (a) a statement that the Prospective Bidder is financially capable of timely consummating the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement; (b) sufficient evidence, as reasonably determined by the Debtors (in consultation with the Consultation Parties), in the form of committed financing documented to the satisfaction of the Debtors that demonstrates that the Acceptable Bidder has received sufficient unconditional debt and/or equity funding commitments to satisfy the Acceptable Bidder’s Purchase Price and other obligations under its Bid, including providing adequate assurance of future performance under any Contracts included or that may be included in the Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtors. In the case of a Landlord Lease Bid, such financial information shall be limited to any cash consideration included in the Lease Counterparty’s bid.

8. ***Good Faith Deposit.*** Each Qualified Bid must be accompanied by a good faith deposit (each, a “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole discretion) in an amount equal to ten percent (10%) of the proposed cash component of the purchase price of the Bid, to be deposited into a trust account maintained on behalf of the Debtors (and to be designated by the Debtors) until no later than five (5) Business Days after the conclusion of the Auction and thereafter returned to the respective Qualified Bidders (except for the Deposit of any bidder who is selected at the Auction as a Successful Bidder or as a Backup Bidder (as defined below)); provided that, upon mutual agreement between the Debtors and the Lease Counterparty, with respect to a Landlord Lease Bid, the Lease Counterparty may deduct from its Deposit the amount of any undisputed monetary obligations that constitute the Cure Costs for the applicable real property lease. To the extent a Qualified Bidder increases the purchase price before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder adjust its Good Faith Deposit so that it equals ten percent (10%) of the increased purchase price. The Debtors further reserve the right to increase or decrease the Good Faith Deposit for one or more Qualified Bidders in their sole discretion, except with respect to any Qualified Bid from the Stalking Horse Bidder; provided that the Debtors may not decrease or waive any Good Faith Deposit without consulting with the Consultation Parties.

9. ***Representations and Warranties.*** A Qualified Bid must include the following representations and warranties:
 - a. a statement that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors’ businesses and the Assets prior to submitting its bid;
 - b. a statement that the Prospective Bidder has relied solely upon its own independent review, investigation and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors’ businesses or the Assets or the completeness of any information provided in connection therewith;
 - c. a statement that all proof of financial ability to consummate the Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct (other than a Landlord Lease Bid); and
 - d. a statement that the Prospective Bidder agrees to be bound by the terms of the Bidding Procedures.

10. ***Authorization.*** A Qualified Bid must (a) include evidence of authorization and approval from the Acceptable Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, and delivery of any bid for the Assets, participation in the Auction and closing of the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement or (b) if the Prospective Bidder is an entity

formed for the purpose of effecting the proposed Sale Transaction, a Qualified Bid must provide written evidence acceptable to the Debtors of authorization and the approval by the equity holder(s) of such Prospective Bidder.

11. ***Joint Bids.*** The Debtors will be authorized to approve joint Bids in their sole discretion, but in consultation with the Consultation Parties, on a case-by-case basis, so long as a joint Bid meets the Qualified Bid requirements and the applicable Prospective Bidders otherwise comply with these Bidding Procedures. Approved joint Bids shall be treated as Bids for all purposes. In addition to the other requirements of these Bidding Procedures, a joint Bid shall include a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.
12. ***Contingencies; No Financing or Diligence Outs.*** A Bid shall not be conditioned on obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.
13. ***Governmental, Licensing, and Regulatory Approvals.*** Each Bid must describe all governmental, licensing, regulatory, or other approvals, or consents that are required to consummate the proposed transaction (including any antitrust approval related to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended), together with evidence satisfactory to the Debtors, after consultation with the Consultation Parties, of the ability to obtain such approvals or consents as soon as reasonably practicable, as well as a description of any material contingencies or other conditions that will be imposed upon, or that will otherwise apply to, receipt or effectiveness of any such approvals or consents.
14. ***Irrevocable.*** Each Bid must be irrevocable and binding; provided that, if the Bid is not selected as the Successful Bid or Backup Bid, the Bid may be revoked after the Auction if such Acceptable Bidder's Bid is not selected as the Successful Bid or Backup Bid.
15. ***Backup Bidder.*** Each Bid must contain an agreement for the Acceptable Bidder to be a Backup Bidder if such bidder's Qualified Bid is selected as the next highest or next best bid after the Successful Bid pursuant to the terms of Section VIII hereof.
16. ***As-Is, Where-Is.*** The Bid must expressly state that (a) the Bid represents a binding, irrevocable, good-faith and *bona fide* offer to purchase the applicable Assets and (b) the Bid is not subject to or conditioned on any due diligence, financing, or other contingency (other than the conditions to closing under the applicable agreement), (c) the Bid is irrevocable until the later of (i) the applicable outside date for consummation of the applicable Sale Transaction or (ii) the Backup Bid Expiration Date (as defined below), and (d) the Acceptable Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets such Acceptable Bidder proposes to acquire in making its Bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' business or the Assets such Acceptable Bidder proposes to acquire or the completeness of any information provided in connection therewith, except as expressly stated in the representations and

warranties contained in the Acceptable Bidder's proposed purchase agreement ultimately accepted and executed by the Debtors.

17. ***Disclaimer of Fees.*** Each Bid (other than the Stalking Horse Bid, subject to the terms of the Bidding Procedures Order) must expressly disclaim any right to receive a fee analogous to a break-up fee, termination fee, expense reimbursement, "topping" or termination fee, or other "bidding protection" in connection with the submission of a Bid for the Assets or otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court. For the avoidance of doubt, no Qualified Bidder (other than the Stalking Horse Bidder) will be permitted to request, nor will be granted by the Debtors, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and, by submitting its Bid, the Qualified Bidder is deemed to have agreed to waive any request for any such fee, costs, or reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.
18. ***Time Frame for Closing.*** A Bid by an Acceptable Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations in the Debtors' reasonable business judgment, after consultation with the Consultation Parties) to be consummated, if selected as the Successful Bid (as defined herein), within a time frame acceptable to the Debtors. The Acceptable Bidder must commit to closing the proposed Sale contemplated by the Bid as soon as practicable, and in no event later than May 31, 2024, and must expressly set forth any potential regulatory issues or approvals that might arise in connection with such Acceptable Bidder's acquisition of the Assets, including such Acceptable Bidder's anticipated timing and proposed approach for resolving any such regulatory issues and obtaining any potential regulatory approvals. Each Bid must include a commitment to close the proposed Sale as soon as practicable, and must state the expected date of (and timeline and any milestones to) closing of the proposed Sale.
19. ***Adherence to Bidding Procedures.*** Each Bid must include a statement that (a) the Acceptable Bidder has acted in good faith consistent with section 363(m) of the Bankruptcy Code; and (b) the Bid constitutes a *bona fide* offer to consummate the proposed Sale embodied therein, and the Acceptable Bidder agrees to be bound by these Bidding Procedures.
20. ***Cooperation.*** The Bid must include a covenant to cooperate with the Debtors (i) to provide pertinent factual information regarding the Prospective Bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and any other applicable regulatory requirements and (ii) to obtain Court approval of the Sale Transaction.
21. ***No Collusion.*** The Acceptable Bidder must acknowledge in writing that (a) in connection with submitting its Bid, it has not engaged in any collusion that would be subject to section 363(n) of the Bankruptcy Code with respect to any Bids or the Sale, specifying that it did not agree with any Prospective Bidders, Acceptable Bidders, or Qualified Bidders to

control price; and (b) it agrees not to engage in any collusion that would be subject to section 363(n) of the Bankruptcy Code with respect to any Bids, the Auction, or the Sale.

22. ***Other Information.*** The Bid contains such other information as may be reasonably requested by the Debtors (with such requests made through the Debtors). Failure by a Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors, after consultation with the Consultation Parties, to determine that such bidder is no longer a Qualified Bidder or that a bid made by such bidder is not a Qualified Bid, including with respect to any Lease Counterparty and proposed credit bid amount.

23. ***Consent to Jurisdiction.*** Each Acceptable Bidder must submit to the jurisdiction of the Court and waive any right to a jury trial in connection with any disputes relating to the qualification of the Bids, the Auction (if held), the construction and enforcement of these Bidding Procedures and the relevant documents, and the consummation of any Sale.

B. Right to Credit Bid

Each Lease Counterparty to a real property lease proposed to be sold or transferred at the Auction may credit bid all or a portion of the applicable Cure Cost. If such Lease Counterparty is the Successful Bidder on the applicable real property lease and it is later determined by the Court, or through an agreement by and among the Debtors and Lease Counterparty, that the actual Cure Cost is a lesser amount, then the Lease Counterparty shall promptly pay the difference in cash to the Debtors upon the Closing of the Sale.

VI. QUALIFIED BIDDERS

The Debtors will provide the Consultation Parties with copies of each Bid received within one day of the Debtors' receipt thereof. The Debtors will review each Bid received from a Prospective Bidder, and consult with the Consultation Parties, to determine whether it meets the requirements set forth above. Based upon the foregoing evaluation of the contents of each Bid, the Debtors may, as they deem appropriate in their business judgment and in a manner consistent with their fiduciary duties and applicable law, engage in negotiations with any Prospective Bidder.

No later than twenty-four (24) hours prior to the commencement of the Auction, the Debtors, after consultation with the Consultation Parties, shall notify each Acceptable Bidder whether such party is a Qualified Bidder. If any Bid is determined by the Debtors (after consultation with the Consultation Parties) not to be a Qualified Bid, the Debtors will refund such Acceptable Bidder's Deposit on or before the date that is five (5) Business Days after the Bid Deadline.

Notwithstanding anything to the contrary herein, the Stalking Horse Bidder (following the entry of a Bidding Procedures Order) is deemed to be a Qualified Bidder and the Stalking Horse Bid is deemed to be a Qualified Bid, such that no Stalking Horse Bidder shall be required to submit an additional Qualified Bid.

A Qualified Bidder shall not (without the consent of the Debtors) modify, amend or withdraw its Qualified Bid, unless for the purposes of increasing the purchase price or otherwise improving the terms of the bid, as determined by the Debtors in their business judgment, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; provided that any Qualified Bid may be improved at the Auction as set forth herein. The Debtors shall consult with the Consultation Parties before permitting a Qualified Bidder to withdraw its Qualified Bid. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

The Debtors, in their business judgment and in consultation with the Consultation Parties reserve the right to reject any Bid if such Bid, among other things, (i) requires any indemnification of the Prospective Bidder in its asset purchase agreement, (ii) is not received by the Bid Deadline, (iii) is subject to any contingencies (including representations, warranties, covenants and timing requirements) of any kind or any other conditions precedent to such party's obligation to acquire the relevant Assets, (iv) seeks any bidding protections (unless the Stalking Horse Bidder following entry of the Bidding Procedures Order), (v) does not, in the Debtors' determination, include a fair and adequate price or the acceptance of which would not be in the best interests of the Debtors' estates, or (vi) is on terms that are more burdensome or conditional than the terms of the Stalking Horse APA.

Notwithstanding anything in these Bidding Procedures to the contrary, the Debtors, in consultation with the Consultation Parties, reserve the right to work with Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the applicable Auction (if any). The Debtors reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple Qualified Bidders shall be treated as a single Qualified Bidder, and their Bid a single Qualified Bid, for purposes of the applicable Auction (if any)).

The Debtors may, in their sole discretion, after consultation with the Consultation Parties, among other things (i) amend or waive the conditions precedent to qualifying as a Qualified Bidder, (ii) extend the Bid Deadline as to any party or with respect to any Assets, (iii) with respect to any Bid that is not a Qualified Bid, the Debtors may provide (but shall not be obligated to provide) the Bidder with the opportunity to remedy any deficiencies prior to the Auction, and/or (iv) postpone or cancel the Auction and terminate the proposed sale for any Assets.

VII. THE AUCTION

Within two (2) Business Days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors shall serve a notice of the Auction and Sale (the "Sale Hearing Notice") on: (a) the Sale Notice Parties; (b) all parties to executory contracts and unexpired leases to be assumed, assigned, or rejected as part of the proposed Sale; (c) all parties who have expressed a written interest in some or all of the Debtors' Assets in the 12 months prior to entry of the Bidding Procedures Order, which service may be sent by email, if a mailing address for any of such parties is unknown; (d) all known holders of liens, encumbrances, and other claims secured by the Debtors' Assets; (e) the Internal Revenue Service; (f) all applicable state and local

taxing authorities; (g) each governmental agency that is an interested party with respect to the Sale and transactions proposed thereunder; and (h) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

As soon as reasonably practicable after entry of the Bidding Procedures Order, the Debtors shall publish the Sale Hearing Notice, with any modifications necessary for ease of publication, in a national newspaper of the Debtors' choice, and on the Debtors' Claims Agent Website (as defined herein) to provide notice to any other potentially interested parties. If the Debtors receive no Qualified Bid other than the Stalking Horse Bid: (a) the Debtors shall not hold an Auction with respect to such Assets; (b) the Stalking Horse Bid will be deemed the Successful Bid with respect to such Assets; and (c) the Stalking Horse Bidder will be named the Successful Bidder with respect to such Assets.

If the Debtors receive more than one Qualified Bid (other than the Stalking Horse Bid) for the Assets, the Debtors, in consultation with the Consultation Parties, shall conduct the Auction to determine the Successful Bidder(s) with respect to the Assets. If more than one Qualified Bid exists for acquiring specific combinations of the Assets, then the Debtors may, in the exercise of their reasonable business judgment, and in consultation with the Consultation Parties, conduct a separate Auction (a "Sub-Auction") for such Assets that have at least one Qualified Bid pursuant to the Bidding Procedures. With respect to any particular Asset for which the Debtors receive only one Qualified Bid by the Bid Deadline, the Debtors may, in their business judgment, determine to consummate a Sale Transaction with the Qualified Bidder without conducting an Auction.

The Debtors in their reasonable business judgment, and in consultation with the Consultation Parties, shall determine which Qualifying Bid is the highest or otherwise best Qualified Bid (the "Baseline Bid"). As soon as practicable after the Debtors have made such determination, the Debtors will notify all Qualified Bidders and the Consultation Parties of the Baseline Bid and provide copies of the Bid Documents supporting the Baseline Bid to all Qualified Bidders and the Consultation Parties prior to the commencement of the Auction. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Successful Bid shall take into account any factors the Debtors, in their reasonable business judgment, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the amount and nature of the total consideration; (b) the likelihood of the Bidder's ability to close the proposed Sale, the conditions thereto, and the timing thereof; (c) the net economic effect of any changes to the value to be received by the Debtors' estates from the transactions contemplated by the Bid Documents; and (d) the tax consequences of such Qualified Bid.

In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the website of the Debtors' noticing and claims agent in these Chapter 11 Cases, Kroll Restructuring Administration LLC ("Kroll"), at www.cases.ra.kroll.com/rue21 (the "Claims Agent Website"), a notice containing the following information: (i) a statement that the Auction for the applicable Assets has been canceled, (ii) the identity of the Successful Bidder, (iii) a summary of the material terms of such Successful Bid, and (iv) the date, time and location of the Sale Hearing. The Debtors will consult with the Consultation Parties prior to making any determination not to hold an Auction for some or all of the Assets.

The Auction, if required, shall take place on **May 29, 2024, at 10:00 a.m. (ET)**, at the offices of Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (or at any other location or electronically as the Debtors may hereafter designate on proper notice), after providing notice to the Sale Notice Parties; provided, however, the Debtors shall have the right to hold the Auction remotely, including telephonically or by other electronic means (including, without limitation, video conferencing) as the Debtors may choose in their sole discretion. If held, the Auction proceedings will be transcribed and/or video recorded.

A. Participants and Attendees

Only Qualified Bidders are eligible to participate in the Auction or any Sub-Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with these Bidding Procedures. At least one (1) day prior to the Auction or any Sub-Auction, each Qualified Bidder must inform the Debtors in writing whether it intends to participate in the Auction. Qualified Bidders participating in the Auction or specific Sub-Auction must appear at the Auction or specific Sub-Auction, as applicable, or through a duly authorized representative. Subject to the Auction procedures set forth in Section VII of these Bidding Procedures, all Qualified Bidders and the Consultation Parties, the Stalking Horse Bidder, and their respective advisors are permitted to attend the Auction or any Sub-Auction; provided that the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction or specific Sub-Auction. Any creditor and its advisors wishing to attend the Auction may do so by contacting, no later than one (1) day prior to the start of the Auction, the Debtors' advisors.

Each Qualified Bidder participating in the Auction or specific Sub-Auction will be required to confirm in writing and on the record at the Auction or Sub-Auction, as applicable, that (i) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (ii) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction or specific Sub-Auction is a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

All Prospective Bidders and Qualified Bidders (including the Stalking Horse Bidder, Successful Bidder, and Backup Bidder) shall be deemed to have (i) consented to the core jurisdiction of the Court to enter any order related to these Bidding Procedures, the Auction or, any other relief granted pursuant to the Bidding Procedures Order or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Auction or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to these Bidding Procedures, the Auction or specific Sub-Auction, the construction or enforcement of any agreement or any other document relating to any Sale Transaction, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

B. Auction Procedures

The Auction or Sub-Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their business judgment (in consultation with the Consultation Parties):

1. ***Auction Packages.*** Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will make a determination, in consultation with the Consultation Parties, regarding the Assets and/or combinations of Assets for which the Debtors will conduct an Auction (each such Asset or group of Assets, an "Auction Package"). For the avoidance of doubt, the Debtors may, in their business judgment determine to (i) include an individual Asset in more than one Auction Package and (ii) have an Auction Package for all of the Assets.
2. ***Baseline Bids.*** Bidding shall commence at the amount of the Baseline Bid.
3. ***Minimum Overbid.*** Bidding at the Auction or Sub-Auction for an Auction Package (or subset thereof) that is subject to Qualified Bids will begin with the Baseline Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid (a "Subsequent Bid") is submitted by a Qualified Bidder that (i) improves on such Qualified Bidder's immediately prior Qualified Bid and (ii) the Debtors, in consultation with the Consultation Parties, determine that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Baseline Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below) (each such bid, a "Minimum Overbid"). With respect to the Assets, any Qualified Bidder's initial Minimum Overbid shall be made in cash, cash equivalents, or such other consideration in a minimum incremental amount that the Debtors (in consultation with the Consultation Parties), determine is appropriate for the subject Asset or Assets. The Debtors may, in their reasonable business judgment (in consultation with the Consultation Parties), announce increases or reductions to initial or subsequent minimum incremental bids at any time during the Auction or specific Sub-Auction. For the avoidance of doubt, if the Debtors receive one or more Bids that do not each independently constitute a "Minimum Overbid," but otherwise meet all requirements set forth herein for a "Qualified Bid," then the Debtors may aggregate two or more such Qualified Bids and treat them as a single Qualified Bid for purposes of constituting the Minimum Overbid. For the avoidance of doubt, the Debtors may evaluate each Bid in light of each of the factors set forth therein, but, in the Debtors' sole discretion, in consultation with the Consultation Parties, a Bid is not required to meet each factor in order to be determined a Qualified Bid.
4. ***Incremental Deposit.*** Upon the declaration by a Qualified Bidder of its Bid at the Auction, it must commit on the record to pay promptly following the Auction, if such Bid were to be the Successful Bid or the Backup Bid, the incremental amount of its Deposit calculated based on the increased purchase price of such bid, if applicable (the "Incremental Deposit Amount"). Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any Bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, consider and/or give effect to (a) any Bid Protections (only if such amount has not previously been paid) payable to the Stalking Horse Bidder under the

Stalking Horse APA, (b) any additional liabilities to be assumed by a Qualified Bidder under the Bid, including whether such liabilities are secured or unsecured, and (c) any additional costs that may be imposed on the Debtors.

5. ***Additional Information.*** The Debtors shall have the right to request any additional financial information that will allow the Debtors to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtors believe is reasonably necessary to clarify and evaluate any bid made by a Qualified Bidder during the Auction.
6. ***Leading Bid.*** After the first round of bidding and between each subsequent round of bidding, the Debtors will consult with the Consultation Parties and thereafter announce the bid that they believe to be the highest or otherwise best offer for the applicable Auction Package (each such bid, a "Leading Bid") and describe the material terms thereof. Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the material terms of the Leading Bid, subject to the Debtors' authority to revise the Auction procedures to the extent permitted hereby.
7. ***No Round-Skipping.*** Round-skipping, as described herein, is explicitly prohibited. To remain eligible to participate in the Auction, in each round of bidding, (i) each Qualified Bidder must submit a Bid before the end of such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding and (ii) to the extent a Qualified Bidder fails to bid in such round of bidding or to submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding, as determined by the Debtors in their reasonable business judgment (and after consultation with the Consultation Parties), such Qualified Bidder shall be disqualified from continuing to participate in the Auction for such Assets without the consent of the Debtors; provided that, notwithstanding anything to the contrary herein, a Qualified Bidder that is bidding on all or substantially all of the Assets shall not be required to participate in any Auction or round thereof for less than all or substantially all of the Assets.
8. ***Auction Sequence.*** In the event the Debtors receive a Partial Bid, the Debtors shall start the Auction with such Partial Bids (and, for the avoidance of doubt, the Stalking Horse Bidder and any other bidder for all or substantially all the Assets shall not be required to participate in such Auction) to determine which Partial Bid is the highest or otherwise best bid for the Assets in question (such bid, the "Prevailing Partial Bid"). Upon determination of the Prevailing Partial Bid, the Debtors shall determine whether such Prevailing Partial Bid is a higher or otherwise better bid than the Stalking Horse Bid, or other highest or otherwise best bid for all or substantially all of the Assets (such bids, "All Asset Bids," and the highest or otherwise best such bid, the "Prevailing All Asset Bid"). To the extent the Debtors determine that the Prevailing Partial Bid is not higher or otherwise better than the Prevailing All Asset Bid, then no other Partial Bids shall be accepted at the Auction and the Partial Bid bidders shall not be entitled to participate in the Auction for all or substantially all of the Assets. To the extent the Debtors determine that the Prevailing

Partial Bid is higher or otherwise better than the Prevailing All Asset Bid, then the All Asset Bid bidders shall be required to submit bids that are higher or otherwise better than the Prevailing Partial Bid.

The Auction or any Sub-Auction will be conducted by open bidding in the presence of all other Qualified Bidders and each Qualified Bidder shall have the right to be present for all rounds of open bidding and to submit additional bids and make modifications to its Proposed Asset Purchase Agreement at the Auction to improve its bid. The Debtors may, in their business judgment, engage in discussions and negotiate with any and all Qualified Bidders participating in the Auction or Sub-Auction outside the presence of other bidders before each round of bidding, including to improve or clarify the terms of bids made.

The Debtors shall have the right to determine, in their business judgment and in consultation with the Consultation Parties, which bid is the highest or otherwise best bid with respect to the Auction Package and, in accordance with the terms of these Bidding Procedures, after consultation with the Consultation Parties, reject, at any time, without liability (except for any requirement to pay any applicable Bid Protections under the Stalking Horse APA), any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, these Bidding Procedures, any order of the Court, or the best interests of the Debtors and their estates.

The Debtors, after consultation with the Consultation Parties, may announce at the Auction or a specific Sub-Auction additional procedural rules (e.g., among other things, the amount of time to make Subsequent Bids, the amount of the Minimum Overbid, or the requirement that parties submit “best and final” Bids) for conducting the Auction or specific Sub-Auction or otherwise modify these Bidding Procedures; provided that such rules (i) are not materially inconsistent with the Bidding Procedures Order, these Bidding Procedures, the Bankruptcy Code, or any order of the Bankruptcy Court, and (ii) are disclosed to each Qualified Bidder during the Auction or Sub-Auction.

C. Adjournment of the Auction.

The Debtors reserve the right, in their reasonable business judgment (after consultation with the Consultation Parties and the Stalking Horse Bidder), to adjourn the Auction one or more times to, among other things, (x) facilitate discussions between the Debtors and Qualified Bidders, (y) allow Qualified Bidders to consider how they wish to proceed, and (z) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment after consultation with the Consultation Parties, may require, among other things, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt or equity funding commitments to consummate the proposed Sale at the prevailing bid amount.

D. The Successful Bidder.

Immediately prior to the conclusion of the Auction or a specific Sub-Auction for an Auction Package, the Debtors will (a) determine, in consultation with the Consultation Parties and in a manner consistent with these Bidding Procedures, which Qualified Bid constitutes the highest

or otherwise best bid (or bids) for the Auction Package (each such bid, a “Successful Bid”) and (b) notify all Qualified Bidders at the Auction or Sub-Auction of the identity of the bidder that submitted the Successful Bid for the Auction Package (each such bidder, a “Successful Bidder”) and the amount of the purchase price and other material terms of the Successful Bid. As a condition to remaining the Successful Bidder, the Successful Bidder shall, within two (2) business days after the conclusion of the Auction or Sub-Auction, (i) if applicable, wire to the Debtors in immediately available funds the Incremental Deposit Amount, calculated based on the purchase price in the Successful Bid (or bids) and (ii) submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid(s).

As soon as is reasonably practicable after the conclusion of the Auction or Sub-Auction, the Debtors will file with the Court, serve on the Sale Notice Parties, and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction or Sub-Auction (the “Notice of Auction Results”), which will (a) identify each Successful Bidder and each Backup Bidder (as applicable), (b) summarize the material terms of such bids, and (c) set forth the date, time, and location of the Sale Hearing.

For the avoidance of doubt, the Debtors’ submission to the Bankruptcy Court for approval of a selected Qualified Bid as a Successful Bid does not constitute the Debtors’ acceptance of such Bid. The Debtors will have accepted a Successful Bid only when such Successful Bid has been approved by the Bankruptcy Court at the Sale Hearing.

VIII. BACKUP BIDDER

Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder (including the Stalking Horse Bidder, if outbid) with the next-highest or otherwise second-best Qualified Bid as compared to the Successful Bid at the Auction for the Assets, as determined by the Debtors in the exercise of their reasonable business judgment after consultation with the Consultation Parties (the “Backup Bid”), shall be required to serve as a backup bidder (the “Backup Bidder”), and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated. The Stalking Horse Bidder shall agree to serve as a Backup Bidder pursuant to the applicable terms and conditions of the Stalking Horse APA.

Immediately prior to the conclusion of the Auction or Sub-Auction for an Auction Package, the Debtors, in consultation with the Consultation Parties, will (a) determine, in a manner consistent with these Bidding Procedures, which Qualified Bid is the Backup Bid for the Auction Package and (b) announce at the conclusion of the Auction the identity of the Backup Bidder, the amount of the Backup Bid purchase price, and other material terms of the Backup Bid. Within two (2) business days after the Auction or Sub-Auction, as a condition to remaining the Backup Bidder, any Backup Bidder shall (i) submit to the Debtors execution versions of the documentation memorializing the terms of the Backup Bid(s) and (ii) wire to the Debtors, in immediately available funds, the incremental amount of its Deposit, if applicable, calculated based on the increased cash component of the Purchase Price of the Backup Bid.

A Backup Bid(s) will remain binding on a Backup Bidder until the earlier of (a) the first business day after the closing of a Sale Transaction with the Successful Bidder for the applicable Auction Package and (b) sixty (60) days after the Sale Hearing (the “Backup Bid Expiration”).

Date”). If the Sale Transaction with the Successful Bidder is terminated prior to the Backup Bid Expiration Date, the Debtors may select the Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes.

IX. RETURN OR FORFEITURE OF DEPOSIT

The Deposit of each Successful Bidder shall be applied to the purchase price of the applicable transaction(s) at closing. The Deposits for each Qualified Bidder shall be held in one or more escrow accounts on terms acceptable to the Debtors in their sole discretion (after consultation with the Committee) and shall be returned on or before the date that is five (5) Business Days after the Auction (other than with respect to the Successful Bidder and the Backup Bidder, as applicable). With respect to the Stalking Horse Bid, the terms and conditions of the Stalking Horse APA shall govern the funding, release and application of the Deposit. Any Backup Bidder’s Deposit shall be held in escrow until the occurrence of the Backup Bid Expiration Date. In the event the applicable Successful Bidder fails to close and the Debtors opt to close on the Sale set forth in the applicable Backup Bid, the Backup Bidder’s Deposit shall be applied to the purchase price of such transaction at closing. In the event of a breach or failure to consummate a Sale by the Successful Bidder or the Backup Bidder, as applicable, the defaulting Successful Bidder’s Deposit or Backup Bidder’s Deposit, as applicable, shall be forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available remedies against the defaulting Successful Bidder or Backup Bidder, as applicable, subject to the terms of the Successful Bidder’s purchase agreement or the Backup Bidder’s purchase agreement, as applicable.

X. SALE HEARING

Each Successful Bid (including any Backup Bid that is subsequently deemed a Successful Bid) will be subject to approval by the Court. The hearing to approve any Sale Transaction consummated in accordance with these Bidding Procedures (except in the case of a Sale Transaction contemplated by a Backup Bid that subsequently is deemed a Successful Bid) shall take place on **May 30, 2024, at 1:30 p.m. (ET)** (the “Sale Hearing”), or the soonest date the Court is available thereafter, before the Honorable Brendan Linehan Shannon, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801.

The Debtors may, in their business judgment (after consulting with the Successful Bidder(s) and the Consultation Parties), adjourn or reschedule the Sale Hearing with sufficient notice to the Sale Notice Parties, including by announcing such adjournment or rescheduling at the Auction or Sub-Auction or in Court on the date of the originally scheduled Sale Hearing.

At the Sale Hearing, the Debtors will seek entry of one or more orders (each, a “Sale Order”) that, among other things: (i) authorizes and approves the Sale Transaction(s) to the Successful Bidder(s) and/or the Backup Bidder(s), (ii) includes a finding that the Successful Bidder is a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code, and (iii) authorizes the assumption and assignment of Contracts to the Successful Bidder.

Objections to (i) the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code to the Successful Bidder(s) and/or Backup Bidder(s), as applicable, (ii) any of the relief requested in the Motion, and (iii) entry of the Sale Order must (w) be in writing and specify the nature of such objection; (x) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Court; (y) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (z) be filed with the Court and served on the following parties so as to be actually received no later than **4:00 p.m. (prevailing Eastern Time) on May 29, 2024**: (a) the Debtors, 800 Commonwealth Drive, Warrendale, PA 15086, Attn: Michele Pascoe; (b) proposed counsel for the Debtors, (i) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), and Joseph R. Brandt, Esq. (jbrandt@willkie.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); (c) counsel for the Stalking Horse Bidder, (i) Goulston & Storrs, One Post Office Square, 25th Floor, Boston, MA 02109, Attn: Douglas B. Rosner, Esq. (drosner@goulstonstorrs.com) and Mollie Adam, Esq. (MAdam@goulstonstorrs.com), (ii) Lampert LawGiC Professional Corporation, 229 Sheppard Avenue West, Suite 1800 Toronto, Ontario M2N 1N2, Attn: Leigh Lampert (LL@lampertlawgic.com), and (iii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801, Attn: Derek C. Abbot (dabbot@morrisnichols.com) and Matthew O. Talmo (mtalmo@morrisnichols.com); (d) counsel to the Prepetition ABL Agent, (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, Attn: Christopher L. Carter, Esq. (christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1202 North Market Street, Suite 1500, Wilmington, DE 19801, Attn: Kurt F. Gwynne, Esq. (kgwynne@reedsmith.com); (e) counsel to the Prepetition Term Loan Lenders, (i) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Adam C. Harris, Esq. (adam.harris@srz.com) and Abbey Walsh, Esq. (abbey.walsh@srz.com), and (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com); (f) the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane M. Leamy, Esq. (jane.m.leafy@usdoj.gov) and Richard Schepacarter, Esq. (Richard.Schepacarter@usdoj.gov); (g) proposed counsel for the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), (i) Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Jeffrey L. Cohen, Esq. (jcohen@lowenstein.com), Brent Weisenberg, Esq. (bweisenberg@lowenstein.com), Daniel B. Besikof, Esq. (dbesikof@lowenstein.com), and Colleen M. Restel, Esq. (crestel@lowenstein.com), and (ii) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: Christopher M. Samis, Esq. (csamis@potteranderson.com); (h) counsel for the Successful Bidder; and (i) if applicable, counsel for any Backup Bidder(s).

XI. RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

The Debtors reserve the right to, in their business judgment, in a manner consistent with their fiduciary duties and applicable law, and after consultation with the Consultation Parties, modify these Bidding Procedures, including to, among other things, (a) extend or waive deadlines

or other terms and conditions set forth herein, (b) adopt new rules and procedures for conducting the bidding and Auction process, or (c) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximizing the of value of the Assets; provided that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with the Bidding Procedures Order, these Bidding Procedures, the Bankruptcy Code or any order of the Court and (ii) are promptly communicated to each Qualified Bidder.

XII. FIDUCIARY OUT

Nothing in these Bidding Procedures will require the board of directors, board of managers, or such similar governing body of a Debtor to take any action, or to refrain from taking any action (including, but not limited to, with respect to the Bidding Procedures or the Sale), to the extent such board of directors, board of managers, or such similar governing body determines in good faith (upon consultation with outside financial advisors and legal counsel) that taking such action, or refraining from taking such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

XIII. ASSUMPTION AND ASSIGNMENT PROCEDURES.

The Debtors will provide all notices regarding the proposed assumption and assignment of Contracts in accordance with the Assumption and Assignment Procedures (as defined in the Bidding Procedures Order).

XIV. NOTICE PARTIES

The term “Sale Notice Parties” as used in these Bidding Procedures shall mean: (i) counsel to the Prepetition ABL Agent; (ii) counsel to the Prepetition Term Loan Agent; (iii) the U.S. Trustee for the District of Delaware; (iv) proposed counsel to the Committee; and (v) counsel to the Stalking Horse Bidder or Successful Bidder, as applicable.

XV. CONSULTATION BY THE DEBTORS

Throughout the Sale Transaction process, the Debtors and their advisors shall consult with the following parties (collectively, the “Consultation Parties”), as provided in these Bidding Procedures, or as is otherwise necessary or appropriate, as determined in the Debtors’ business judgment: (i) counsel to the Committee and (ii) solely to the extent they are not an active or prospective bidder with respect to the relevant Assets), or are participating in any way in any active or prospective bid with respect to such relevant Assets, (a) counsel to the Prepetition ABL Agent and (b) counsel to the Prepetition Term Loan Agent.

The Debtors shall consult with the Consultation Parties as explicitly provided for in these Bidding Procedures. Each reference in these Bidding Procedures to “consultation” (or similar phrase) with the Consultation Parties shall mean consultation in good faith. The Debtors shall consult with the Consultation Parties in good faith regarding the sale process for the Assets and provide to the Consultation Parties and their advisors regular reports concerning the sale process, including parties contacted, buyer feedback, copies of letters of intent, drafts of definitive agreements, updates regarding purchase proposals, and any diligence and other information

reasonably requested by the Consultation Parties; provided that such materials shall be provided to the advisors to the Committee on a professional eyes only basis and may only be shared with an individual Committee member if such party has unequivocally revoked its right to submit a Bid in writing to the Debtors. Notwithstanding anything to the contrary herein, during any period in which a Consultation Party has submitted a Qualified Bid and has become a Qualified Bidder hereunder, such Consultation Party shall no longer be considered a Consultation Party for purposes of these Bidding Procedures and shall only receive the same diligence, information, and notice as all other Qualified Bidders, unless and until such party unequivocally revokes its Bid and waives its right to continue in the Auction process. For the avoidance of doubt, any consultation rights afforded to the Consultation Parties by these Bidding Procedures or the Bidding Procedures Order shall not in any way limit the Debtors' discretion and shall not include the right to veto any decision made by the Debtors in the exercise of their business judgment.

XVI. MISCELLANEOUS

Notwithstanding anything to the contrary contained in these Bidding Procedures, any right of the Prepetition Agents to consent to the sale of any Prepetition Collateral or Postpetition Collateral (including any ABL Priority Collateral or Term Priority Collateral, in each case as defined in the Cash Collateral Order) shall remain subject to, and in accordance with, the Cash Collateral Order and are hereby expressly preserved and not modified, waived, or impaired in any way by these Bidding Procedures or the Bidding Procedures Order. For the avoidance of doubt, nothing in these Bidding Procedures or the Bidding Procedures Order shall amend, modify, or impair any provision of the Cash Collateral Order, or the rights of the Prepetition Agents thereunder.

* * * *

Exhibit A

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement (the “Agreement”) is made as of this ____ day of _____, 2024 by and between _____ (“Landlord”) and _____ (“Tenant” or “Debtor”).

RECITALS

WHEREAS, Landlord and Tenant entered into a certain lease dated _____ (the “Lease”), covering certain premises located at _____ (the “Premises”), on the terms and conditions set forth therein;

WHEREAS, Tenant, along with its affiliated debtors and debtors in possession, has filed a voluntary petition for relief pursuant to chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the “Bankruptcy Code”), in the United States Bankruptcy Court for the _____ (the “Bankruptcy Court”);

WHEREAS, Landlord has prepetition and/or postpetition sums due and owing from Tenant. The Parties desire to enter into this Agreement, for the purpose of, among other reason, restoring Landlord to possession of the Premises as of the Termination Date, releasing one another from claims and causes of action, and enabling Landlord to dispose of any remaining personal property at the Premises in its sole and absolute discretion;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby covenant and agree as follows subject only to an order of the Bankruptcy Court approving this Agreement:

AGREEMENT

1. Recitals. The Recitals are incorporated herein as if set forth at length.
2. Lease Termination. The Lease is terminated effective _____ (the “Termination Date”).
3. Consideration. Landlord shall pay to Tenant \$ _____ (the “Termination Price”).
4. Landlord Release of Tenant. For valuable consideration, and the mutual covenants and agreements contained herein, Landlord does hereby fully, forever and irrevocably release, discharge and acquit Tenant, and its respective past and present affiliates, and the respective past and present officers, directors, shareholders, agents, and employees of each and all of the foregoing entities, and its and their respective successors, heirs, and assigns, and any other person or entity now, previously, or hereafter affiliated with any or all of the foregoing entities, of and from any and all rights, claims, demands, obligations liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, damages,

costs, losses and expenses of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore or now existing, or that could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, claimed or unclaimed, whether based on contract, tort, breach of any duty, or other legal or equitable theory of recovery, each as though fully set forth herein at length, including, without limitation, any and all claims evidenced by the Lease.

5. Tenant Release of Landlord. For valuable consideration, and the mutual covenants and agreements contained herein, Tenant does hereby fully, forever and irrevocably release, discharge and acquit Landlord, and its respective past and present affiliates, and the respective past and present officers, directors, shareholders, agents, property managers, and employees of each and all of the foregoing entities, and its and their respective successors, heirs, and assigns, and any other person or entity now, previously, or hereafter affiliated with any or all of the foregoing entities, of and from any and all rights, claims, demands, obligations liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, damages, costs, losses and expenses of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore or now existing, or that could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, claimed or unclaimed, whether based on contract, tort, breach of any duty, or other legal or equitable theory of recovery, each as though fully set forth herein at length, including, without limitation, any and all claims evidenced by the Lease.

6. As further consideration for this Release, the parties hereto, for themselves and their successors and assigns, hereby agree, represent and warrant that the matters released herein are not limited to matters that are known or disclosed, and the parties hereby waive any and all rights and benefits that they now have, or in the future may have, conferred upon it by virtue of the provisions of Section 1542 of the Civil Code of the State of California (or any other statute or common law principles of similar effect), which Section provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

7. In this connection, the parties hereby agree, represent and warrant that they realize and acknowledge that factual matters now unknown to them may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses that are presently unknown, unanticipated, and unsuspected, and the parties further agree, represent and warrant that this Release has been negotiated and agreed upon in light of that realization and that, except as expressly limited above, it nevertheless hereby intends to release, discharge, and acquit the released parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses.

8. Conditions Precedent. As a condition precedent to the effectiveness of this Agreement, each and all of the following shall have occurred no later than the Termination Date:

- (a) Landlord has delivered the Termination Price to the Tenant;
- (b) Tenant has delivered possession of the Premises to Landlord;
- (c) Tenant has delivered to Landlord the keys and access codes to the Premises;
- (d) An order has been entered approving the entirety of this Agreement.

9. Furniture, Fixtures and Equipment (FF&E). Any FF&E remaining at the Premises after the Termination Date is deemed abandoned and the Landlord and their managing agents are free to dispose of the FF&E in their sole and absolute discretion without liability to the Debtor.

10. Authority to Settle. Each of the parties to this Agreement respectively represents and warrants that each such party has the absolute and unfettered power, right and authority to enter into this Agreement and settle, compromise and release fully and completely all matters and claims contemplated to be resolved hereby. Each of the parties to this Agreement respectively represents and warrants that each such party owns and controls each of the claims, causes of action, or other matters that are the subject matter of this Agreement and that it has not assigned or transferred to any other person any of such claims, causes of action, or other matters.

11. Entire Agreement. This Agreement, the exhibits hereto and the other items to be delivered as a condition precedent to the effectiveness of this Agreement, contains the entire agreement and understanding concerning the subject matter of the Agreement and supersedes and replaces all prior negotiations and proposed settlement agreements, written or oral. Each of the parties to this Agreement respectively represents and warrants that no other party to this Agreement, nor any agent or attorney of any such party, has made any promise, representation or warranty, express or implied, not contained in this Agreement or the exhibits hereto to induce any party to execute this Agreement. Each of the parties to this Agreement further acknowledges that such party is not executing this Agreement in reliance on any promise, representation or warranty not contained in this Agreement or the exhibits hereto.

12. Advice of Counsel. Each of the parties to this Agreement respectively represents and warrants that each such party has (a) been adequately represented, or has had the opportunity to be represented, by independent legal counsel of its own choice, throughout all of the negotiations that preceded the execution of this Agreement, (b) executed this Agreement with the consent and upon the competent advice of such counsel, or that it has had the opportunity to seek such consent and advice, (c) read this Agreement, and understands and assents to all the terms and conditions contained in this Agreement without any reservations; and (d) had, or had the opportunity to have, the same explained to it by its own counsel. In entering into this Agreement, no Party is relying on any representation or statement made by any other Party or any person representing such other Party.

13. Attorneys' Fees. Each party to this Agreement agrees that in the event a dispute arises as to the validity, scope, applicability, or enforceability of this Agreement, the prevailing party shall be entitled to recover its costs and attorneys' fees.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which shall constitute one and the same document. Further, each of the parties to this Agreement agrees that scanned signatures of each party hereto shall be deemed original signatures and shall be binding on each such party whose signature is by scan to the same extent as if it were its original signature.

15. Governing Law. This Agreement shall be governed by and construed under the laws of the State of _____, without regard to conflicts of laws principles that would require the application of the law of another jurisdiction.

16. Jurisdiction. The Parties consent to the exclusive jurisdiction of, and entry of final orders and judgments by, the United States Bankruptcy Court for the _____ with respect to all matters arising under or relating to this Agreement. The Parties hereby irrevocably waive any objection on the grounds of venue, forum non conveniens, or any similar grounds and irrevocably consent to service of process by mail or in any other manner permitted by applicable law. The Parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

17. Miscellaneous.

(a) The headings of the sections of this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. This Agreement and its terms, provisions, covenants and conditions may not be amended, changed, altered, modified or waived except by an express instrument in writing signed by each and all of the parties hereto.

(b) This Agreement and each of its provisions are binding upon and shall inure to the benefit of the parties' successors and assigns, including, without limitation, a trustee, if any, subsequently appointed under Chapter 7 or 11 of the Bankruptcy Code.

(c) Each of the parties to this Agreement shall take all necessary steps, cooperate, and use reasonable best efforts to obtain and achieve the objectives and fulfill the obligations of this Agreement. Each of the parties hereto shall cooperate with each other and shall execute and deliver any and all additional notices, papers, documents, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of this Agreement.

(d) Each of the parties to this Agreement shall pay all of its own legal fees, costs, and any other expenses incurred or to be incurred in connection with the consummation of this Agreement.

(e) The determination of the terms of, and the drafting of, this Agreement has been by mutual agreement after negotiation, with consideration by and participation of all parties hereto and their counsel. Because this Agreement was drafted with the participation of all parties hereto

and their counsel, the presumption that ambiguities shall be construed against the drafter does not apply. Each of the parties to this Agreement respectively represents and warrants that each such party was represented by competent and effective counsel throughout the course of settlement negotiations and in the drafting and execution of this Agreement, and there was no disparity in bargaining power among the parties to this Agreement.

[Signatures appear on following page]

IN WITNESS HEREOF, the parties have duly executed this Agreement as of the date and year first written above.

[LANDLORD]

By: _____

Print Name: _____

Its: _____

[TENANT]

By: _____

Print Name: _____

Its: _____

Exhibit 2

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

In re:

NEW RUE21 HOLDCO, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10939 (BLS)

(Jointly Administered)

**NOTICE OF PROPOSED SALE OF ASSETS,
BIDDING PROCEDURES, AUCTION, AND SALE HEARING**

PLEASE TAKE NOTICE that, on May 2, 2024 (the “Petition Date”), the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) each filed voluntary petitions for relief (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors are seeking to sell (the “Sale”) substantially all of their remaining assets, including their intellectual property, personal property (including certain furniture, fixtures, and equipment), and leasehold interests that have not been assumed and assigned or rejected, free and clear of liens, except as may be provided in any applicable Sale Order or executed asset purchase agreement.

PLEASE TAKE FURTHER NOTICE that, by order dated May [●], 2024 [Docket No. [●]] (the “Bidding Procedures Order”), the Bankruptcy Court approved certain “Bidding Procedures” that govern the Sale. All interested parties should carefully read the Bidding Procedures Order and the Bidding Procedures. Copies of the Bidding Procedures Order, the Bidding Procedures (which are attached to the Bidding Procedures Order as Exhibit 1), and all related pleadings filed in these Chapter 11 Cases are available for download at <https://cases.ra.kroll.com/rue21>, or upon request to the Debtors’ claims and noticing agent, Kroll Restructuring Administration LLC, via telephone at (833) 417-0051 (U.S./Canada) or +1 (646) 715-5561 (International), or via email at rue21info@ra.kroll.com.

PLEASE TAKE NOTICE that a separate notice will be provided to counterparties to the Debtors’ executory contracts and unexpired leases, which may be assumed and assigned in connection with the Sale. **Any interested bidder should contact Colin Adams (Colin.Adams@riveron.com) and David Interdonato (David.Interdonato@riveron.com) at Riveron RTS, LLC, the Debtors’ financial advisor.**

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their federal tax identification numbers, are New rue21 Holdco, Inc. (4668), r21 Holdings, Inc. (1618), New rue21 Intermediate, Inc. (9166), New rue21, LLC (4521), New RSC, LLC (4690), and r services llc (9425). The Debtors’ headquarters is located at 800 Commonwealth Drive, Warrendale, PA 15086.

- The deadline for the submission of Qualified Bids is **May [●], 2024 at 4:00 p.m. (ET).**
- Any objections to the Sale or the relief requested in connection with the Sale (a “Sale Objection”), other than a Cure Objection, which shall be governed by the Assumption Procedures, must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) set forth the specific basis for the Sale Objection; (d) be filed with the Clerk of the Court, 824 N. Market Street, 3rd Floor, Wilmington, DE 19801 and filed on the following parties so as to be actually received no later than **4:00 p.m. (ET) on May [●], 2024** (the “Sale Objection Deadline”): (a) the Debtors, 800 Commonwealth Drive, Warrendale, PA 15086, Attn: Michele Pascoe; (b) proposed counsel for the Debtors, (i) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), Joseph R. Brandt, Esq. (jbrandt@willkie.com), and Jessica D. Graber, Esq. (jgraber@willkie.com); and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); (c) counsel to the Prepetition ABL Agent, (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, Attn: Christopher L. Carter, Esq. (christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1202 North Market Street, Suite 1500, Wilmington, DE 19801, Attn: Kurt F. Gwynne, Esq. (kgwynne@reedsmith.com); (d) counsel to the Prepetition Term Loan Lenders, (i) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Adam C. Harris, Esq. (adam.harris@srz.com) and Abbey Walsh, Esq. (abbey.walsh@srz.com), and (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com); (e) proposed counsel for the official committee of unsecured creditors, (i) Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Jeffrey L. Cohen, Esq. (jcohen@lowenstein.com), Brent Weisenberg, Esq. (bweisenberg@lowenstein.com), Daniel B. Besikof, Esq. (dbesikof@lowenstein.com), and Colleen M. Restel, Esq. (crestel@lowenstein.com), and (ii) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: Christopher M. Samis, Esq. (csamis@potteranderson.com); (f) counsel for the Stalking Horse Bidder, (i) Goulston & Storrs, One Post Office Square, 25th Floor, Boston, MA 02109, Attn: Douglas B. Rosner, Esq. (drosner@goulstonstorrs.com) and Mollie Adam, Esq. (MAdam@goulstonstorrs.com), (ii) Lampert LawGiC Professional Corporation, 229 Sheppard Avenue West, Suite 1800 Toronto, Ontario M2N 1N2, Attn: Leigh Lampert (LL@lampertlawgic.com), and (iii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801, Attn: Derek C. Abbot (dabbot@morrisnichols.com) and Matthew O. Talmo (mtalmo@morrisnichols.com); and (g) if applicable, counsel for any Backup Bidder(s).
- Any counterparty that wishes to obtain adequate assurance information regarding bidders that will or may participate at the Auction (defined below) must notify, in writing, the proposed counsel to the Debtors: Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), Joseph R. Brandt, Esq. (jbrandt@willkie.com), and Jessica D. Graber, Esq. (jgraber@willkie.com) (the “Request for Adequate”).

Assurance”). The Request for Adequate Assurance must include an e-mail or address to which a response to such information request can be sent.

- An auction for the Assets, unless cancelled or adjourned in accordance with the Bidding Procedures Order, will be held on **May [●], 2024 at 10:00 a.m. (ET)** (the “Auction”), either (i) via a virtual meeting, (ii) at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, or (iii) at such later date, time, and location as designated by the Debtors, after providing notice to the Sale Notice Parties (as defined in the Bidding Procedures).
- If the Auction is held, the Debtors shall address any Sale Objections and/or Cure Objections at the Sale Hearing, which shall take place on **May [●], 2024 at [●]:00 p.m. (ET)**, subject to availability of the Court.

PLEASE TAKE FURTHER NOTICE THAT IF A SALE OBJECTION IS NOT FILED AND SERVED ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO THE SALE AND BEING HEARD AT THE SALE HEARING, AND THE BANKRUPTCY COURT MAY ENTER THE SALE ORDER WITHOUT FURTHER NOTICE TO SUCH PARTY.

Dated: May [●], 2024
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/

Edmon L. Morton (No. 3856)

Matthew B. Lunn (No. 4119)

Shane M. Reil (No. 6195)

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-and-

WILLKIE FARR & GALLAGHER LLP

Rachel C. Strickland (admitted *pro hac vice*)

Andrew S. Mordkoff (admitted *pro hac vice*)

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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Exhibit 3

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

In re:

NEW RUE21 HOLDCO, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10939 (BLS)

(Jointly Administered)

**NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT
WITH RESPECT TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES IS A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH ONE OR MORE
OF THE DEBTORS AS SET FORTH ON EXHIBIT A ATTACHED HERETO.**

PLEASE TAKE NOTICE THAT:

On May 2, 2024, the debtors and debtors-in-possession (the “Debtors”) in the above-captioned cases (the “Chapter 11 Cases”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

The Debtors are seeking to assume and assign certain of their executory contracts and unexpired leases in connection with the sale (the “Sale”) of substantially all of their remaining assets, including their intellectual property, personal property (including certain furniture, fixtures, and equipment), and leasehold interests that have not been assumed and assigned or rejected (the “Assets”), free and clear of all liens, claims, interests, and encumbrances, except as may be provided in any applicable Sale Order.²

By order dated [●], 2024 [Docket No. [●]] (the “Bidding Procedures Order”), the Bankruptcy Court approved certain “Bidding Procedures” that govern the Sale. All interested parties should carefully read the Bidding Procedures Order and the Bidding Procedures. Copies of the Bidding Procedures Order, the Bidding Procedures (which are attached to the Bidding

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their federal tax identification numbers, are New rue21 Holdco, Inc. (4668), r21 Holdings, Inc. (1618), New rue21 Intermediate, Inc. (9166), New rue21, LLC (4521), New RSC, LLC (4690), and r services llc (9425). The Debtors’ headquarters is located at 800 Commonwealth Drive, Warrendale, PA 15086.

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Bidding Procedures Order (as defined below).

Procedures Order as Exhibit 1), and all related pleadings filed in these Chapter 11 Cases are available for download at <https://cases.ra.kroll.com/rue21>, or upon request to the Debtors' claims and noticing agent, Kroll Restructuring Administration LLC, via telephone at (833) 417-0051 (U.S./Canada) or +1 (646) 715-5561 (International), or via email at rue21info@ra.kroll.com.

You are receiving this notice (the "Cure Notice") because you may be a party to an unexpired lease or an executory contract (including, without limitation, any and all amendments, modifications, side letters, memoranda of understanding, documents incorporated by reference, attachments, and exhibits thereto) that may be assumed and assigned (collectively, the "Designated Contracts") in connection with such Sale. A list of the Designated Contracts is attached hereto as Exhibit A (the "Cure Schedule").

The Debtors have conducted a review of their books and records and have determined that all unpaid monetary obligations under the Designated Contracts, *as of the date of this Cure Notice*, are as set forth in the Cure Schedule (the "Cure Costs"). To the extent that the Debtors satisfy any portion of the Cure Costs subsequent to the filing of this Cure Notice, the Cure Costs shall be reduced accordingly. The Cure Costs are the only amounts proposed to be paid upon any assumption and assignment of the Designated Contracts, in full satisfaction of all amounts outstanding under the Designated Contracts.

To the extent that a counterparty to a Designated Contract objects to (i) the assumption and assignment of such party's Designated Contract, (ii) the applicable Cure Cost, or (iii) the provision of adequate assurance of future performance, the counterparty must file and serve an objection (a "Cure Objection").

All Cure Objections shall (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Bankruptcy Rules, and any order governing the administration of these chapter 11 cases; (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Amounts, state the correct cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and appropriate documentation in support thereof; and (iv) be filed with the Court and served and **actually received no later than May [●], 2024, at 4:00 p.m. (ET)** (the "**Contract Objection Deadline**") by the Court and the Objection Notice Parties (as defined below).

Any objections to adequate assurance of future performance by a Successful Bidder (as defined in the Bidding Procedures Order) that is not the Stalking Horse Bidder shall be heard at the Sale Hearing (as defined below).

The "Objection Notice Parties" are as follows: (a) the Debtors, 800 Commonwealth Drive, Warrendale, PA 15086, Attn: Michele Pascoe; (b) proposed counsel for the Debtors, (i) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Rachel C. Strickland, Esq. (rstrickland@willkie.com), Andrew S. Mordkoff, Esq. (amordkoff@willkie.com), and Joseph R. Brandt, Esq. (jbrandt@willkie.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Shane M. Reil, Esq. (sreil@ycst.com); (c) counsel to the Prepetition ABL Agent, (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, Attn: Christopher L. Carter, Esq.

(christopher.carter@morganlewis.com), and (ii) Reed Smith LLP, 1202 North Market Street, Suite 1500, Wilmington, DE 19801, Attn: Kurt F. Gwynne, Esq. (kgwynne@reedsmith.com); (d) counsel to the Prepetition Term Loan Lenders, (i) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Adam C. Harris, Esq. (adam.harris@srz.com) and Abbey Walsh, Esq. (abbey.walsh@srz.com), and (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com); (e) the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane M. Leamy, Esq. (jane.m.leafy@usdoj.gov) and Richard Schepacarter, Esq. (Richard.Schepacarter@usdoj.gov), (f) proposed counsel for the official committee of unsecured creditors, (i) Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Jeffrey L. Cohen, Esq. (jcohen@lowenstein.com), Brent Weisenberg, Esq. (bweisenberg@lowenstein.com), Daniel B. Besikof, Esq. (dbesikof@lowenstein.com), and Colleen M. Restel, Esq. (crestel@lowenstein.com), and (ii) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: Christopher M. Samis, Esq. (csamis@potteranderson.com); (g) counsel for the Stalking Horse Bidder, (i) Goulston & Storrs, One Post Office Square, 25th Floor, Boston, MA 02109, Attn: Douglas B. Rosner, Esq. (drosner@goulstonstorrs.com) and Mollie Adam, Esq. (MAdam@goulstonstorrs.com), (ii) Lampert LawGiC Professional Corporation, 229 Sheppard Avenue West, Suite 1800 Toronto, Ontario M2N 1N2, Attn: Leigh Lampert (LL@lampertlawgic.com), and (iii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801, Attn: Derek C. Abbot (dabbot@morrisnichols.com) and Matthew O. Talmo (mtalmo@morrisnichols.com); and (h) if applicable, counsel for any Backup Bidder(s).

If a Cure Objection is not timely received with respect to a Designated Contract such counterparty to the Designated Contract is deemed to have consented to (a) such Cure Cost, (b) the assumption and assignment of such Designated Contract or Additional Designated Contract, (c) the related relief requested in the Motion, and (d) the Sale. Such party shall be forever barred and estopped from objecting to the Cure Costs, the assumption and assignment of the Designated Contract, or Additional Designated Contract, adequate assurance of future performance, the relief requested in the Motion, whether applicable law excuses such Counterparty from accepting performance by, or rendering performance to, the Successful Bidder, as applicable, for purposes of section 365(c)(1) of the Bankruptcy Code and from asserting any additional cure or other amounts against the Debtors and the Successful Bidder, as applicable, with respect to such party's Designated Contract or Additional Designated Contract. The Cure Cost for such Designated Contract shall be controlling, notwithstanding anything to the contrary in such Designated Contract, or any other related document, and the counterparty shall be deemed to have consented to the Cure Cost and shall be forever barred from asserting any other claims related to such Designated Contract against the Debtors and their estates or the Successful Bidder, or the property of any of them, to the extent such claim existed prior to the entry of the Sale Order.

Subject to the terms of the Bidding Procedures Order, an auction (the "Auction") for the Assets, including the Designated Contracts, will be conducted on **May [●], 2024 at 10:00 a.m. (ET)**, either (i) via a virtual meeting, (ii) at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, or (iii) at such later date, time, and location as designated by the Debtors, after providing notice to the Sale Notice Parties (as defined in the Bidding

Procedures). After the Auction, the Debtors will file and serve a notice that identifies the Successful Bidder for the Assets.

The Debtors will seek to assume and assign the Designated Contracts that have been selected by the Successful Bidder (which, for the avoidance of doubt, may be the Stalking Horse Bidder designated in these Chapter 11 Cases) at a hearing before the Honorable Brendan Linehan Shannon, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 1, Wilmington, DE 19801 (a “Sale Hearing”) on May [●], 2024, at [:] []. [m] (ET), or such other date as determined by the Debtors in accordance with the terms of the Bidding Procedures Order, subject to the Court’s availability.

In the event that a non-Debtor Contract Counterparty files a timely Cure Objection and the Debtors and such Counterparty cannot resolve such objection, the objection shall be heard at the Sale Hearing or such later date that the Debtors determine, subject to the Court’s calendar. If such Cure Objection has not been resolved prior to the closing date of the applicable Sale (whether by an order of the Court or by agreement with the Counterparty), the Successful Bidder may elect, in its sole discretion, to: (i) treat such counterparty’s contract (the “Disputed Contract”) as an excluded contract or (ii) temporarily treat such counterparty’s contract as an excluded contract, proceed to closing of the Sale, and determine whether to treat the Disputed Contract as a Designated Contract or Excluded Contract within five (5) business days after resolution of such objection (whether by order of the Court or by agreement with the counterparty).

[Remainder of Page Intentionally Left Blank]

Dated: [], 2024
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/

Edmon L. Morton (No. 3856)

Matthew B. Lunn (No. 4119)

Shane M. Reil (No. 6195)

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WILLKIE FARR & GALLAGHER LLP

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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Exhibit 4

ASSET PURCHASE AND SALE AGREEMENT

BY AND AMONG

NEW RUE21, LLC,

THE SUBSIDIARIES PARTY HERETO,

AND

YM INC. (SALES)

DATED AS OF May 16, 2024

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ASSET PURCHASE AND SALE AGREEMENT

THIS ASSET PURCHASE AND SALE AGREEMENT (this “Agreement”), dated as of May 16, 2024 (the “Execution Date”) is made and entered into by and among New rue21, LLC, a Delaware limited liability company (“Seller Parent”), each of the Subsidiaries of Seller Parent (together with Seller Parent, “Sellers” and individually, a “Seller”) and YM Inc. (Sales), a Canadian corporation (“Purchaser”). Sellers and Purchaser are sometimes herein referred to collectively as the “Parties” and individually as a “Party.”

WITNESSETH:

WHEREAS, Sellers and their Subsidiaries are retailers of fashionable, affordable apparel, shoes, beauty and accessories targeting all genders, including under the trade and brand name “rue21” and derivations thereof (the “Business”);

WHEREAS, on May 2, 2024, Sellers filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”); and

WHEREAS, on the terms and subject to the conditions hereinafter set forth and pursuant to the Bid Procedures Order and the Sale Order (each as defined herein), the Parties desire to enter into this Agreement pursuant to which, among other things, Sellers shall sell to Purchaser, and Purchaser shall purchase from Sellers, all of Sellers’ right, title and interest in and to the Purchased Assets (as defined herein) and Purchaser shall assume from Sellers and thereafter pay, discharge and perform the Assumed Liabilities (as defined herein) in accordance with their respective terms and conditions.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, representations, warranties and agreements herein contained, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For the purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

“Action” means any action, suit, arbitration, claim, inquiry, proceeding or investigation by or before any Governmental Authority of any nature, civil, criminal, regulatory or otherwise, in law or in equity.

“Affiliate” (and, with a correlative meaning “affiliated”) means, with respect to any Person, any direct or indirect subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person. As used in this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or

cause the direction of the management or policies (whether through ownership of securities or partnership or other ownership interests, by Contract or otherwise).

“Agency Agreement” means that certain Store Closing Consulting Agreement, dated as of April 26, 2024 (as amended, modified, or supplemented from time to time) by and between Seller Parent and Gordon Brothers Retail Partners, LLC (the “Agent”).

“Applicable Law” means, with respect to any Person, any Law applicable to such Person or its business, properties or assets.

“Bankruptcy Cases” means the chapter 11 cases commenced or to be commenced by Sellers on or about May 2, 2024 jointly administered under Case No. 24-10939.

“Bid Procedures Order” means the order of the Bankruptcy Court in substantially the proposed form filed with the Bankruptcy Court on May 7, 2024 [Docket No. 94].

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by Law to close. Any event, the scheduled occurrence of which would fall on a day that is not a Business Day, shall be deferred until the next succeeding Business Day.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any written contract, instrument, lease (other than a Real Property Lease), license (including any Intellectual Property License), commitment or other legally binding written agreement.

“Cure Costs” means amounts that must be paid and obligations that otherwise must be satisfied, pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and assignment to Purchaser (or its designee) of any Purchaser Assumed Contract as determined pursuant to the Sale Order whether or not they arise prior to the commencement of the Bankruptcy Cases.

“Distribution Centers” means all of Sellers’ distribution centers located throughout the United States.

“Documents” means all files, documents, instruments, papers, books, reports, manuals, records, tapes, microfilms, hard drives, databases, compilations of information, photographs, letters, budgets, accounts, forecasts, ledgers, journals, title policies, customer and supplier lists, regulatory filings, operating data and plans, technical documentation (design specifications, functional requirements, operating instructions, logic manuals, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (including sales brochures, flyers, pamphlets, web pages, etc.), and other similar materials, in each case, whether or not in electronic form.

“Employee” means any employee of any Seller who performs work primarily related to the operation of the Business.

“Employee Benefit Plans” means all employee benefit plans (as defined in Section 3(3) of ERISA), all employment or individual compensation agreements, and all other plans, policies, agreements, payroll practices or arrangements providing any bonus, incentive, retention, equity or equity-based compensation, deferred compensation, stock purchase, severance pay, sick leave, vacation pay, salary continuation, disability, welfare benefit, pension benefit, life insurance, medical insurance, fringe benefits, educational assistance, tax gross up, change in control or other material employee benefit, in each case as to which any Seller or its Subsidiaries has any Liability with respect to any current or former officers, employees or directors of any Seller or its Subsidiaries.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excluded Contracts” means (a) each of the Contracts which are either (i) identified by Sellers as Excluded Assets on Schedule 1.1(b) or (ii) not designated as Purchaser Assumed Contracts and (b) the Real Property Leases.

“Excluded Matter” means any adverse change, circumstance, fact, condition or event resulting from one or more of the following: (i) the condition of the economy or the securities markets in general, or any outbreak of hostilities, terrorist activities or war; (ii) the announcement, pendency or consummation of the sale of the Purchased Assets or any other action by Purchaser or its Affiliates contemplated or required hereunder, including the inability of Sellers to pay any administrative expense claims in the Bankruptcy Cases and any Action taken by any Person as a result thereof; (iii) any changes in general economic, political or regulatory conditions; (iv) the commencement of the Bankruptcy Cases and the conducting of the Store Closing Sales under the Agency Agreement; or (v) any changes in Applicable Laws or accounting rules.

“FF&E Purchase Amount” means the product of (A) \$6,500 times (B) the number of Designated Stores.

“Fraud” means a knowing and intentional misrepresentation of a material fact in one or more of the representations and warranties of (i) the Sellers set forth in Article V or any Transaction Document executed and delivered by the Sellers pursuant to Section 4.2 or (ii) Purchaser set forth in Article VI or any Transaction Document executed and delivered by Purchaser pursuant to Section 4.3, in each case of clauses (i) and (ii), with the intent that the other Party rely on such fact, and, such other Party relies on such fact to its material detriment.

“GAAP” means United States generally accepted accounting principles as in effect during the time period of the relevant financial statement.

“Governmental Authority” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to United States or foreign federal, state or local government, any governmental authority, agency, department, board, commission or instrumentality or any political subdivision thereof, and any tribunal or court or arbitrator(s) of competent jurisdiction, and shall include the Bankruptcy Court.

“Incidental Licenses” means, collectively, any (i) permitted use right in a nondisclosure agreement; (ii) license with any current and former vendors, employees or contractors of any of the Sellers for the benefit of such Seller; (iii) non-exclusive licenses of Purchased Intellectual

Property in the ordinary course of business; (iv) non-exclusive licenses for “off-the-shelf”, “clickwrap” and “shrink-wrap” software and other software licenses that are commercially available to the public generally, with annual or onetime license, maintenance, support and other fees of less than \$100,000 per annum; (v) license implied by law; and (vi) non-exclusive licenses granted in a Contract to purchase or lease equipment, such as a photocopier, computer, or mobile phone that also contains a license of Intellectual Property.

“Intellectual Property” means all worldwide intellectual property and rights arising from or in respect of the following: all (i) trademarks, service marks, certification marks, collective marks, trade names, business names, assumed names, d/b/a’s, fictitious names, brand names, trade dress, logos, symbols, Internet domain names and corporate names, general intangibles of a like nature and other indicia of origin or quality, whether registered, unregistered or arising by Law, and all applications, registrations, and renewals for any of the foregoing, together with the goodwill associated with and symbolized by each of the foregoing (collectively, “Trademarks”); (ii) published and unpublished works of authorship in any medium, whether copyrightable or not (including databases and other compilations of information, computer software, source code, object code, algorithms, and other similar materials and Internet website content), copyrights and moral rights therein and thereto, and registrations and applications therefor, and all issuances, renewals, extensions, restorations and reversions thereof (collectively, “Copyrights”); (iii) inventions, discoveries, industrial designs, business methods, patents and patent applications (including provisional and Patent Cooperation Treaty applications), including continuations, divisionals, continuations-in-part, reexaminations and reissues, extensions, renewals and any patents that may be issued with respect to the foregoing (collectively, “Patents”); (iv) confidential and proprietary information, trade secrets, and know-how, including methods, processes, business plans, schematics, concepts, software (including source code, object code, and algorithms), and databases, formulae, drawings, prototypes, models, patterns, tools, designs, “tech packs”, specifications, instructions, assembly procedures, molds, masters, technology, research and development and supplier lists (collectively, “Trade Secrets”); and (v) all rights and remedies related to any of the foregoing, including the right to sue for and recover damages, profits and any other remedy in connection therewith, for past, present or future infringement, misappropriation or other violation related to any of the foregoing.

“Intellectual Property In-Licenses” means any Contract that contains any grant by any third Person to any Seller or any of its Subsidiaries of any right to use, publish, perform or exploit any Intellectual Property of such third Person concerning or relating to the Purchased Intellectual Property, including licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue and other Contracts (including any right to receive or obligation to pay royalties or any other consideration) relating to the Purchased Intellectual Property.

“Intellectual Property Licenses” means the Intellectual Property Out-Licenses and the Intercompany Licenses.

“Intellectual Property Out-Licenses” means any Contract that contains any grant by any Seller or any of its Subsidiaries to any third Person of any right to use, publish, perform or exploit any of the Purchased Intellectual Property, including any licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue and other Contracts

(including any right to receive or obligation to pay royalties or any other consideration) relating to the Purchased Intellectual Property.

“Intercompany License” means any Contract that contains any grant by any Seller to any other Seller (or Affiliate of a Seller) of any right to use, publish, perform or exploit any of the Purchased Intellectual Property.

“Law” means any foreign, federal, state or local law (including common law), statute, code, ordinance, rule, regulation or other requirement enacted, promulgated, issued or entered by a Governmental Authority.

“Legal Proceeding” means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Authority.

“Liabilities” means any and all debts, losses, liabilities, claims (including claims as defined in the Bankruptcy Code), damages, expenses, fines, costs, royalties, proceedings, deficiencies or obligations (including those arising out of any action, such as any settlement or compromise thereof or judgment or award therein), of any nature, whether known or unknown, absolute, contingent, accrued or unaccrued, liquidated or unliquidated, or otherwise and whether due or to become due, and whether in contract, tort, strict liability or otherwise, and whether or not resulting from third party claims, and any reasonable out-of-pocket costs and expenses in connection therewith (including reasonable legal counsels’, accountants’, or other fees and expenses incurred in defending any action or in investigating any of the same or in asserting any rights thereunder or hereunder).

“Lien” means any lien, pledge, mortgage, deed of trust, security interest, claim (including claim as defined in the Bankruptcy Code), lease, charge, option, right of first refusal, right of first offer, easement, servitude, transfer restriction under any shareholder or similar agreement or encumbrance, interest or any other restriction or limitation whatsoever; *provided* that no Intellectual Property License shall be deemed a “Lien” hereunder.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Ordinary Course of Business” means the ordinary and usual course of normal day to day operations of the Business through the Execution Date consistent with past practice during the one (1) month period prior to the Execution Date (taking into account Store Closing Sales conducted under the Agency Agreement).

“Permits” means any approvals, authorizations, consents, licenses, permits or certificates.

“Permitted Liens” means:

(a) any Lien that pursuant to section 363(f) of the Bankruptcy Code will be released from the Purchased Assets upon entry of the Sale Order; and

(b) other Liens that will be released on or prior to Closing at no cost or expense to Purchaser.

“Person” means and includes natural persons, corporations, limited partnerships, limited liability companies, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and all Governmental Authorities.

“Purchased Intellectual Property” means all Intellectual Property owned by any Seller and used or held for use by Sellers in the conduct of the Business, including but not limited to:

(a) the copyright registrations set forth in Schedule 5.5(a) (the “Transferred Copyrights”);

(b) the internet domain name registrations set forth in Schedule 5.5(a) and any passwords and administrator rights related thereto (the “Transferred Domain Names”);

(c) the social media accounts set forth in Schedule 5.5(a) and any passwords and administrator rights related thereto (the “Transferred Social Media Accounts”);

(d) the Patents listed on Schedule 5.5(a) (the “Transferred Patents”), including any and all reissues, reexaminations, continuations, continuations in part (only with respect to subject matter disclosed in the scheduled Patents), divisionals, requests for continuing examinations or continuing prosecution applications, or design registrations associated with any such Transferred Patent;

(e) the Trademarks set forth in Schedule 5.5(a) (the “Transferred Trademarks”), and goodwill associated therewith;

(f) any and all right, title and interest to the name “rue21” and all marks containing or comprising “rue21”, including the marks set forth on Schedule 5.5(a) and any derivations thereof;

(g) all clothing designs, drawings, diagrams, patterns, samples, forms, tools, tech packs, models, assembly procedures, labeled gift cards, labeled shopping bags, labeled tags, specifications and instructions in the possession of any Seller in each case, to the extent located at the Rejected Distribution Center (the “Movable Assets”);

(h) all rights of publicity and all commercial merchandising rights, owned or controlled by Sellers and used or held for use by Sellers in the conduct of the Business, in each case, to the extent permitted to be assigned by Sellers under any Contract or applicable Law;

(i) all customer data and information derived from customer purchase files and branded loyalty promotion programs and other similar information related to customer purchases, including personal information, such as name, address, telephone number, email address, website information derived from automated data collection technologies, gender, date of birth, customer demographics and customer purchase history at a transaction level (including dollar amounts, dates, and items purchased, but excluding from the foregoing any payment card numbers or related

customer payment source, or Social Security numbers), any data evidencing that a customer has opted in to receive texts and opted out of receiving emails, in all cases relating to customers of the retail stores and ecommerce sites operated or controlled by Sellers, and passwords and administrator rights related to the foregoing, in all cases delivered to Purchaser in an accessible, usable, manipulable, and transferrable file format or database reasonably acceptable to Purchaser, such as comma-separated values (CSV) format, excel format or other similar format feasible for Seller to produce (collectively, the “Customer Data”);

(j) all historic sales data associated with Stores operated at the Designated Stores and with ecommerce sites operated or controlled by Sellers; and

(k) the right to sue for and recover damages, profits and any other remedy in connection with any of the foregoing, for past, present or future infringement, misappropriation or other violation related to any of the foregoing (including to substitute in as plaintiff in any pending actions at the sole cost of the Purchaser).

“Purchaser Assumed Contracts” means, to the extent assignable pursuant to this Agreement and Section 365 of the Bankruptcy Code, all Contracts identified on Schedule 1.1(a) to be delivered to the Sellers by no later than May 24, 2024.

“Rejected Distribution Center” means the Distribution Center located at 491 Park Drive, Weirton, West Virginia 26062.

“Representatives” of a Person means its officers, directors, managers, employees, attorneys, investment bankers, accountants and other agents and representatives.

“Sale Order” means an order or orders of the Bankruptcy Court issued pursuant to sections 105, 363 and 365 of the Bankruptcy Code approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Sellers to consummate the Transactions and enter into the Transaction Documents, which shall be in form and substance acceptable to Sellers and Purchaser.

“Seller Material Adverse Effect” means any change, circumstance, fact, condition or event that, individually or in the aggregate with any other change, circumstance, fact, condition or event, (a) is or would reasonably be expected to have a materially adverse effect on (i) the Purchased Assets or Assumed Liabilities, as the same shall have existed as of the Execution Date, or (ii) the ability of Sellers to perform their respective obligations under this Agreement, or (b) prevents or materially delays the consummation of the Transactions, in each case other than an Excluded Matter, which shall not be taken into account in determining whether there has been or would reasonably be expected to be a Seller Material Adverse Effect.

“Sellers’ Knowledge” means the actual knowledge of Michele Pascoe.

“Store Closing Sales” means the store closing sales with respect to the inventory and, other than Abandoned FF&E, the Tangible Personal Property at the Stores and the Distribution Centers being conducted in accordance with the Agency Agreement.

“Store Closing Sales Order” means that certain order of the Bankruptcy Court approving or authorizing debtors to perform under the Agency Agreement.

“Stores” means Sellers’ retail store locations.

“Subsidiary” or “subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity entitled, under ordinary circumstances, to vote in the election of directors or other governing body of such Person, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote or to direct the voting of sufficient securities to elect a majority of the board of directors or similar governing body of such Person.

“Tangible Personal Property” shall mean all equipment, computers, hardware, electronics, file servers, scanners, printers, networks, copiers, cash registers, furniture, furnishings, trade fixtures, racking, interior and exterior store signage, telephone lines, telecopy machines, telecommunication equipment, spare parts, shipping materials, office supplies, Store supplies, packaging materials, shopping bags, gift cards, hangers, raw materials, samples, and mannequins.

“Tax” means all federal, state, provincial, territorial, municipal, local or foreign income, profits, franchise, gross receipts, environmental (including taxes under Code Section 59A), customs, duties, net worth, sales, use, goods and services, withholding, value added, ad valorem, employment, social security, disability, occupation, pension, real property, personal property (tangible and intangible), stamp, transfer, conveyance, severance, production, excise and other taxes, withholdings, duties, levies, imposts and other similar charges and assessments (including any and all fines, penalties and additions attributable to or otherwise imposed on or with respect to any such taxes, charges, fees, levies or other assessments, and interest thereon) imposed by or on behalf of any Governmental Authority.

“Tax Returns” means any report, return, declaration, claim for refund, information report or return or statement required to be supplied to a Taxing Authority in connection with Taxes, including any schedule or attachment thereto or amendment thereof.

“Taxing Authority” means any Governmental Authority exercising any authority to impose, regulate, levy, assess or administer the imposition of any Tax.

“Transaction Documents” means this Agreement, the Sale Deposit Account Agent Agreement, the Bill of Sale, the Assignment Agreement, the IP Assignment Agreement, the Bid Procedures Order and all other Contracts and agreements necessary to effectuate the Transactions.

“Transactions” means the transactions contemplated by this Agreement and the other Transaction Documents.

“Transfer Taxes” means, collectively, all sales, transfer, filing, recordation, registration, documentary, stamp, and similar Taxes and fees arising from the Transactions.

“WARN Act” means the federal Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 *et seq.* (1988) and any similar state or local “mass layoff” or “plant closing” laws.

Section 1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

Term	Section
Accounting Referee	Section 3.4
Agent	Section 1.1 (in Agency Agreement definition)
Agreement	Preamble
Asset Acquisition Statement	Section 3.4
Assignment Agreement	Section 4.2(b)
Assumed Cure Costs	Section 2.5(a)
Assumed Liabilities	Section 2.3
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Business	Recitals
Cash Purchase Price	Section 3.1
Closing	Section 4.1
Closing Date	Section 4.1
Closing Date Payment	Section 3.3(a)
Competing Bid	Section 7.1(a)
Confidentiality Agreement	Section 8.4
Copyright	Section 1.1 (in Intellectual Property definition)
Cost Cover	Section 3.1
Customer Data	Section 1.1 (in Purchased Intellectual Property definition)
Deposit	Section 3.2(a)
Designated Stores	Section 2.6
Escrow Agent	Section 3.2(a)
Excluded Assets	Section 2.2
Excluded Liabilities	Section 2.4
Execution Date	Preamble
Minimum FF&E Purchase Amount	Section 2.6
Nonassignable Assets	Section 2.7(b)
Outside Date	Section 4.4(b)
Parties	Preamble
Patents	Section 1.1 (in Intellectual Property definition)
Proposed Allocation	Section 3.4
Purchase Price	Section 3.1
Purchased Assets	Section 2.1
Abandoned FF&E	Section 2.6
Abandoned FF&E Designation Deadline	Section 2.6
Purchaser	Preamble

Term	Section
Purchaser Documents	Section 6.2
Rejected Distribution Center	Section 2.9
Retained FF&E	Section 2.6
Revised Statements	Section 3.4
Rejection Date	Section 2.6
Reserved Locations	Section 2.6
Sale Deposit Account Agent Agreement	Section 3.2(a)
Seller or Sellers	Preamble
Seller Documents	Section 5.2
Seller Parent	Preamble
Tangible Personal Property	Section 2.1(d)
Taxable Consideration	Section 3.4
Trademarks	Section 1.1 (in Intellectual Property definition)
Trade Secrets	Section 1.1 (in Intellectual Property definition)
Transfer Taxes	Section 8.10

Section 1.3 Other Definitional and Interpretative Provisions.

(a) The words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term.

(c) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(d) Any reference in this Agreement to “\$” shall mean United States dollars.

(e) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(f) Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

(g) All Article and Section references herein are to Articles and Sections of this Agreement, unless otherwise specified.

(h) All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(i) This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement and the Sale Order, at the Closing, Sellers shall, to the extent permitted by Applicable Law (including the Bankruptcy Code) sell, transfer, assign, convey and deliver to Purchaser (or its designee), and Purchaser (or its designee) shall purchase, acquire and accept from Sellers, free and clear of any and all Liens (other than Liens created by Purchaser and Permitted Liens) and Excluded Liabilities, all of Sellers' right, title and interest in, to and under any and all of following assets (such assets, properties, rights and claims to be acquired hereunder, collectively, the "Purchased Assets"):

- (a) the Purchased Intellectual Property;
- (b) to the extent transferrable after giving effect to the Sale Order, all of the rights and benefits accruing under any of the Purchaser Assumed Contracts, including any Intellectual Property License that is a Purchaser Assumed Contract;
- (c) the obligation of the Sellers under Section 2.6 with respect to the Retained FF&E and Abandoned FF&E;
- (d) all Documents that are used in, held for use in or intended to be used in, or that arise primarily out of, the Purchased Assets, but excluding (i) personnel files for employees or independent contractors of the Sellers, (ii) such files as may not be transferred under Applicable Law regarding privacy, (iii) Documents which any Seller is not permitted to transfer pursuant to any contractual confidentiality obligation owed to any third party, and (iv) Documents relating to an Excluded Asset or Excluded Liability;
- (e) any rights, demands, claims, causes of action, rights of recovery, credits, allowances, rebates, or rights of setoff or subrogation primarily arising out of or primarily relating to any of the Purchased Assets;
- (f) to the extent transferrable after giving effect to the Sale Order, all rights of Sellers under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with employees and agents of Seller or with third parties to the extent primarily relating to the Purchased Assets (or any portion thereof); and

(g) all goodwill and other intangible assets primarily related to the Purchased Assets; *provided* that Sellers can continue to use such Purchased Intellectual Property throughout the period of the Store Closing Sales pursuant to Section 8.9(b).

Section 2.2 Excluded Assets. Nothing herein contained shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and Sellers shall retain all right, title and interest to, in and under the Excluded Assets. “Excluded Assets” shall mean all of the assets of the Sellers other than the Purchased Assets, and such Excluded Assets include the following assets:

(a) all inventory and Tangible Personal Property of the Sellers to be sold under the Agency Agreement as part of the Store Closing Sales;

(b) all Tangible Personal Property owned by Sellers related to, useful in or held for use in the conduct of the Business other than the Abandoned FF&E and any tangible items included in the Purchased Intellectual Property;

(c) all equity interests in Sellers;

(d) all cash, cash equivalents, bank deposits or similar cash items of Sellers;

(e) all accounts and notes receivable and other rights to payment (including credit card receivables), together with any unpaid financing charges accrued thereon, other than any accounts and notes receivable or other rights to payment arising solely out of or solely relating to any Purchased Asset and which receivable or right to payment is created or arises subsequent to the Closing;

(f) all deposits (including security deposits for rent, electricity, telephone or otherwise) and prepaid or deferred charges and expenses of Sellers, including all prepaid rentals and unbilled charges, fees or deposits, other than deposits or prepaid charges and expenses paid solely in connection with or solely relating to any Purchased Asset which are made, created or arise subsequent to the Closing;

(g) each of the Excluded Contracts, including any all right, title, interest, actions or claims arising out of or in connection with any Excluded Contract;

(h) any (i) confidential personnel and medical records pertaining to any Employee or independent contractors of Sellers; (ii) books and records that Sellers are required by Law or confidentiality obligations to retain, that relate to the Excluded Assets or the Excluded Liabilities, including Tax Returns, financial statements, and corporate or other entity filings; and (iii) corporate charters, qualifications to do business, taxpayer and other identification numbers, corporate seals, minute books, stock ledgers, stock certificates and any other documentation related to governance, organization, maintenance or existence of Sellers;

(i) any claim, right or interest of any Seller in or to any refund, rebate, abatement or other recovery for Taxes, together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof) ending on or before the Closing Date;

- (j) any rights or recovery under any insurance policies held by any Seller;
- (k) all rights and claims of Sellers under the Transaction Documents;
- (l) all Employee Benefit Plans (and any trusts, 501(c)(9) organizations, insurance (including fiduciary insurance), administrative or other service contracts relating thereto); and
- (m) all restricted cash of Sellers.

Section 2.3 Assumption of Liabilities. Purchaser shall assume no Liability of Sellers except the Liabilities expressly set forth in this Section 2.3 (collectively, the “Assumed Liabilities”). On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall assume the Assumed Liabilities and shall agree to pay, discharge, perform and otherwise satisfy such Assumed Liabilities in accordance with their respective terms, subject to any defenses or offsets asserted in good faith against the obligee to whom such Liabilities of Sellers and their Subsidiaries are owed. The Assumed Liabilities shall consist of only the following Liabilities:

- (a) all Liabilities of Sellers under the Purchaser Assumed Contracts, if any, solely to the extent such Liabilities arise from events or omissions occurring, or obligations under the Purchaser Assumed Contracts attributable to the period, on or after the Closing;
- (b) all Liabilities arising out of or relating to Purchaser’s ownership or operation of the Purchased Assets on or after the Closing Date;
- (c) all Liabilities for Transfer Taxes;
- (d) all Liabilities incurred pursuant to Section 11.3 (unless otherwise provided therein); and
- (e) all Liabilities with respect to the Assumed Cure Costs.

Section 2.4 Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that Purchaser shall not assume or in any manner whatsoever be liable or responsible for any Liabilities of any Seller or of any predecessor of any Seller, existing on the Closing Date or arising thereafter, other than the Assumed Liabilities. All of the Liabilities of any Seller or of any predecessor of any Seller not specifically and expressly assumed by Purchaser pursuant to Section 2.3 shall be referred to herein collectively as the “Excluded Liabilities.” Without limiting the foregoing, Purchaser shall not be obligated to assume, and does not assume, and hereby disclaims all of the Excluded Liabilities, including all of the following Liabilities, of each Seller or of any predecessor of any Seller:

- (a) all Liabilities for accrued expenses and accounts payable incurred prior to the Closing Date, except to the extent that the same constitute Assumed Liabilities pursuant to Section 2.3;
- (b) all Liabilities arising out of or related to any of the Excluded Assets;

- (c) all Liabilities for any Taxes of any Seller (other than Transfer Taxes);
- (d) all Liabilities relating to any claims against Sellers asserted by a third party arising prior to the Closing Date for infringement, dilution, misappropriation, or any other violation with regards to any of the Purchased Intellectual Property;
- (e) all Liabilities arising out of, relating to or with respect to (i) the employment or performance of services by any Employee of Sellers or any of their Affiliates prior to the Closing, (ii) termination of employment or services of any Employee by any Seller or any of its Affiliates, including any severance payments, (iii) each of the Employee Benefit Plans subject to Title IV of ERISA and all Employee Benefit Plans and (iv) the WARN Act;
- (f) all Liabilities arising as a result of any Action, to the extent related to the Business or the Purchased Assets, initiated or arising from events or omissions occurring, on or prior to the Closing Date, including any shareholder Actions, Actions for breach of contract, or any tort Actions;
- (g) all Liabilities arising under any Indebtedness of Sellers and any obligations or Liabilities to equity holders of the Sellers;
- (h) all Liabilities with respect to any costs and expenses (including all legal, accounting, financial advisory, valuation, investment banking and other third party advisory or consulting fees and expenses) incurred by or on behalf of any Seller or its Affiliates (or any official committee or other fiduciary) in connection with the Bankruptcy Cases or the Transactions;
- (i) all Liabilities of Sellers arising prior to the filing of the Bankruptcy Cases that are subject to compromise under the Bankruptcy Cases, other than the Assumed Cure Costs;
- (j) all Liabilities with respect to any customer programs or rights, including gift card balances, discount vouchers, merchandise returns and customer communications arising prior to the Closing Date;
- (k) all Liabilities arising out of any claim or interest that a Governmental Authority has under escheat or similar laws arising prior to the Closing Date; and
- (l) all Liabilities relating to the failure to comply with any bulk sales Laws.

Section 2.5 Purchaser Assumed Contracts. At the Closing and pursuant to section 365 of the Bankruptcy Code and the Sale Order, Sellers shall assume and assign to Purchaser or its designee(s) or assignees, and Purchaser or its designee(s) or assignees shall accept such assignment from Sellers, the Purchaser Assumed Contracts. Purchaser may, at or prior to the Closing, elect upon written notice to Sellers (email being sufficient) to remove a Purchaser Assumed Contract from Schedule 1.1(a), after which time the removed Contract shall no longer be a Purchaser Assumed Contract. Other than Cure Costs, neither Purchaser nor any of its designees that are assigned Purchaser Assumed Contracts pursuant to Section 11.14 shall have any liability for any obligations under a Purchaser Assumed Contract until the first calendar day after the Purchaser Assumed Contract is assigned to Purchaser or such designee or assignee. Without limiting the foregoing, Purchaser agrees to assume and pay in full on or prior to or promptly after

the Closing Date all Cure Costs with respect to the Purchaser Assumed Contracts, to the extent not waived by the counterparties (the “Assumed Cure Costs”), and Sellers shall have no liability for such Assumed Cure Costs or for any other costs or expenses associated with any Purchaser Assumed Contract from and after the Closing Date. Sellers acknowledge and agree that Purchaser and its designee(s) or assignees shall be permitted to communicate directly with counterparties to the Purchaser Assumed Contracts and enter into agreements to compromise, waive or otherwise cause to be discharged any and all Cure Costs payable with respect to such Purchaser Assumed Contracts or to enter into new contractual arrangements with any counterparty to a Purchaser Assumed Contract.

Section 2.6 Abandoned FF&E. Purchaser has the right to designate for abandonment in place by Sellers any Tangible Personal Property located in or at the Stores listed on Schedule 2.6 of this Agreement (the “Reserved Locations,” and the Tangible Personal Property located in or at the Reserved Locations, the “Retained FF&E”). Purchaser shall have until 7:00 p.m. EDT on May 24, 2024 (the “Abandoned FF&E Designation Deadline”) to identify in writing the Reserved Locations that contain the Retained FF&E (the “Designated Stores”) to be abandoned in place by Sellers (the “Abandoned FF&E”) pursuant to motion(s) filed by Sellers in the Bankruptcy Cases to reject the Real Property Leases for the Designated Stores. In exchange for Sellers’ abandonment of the Abandoned FF&E at the Designated Stores, Purchaser shall pay Sellers the FF&E Purchase Amount; *provided* that the FF&E Purchase Amount shall be no less than \$975,000 (the “Minimum FF&E Purchase Amount”) without regard to whether the number of Designated Stores is less than one hundred and fifty (150) of the Reserved Locations. For the avoidance of doubt, Purchaser’s obligation to pay the FF&E Purchase Amount or the Minimum FF&E Purchase Amount shall be conditioned on the Closing of the purchase of all Purchased Intellectual Property in accordance with the terms of this Agreement. Any Retained FF&E in Reserved Locations that are not designated by Purchaser as Designated Stores by the Abandoned FF&E Designation Deadline Date shall, after such date, no longer constitute Retained FF&E and Sellers or Agent may do whatever they want with such Tangible Personal Property. Sellers shall not, and shall not permit their Subsidiaries or the Agent to, sell, lease, license (other than Incidental Licenses), surrender, relinquish, dispose of, abandon, remove, replace or transfer to a different Store, a third party, the Seller’s corporate offices or Distribution Centers, or to any other location, the Retained FF&E until the Abandoned FF&E Designation Deadline and the Abandoned FF&E for so long as Sellers retain possession or control of the Abandoned FF&E, and, *provided, further*, that Sellers agree to maintain the Abandoned FF&E in substantially the same repair, working order, make-up and condition as such Abandoned FF&E existed and has been maintained as of the Execution Date, ordinary wear and tear excepted, until the effective date of a rejection of the Real Property Lease related thereto (the “Rejection Date”). Purchaser shall assume the risk of loss with respect to any Abandoned FF&E from and after the date immediately following the relevant Rejection Date. Purchaser agrees that Seller can continue to reasonably use such Abandoned FF&E throughout the period of the Store Closing Sales.

Section 2.7 Further Conveyances and Assumptions.

(a) From time to time following the Closing, Sellers and Purchaser shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to assure fully to

Purchaser and its respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser under this Agreement and the Seller Documents and to assure fully to Sellers and their Affiliates and their successors and assigns, the assumption of the Assumed Liabilities assumed by Purchaser under this Agreement and the Seller Documents, and to otherwise make effective the transactions contemplated hereby and thereby; *provided, however*, that this Section 2.7(a) shall not be construed as a requirement by the Sellers to move any Tangible Personal Property at its expense.

(b) Nothing in this Agreement nor the consummation of the Transactions shall be construed as an attempt or agreement to transfer or assign any Purchased Asset, including any Contract, Permit, certificate, approval, authorization or other right, which (i) is not capable of being assigned pursuant to section 365 of the Bankruptcy Code or transferred pursuant to section 363 of the Bankruptcy Code to Purchaser at the Closing, or (ii) the transfer or assignment of which would result in a violation of any Applicable Law, if the consent of a third party is not obtained prior to such transfer or assignment (“Nonassignable Assets”) unless and until such consent shall have been obtained. Sellers shall use their commercially reasonable efforts, and Purchaser shall use commercially reasonable efforts to cooperate with Sellers, in endeavoring to obtain such consents; *provided* that no Party shall be obligated to incur any costs or expenses or provide any financial accommodation or other consideration of any nature to any Person to facilitate obtaining such consent to transfer any Nonassignable Asset.

(c) If either Purchaser or Sellers becomes aware that any of the Purchased Assets has not been transferred to Purchaser or that any of the Excluded Assets has been transferred to Purchaser, such party shall promptly notify the other and the parties shall, as soon as reasonably practicable, ensure that such property is transferred to (i) Purchaser, in the case of any Purchased Asset which was not transferred to Purchaser at the Closing; or (ii) Sellers, in the case of any Excluded Asset which was transferred to Purchaser at the Closing.

Section 2.8 Bulk Sales Laws. To the extent permitted by Applicable Law and the Sale Order, Sellers and Purchaser hereby waives compliance by Sellers with the requirements and provisions of any “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the sale and transfer of any or all of the Purchased Assets to Purchaser.

Section 2.9 Rejected Distribution Center. By 5:00 p.m. (ET) on Friday, May 17, 2024, Purchaser may, at Purchaser’s sole cost and expense, remove any Movable Assets from the Rejected Distribution Center and possess such Movable Assets pending the Closing; *provided* that in the event the Closing does not occur, Purchaser shall promptly return any Movable Assets in Purchaser’s possession to Sellers at a location to be provided by Sellers.

ARTICLE III

PURCHASE PRICE

Section 3.1 Purchase Price. The aggregate consideration for the Purchased Assets (the “Purchase Price”) shall be (a) an amount in cash equal to the Deposit *plus* (b) an amount in cash equal to the Closing Date Payment ((a) and (b), together, the “Cash Purchase Price”), *plus* (c)

the assumption of Assumed Liabilities, *plus* (d) \$1,500 (the “Cost Cover”) to cover the costs and expenses associated with the Sale Deposit Account Agent Agreement (as defined below).

Section 3.2 Deposit.

(a) Following the execution of this Agreement by all Parties and within one (1) Business Day after receipt of written instruction from Sellers, YM shall deposit with Kroll Restructuring Administration LLC, as escrow agent (the “Escrow Agent”), pursuant to that certain Account Agent Agreement, executed by the Parties and dated as of the Execution Date, among Seller Parent, Purchaser and the Escrow Agent (the “Sale Deposit Account Agent Agreement”), by certified check or wire transfer of immediately available funds, an amount equal to \$3,975,000 (the “Deposit”). The Parties agree that the Escrow Agent shall hold the Deposit in a non-interest bearing account.

(b) The Parties agree that the Deposit shall (i) be delivered to Seller Parent at Closing as provided in Section 3.3(d), (ii) subject to the last sentence of this Section 3.2(b), be returned to Purchaser in the event that this Agreement is terminated pursuant to any provision of Section 4.4 other than by Sellers pursuant to (A) Section 4.4(g) or (B) pursuant to Section 4.4(b) in the event that Closing does not occur on or before the Outside Date solely as a result of Purchaser’s material breach of its obligations under this Agreement (including non-payment of the Closing Date Payment pursuant to Section 3.3), (iii) be paid to Sellers in the event that this Agreement is properly terminated by Sellers (A) pursuant to Section 4.4(g) or, (B) pursuant to Section 4.4(b) in the event that Closing does not occur on or before the Outside Date solely as a result of Purchaser’s material breach of its obligations under this Agreement (including payment of the Closing Date Payment pursuant to Section 3.3), or (iv) in accordance with Section 7.3, the excess portion of the Deposit will be immediately returned to Purchaser in the event Purchaser is designated a Back-Up Bidder (with the balance of the Deposit to be returned in accordance with this subsection (b)).

(c) Concurrently with the execution of this Agreement, Purchaser shall pay to the Seller Parent the Cost Cover in readily available funds to the account set forth in the Sale Deposit Account Agent Agreement.

Section 3.3 Payment of Purchase Price.

(a) At the Closing, Purchaser, shall deliver, or cause to be delivered, the Closing Date Payment (as defined below) by wire transfer of immediately available funds, as set forth in clause (b) below. “Closing Date Payment” means an amount equal to the Deposit, *plus* an amount that reflects the FF&E Purchase Amount in excess of the Minimum FF&E Purchase Amount.

(b) The Deposit and the payments for the Abandoned FF&E will be allocated, deposited or delivered in accordance with the Sale Order.

(c) At the Closing, Seller Parent and Purchaser shall jointly instruct the Escrow Agent to transfer to Seller Parent (or such other Person as may be directed by the Bankruptcy Court in the Sale Order) the Deposit by wire transfer of immediately available funds into an account designated in writing by Seller Parent or as directed in the Sale Order.

(d) On or prior to the Closing Date, Purchaser shall deliver to each of the counterparties to the Purchaser Assumed Contracts the full amount of the applicable Assumed Cure Costs, if any, for the assumption and assignment of such Purchaser Assumed Contracts (unless the Cure Cost is waived by the counterparty).

Section 3.4 Allocation of Purchase Price. Within thirty (30) days after the Closing Date, Purchaser shall prepare and deliver to Sellers an allocation of the Cash Purchase Price, the Assumed Liabilities and any other items that are treated as additional purchase price for Tax purposes (the “Taxable Consideration”) among the Purchased Assets in accordance with Section 1060 of the Code (the “Proposed Allocation”), solely for purposes of preparing the relevant Tax Returns and filings. Sellers shall have thirty (30) days after receipt of the Proposed Allocation to notify Purchaser in writing of any items of the Proposed Allocation that are not reasonable in Sellers’ view. If Sellers do not object in writing during such thirty (30) day period, then the Proposed Allocation shall be final and binding on all Parties. If Sellers object in writing during such thirty (30) day period, then the Parties shall cooperate in good faith to reach a mutually agreeable allocation of the Taxable Consideration, which allocation shall be binding on all Parties. If the Parties are unable to reach an agreement within sixty (60) days of Sellers’ receipt of the Proposed Allocation, then any disputed items shall be referred to an independent accountant to be mutually agreed upon by Seller Parent and Purchaser (the “Accounting Referee”) for resolution, and the determination of the Accounting Referee shall be final and binding on the Parties. The fees and expenses of the Accounting Referee shall be paid fifty percent (50%) by Purchaser and fifty percent (50%) by Sellers, with each Seller severally liable for the entire portion allocable to Sellers. In accordance with such allocation, Purchaser shall prepare and deliver to Sellers copies of Form 8594 and any required exhibits thereto (the “Asset Acquisition Statement”). Purchaser shall prepare and deliver to Sellers (or their designated successors) from time to time revised copies of the Asset Acquisition Statement (the “Revised Statements”) so as to report any matters on the Asset Acquisition Statement that need updating, consistent with the agreed upon allocation. The Parties shall, and shall cause their respective Affiliates to, use the allocations set forth in the Asset Acquisition Statement or, if applicable, the last Revised Statement for all Tax purposes, file all Tax Returns in a manner consistent with such allocation statement and take no position contrary thereto, in each case, unless required to do so by a change in applicable Tax Laws or good faith resolution of a Tax contest.

ARTICLE IV

CLOSING AND TERMINATION

Section 4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Section 9.1, Section 9.2 and Section 9.3 (or the waiver thereof by the Party entitled to waive that condition), the closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II (the “Closing”) shall take place at the offices of Willkie Farr & Gallagher LLP located at 787 Seventh Avenue, New York, New York 10019 (or at such other place as the Parties may designate in writing) at 10:00 a.m. local time on the date the conditions set forth in Article IX (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), unless another time or date, or both, are agreed to in writing by the Parties; *provided, however*, that the Closing shall take place no later than June 7, 2024. The date on which the Closing shall be held is referred to in this

Agreement as the “Closing Date.” Unless otherwise agreed by the Parties in writing, the Closing shall be deemed effective and all right, title and interest of Sellers to be acquired by Purchaser hereunder shall be considered to have passed to Purchaser as of 12:01 a.m. (prevailing eastern time) on the Closing Date.

Section 4.2 Deliveries by Sellers. At the Closing, Sellers shall deliver to Purchaser:

(a) a duly executed bill of sale in the form attached as Exhibit A hereto (the “Bill of Sale”);

(b) to the extent any Purchaser Assumed Contracts are designated by the Purchaser prior to or at Closing, a duly executed assignment and assumption agreement in the form attached as Exhibit B hereto (the “Assignment and Assumption Agreement”) and duly executed assignments reflecting the assumption of the Assumed Liabilities;

(c) a duly executed assignment and assumption agreement in the form attached as Exhibit C hereto (the “IP Assignment Agreement”) and duly executed assignments transferring all of Sellers’ rights, titles and interests in and to the Intellectual Property included in the Purchased Intellectual Property, in a form suitable for recording in the U.S. Patent and Trademark Office and U.S. Copyright Office or in other foreign jurisdictions (if requested by Purchaser), and which will include a limited power of attorney that will allow the Purchaser or its designee to sign any additional documents to effectuate the transfers contemplated in the IP Assignment Agreement;

(d) for each Seller, a certificate of non-foreign status pursuant to Section 1445 of the Code and Treasury Regulation Section 1.1445-2(b) or a properly completed IRS Form W-9;

(e) a certified copy of the Sale Order, if requested by Purchaser;

(f) a certified copy of the Bid Procedures Order, if requested by Purchaser;

(g) if requested by Purchaser, written terminations of any Intercompany Licenses; and

(h) a certificate signed by an authorized officer of each Seller (in form and substance reasonably satisfactory to Purchaser) pursuant to Sections 9.1(a) and Section 10.1(b).

Section 4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Sellers:

(a) the Closing Date Payment;

(b) a duly executed copy of the Assignment and Assumption Agreement;

(c) a duly executed copy of the IP Assignment Agreement; and

(d) a certificate signed by an authorized officer of Purchaser (in form and substance reasonably satisfactory to Sellers) pursuant to Section 9.2(a) and Section 10.2(b).

Section 4.4 Termination of Agreement. This Agreement may be terminated only in accordance with this Section 4.4. This Agreement may be terminated prior to the Closing Date as follows:

(a) At any time prior to or at the Closing by the mutual written consent of Sellers and Purchaser;

(b) By either Sellers or Purchaser if the Closing has not occurred on or before June 7, 2024 (as may be extended by mutual written consent of the Parties, the “Outside Date”); *provided, however*, that a Party may not terminate this Agreement pursuant to this Section 4.4(b) if such Party is in breach of its obligations hereunder in any material respect and such breach is the sole reason that the Closing has not occurred by such date;

(c) By Purchaser or Sellers, if (i) Sellers enter into a definitive agreement with respect to a Competing Bid for some or all of the Purchased Assets in accordance with the Bid Procedures Order, (ii) the Bankruptcy Court enters an Order approving a Competing Bid for some or all of the Purchased Assets, or (iii) the Bankruptcy Court enters an Order that otherwise precludes the consummation of the Transactions by the Outside Date on the terms and conditions set forth in this Agreement; *provided, however*, Sellers may not terminate this Agreement pursuant to this Section 4.4(c) if Sellers are in breach in material respect of its obligations under Section 7.1; *provided, further*, that, if Purchaser is chosen to serve as the Backup Bidder, termination of this Agreement shall not be effective until the earlier of (a) the first Business Day after the closing of a sale transaction with the Successful Bidder, (b) sixty (60) days after entry of the Sale Order and (c) the Backup Bid Expiration Date;

(d) By either Sellers or Purchaser, if an Order is entered by a Governmental Authority of competent jurisdiction having valid enforcement authority permanently restraining, prohibiting or enjoining either Party from consummating the Transactions and such Order shall have become final and non-appealable or shall not have been vacated prior to the Outside Date; *provided, however*, that no termination may be made by a Party under this Section 4.4(d) if the issuance of such Order was caused by the breach or action or inaction of such Party;

(e) By either Sellers or Purchaser, if (i) the Bankruptcy Case is dismissed or converted to a case or cases under Chapter 7 of the Bankruptcy Code, (ii) a trustee or examiner with expanded powers to operate or manage the financial affairs or reorganization of Sellers is appointed in the Bankruptcy Case, or (iii) the Bankruptcy Court shall have stated unconditionally that the Bankruptcy Court will not enter the Sale Order approving the sale to Purchaser;

(f) By Purchaser, so long as Purchaser is not in breach of its obligations under this Agreement in any material respect, (i) upon a breach of any covenant or agreement of Sellers set forth in this Agreement, or if any representation or warranty of Sellers shall have been or becomes untrue, in each case, such that the conditions set forth in Section 9.1(a) or Section 10.1(b), as the case may be, would not be satisfied and such breach or untruth cannot be cured by the Outside Date, or (ii) if all of the conditions set forth in Sections 9.1 and 9.3 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing) or waived and Sellers fail to complete the Closing at the time required by Section 4.1; and

(g) By Sellers, so long as Sellers are not in breach of their obligations under this Agreement in any material respect, (i) upon a breach of any covenant or agreement of Purchaser set forth in this Agreement, or if any representation or warranty of Purchaser shall have been or becomes untrue, in each case, such that the conditions set forth in Section 9.2(a) or Section 9.2(b), as the case may be, would not be satisfied and such breach or untruth cannot be cured by the Outside Date, or (ii) (i) all of the conditions set forth in Sections 9.1 and 9.3 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing) or waived and Purchaser fails to complete the Closing at the time required by Section 4.1.

(h) By Sellers, if Sellers or the board of directors, board of managers, or similar governing body of any Seller determines in good faith, on advice in the opinion of outside legal counsel, that proceeding with the transactions contemplated by this Agreement or failing to terminate this Agreement would violate applicable Law or breach its or such Person's or body's fiduciary obligations under applicable Law, *provided, however*, Sellers shall give Purchaser three (3) calendar days' written notice of any determination to terminate this agreement under this subsection (h) and an opportunity to seek appropriate relief from the Bankruptcy Court.

Section 4.5 Effect of Termination.

(a) No termination of this Agreement pursuant to Section 4.4 shall be effective until notice thereof is given to the non-terminating Party specifying the provision hereof pursuant to which such termination is made. In the event that this Agreement is validly terminated as provided herein, this Agreement shall become wholly void and of no further force and effect without liability to Purchaser or Sellers, or any of their respective Representatives, and each shall be fully released and discharged from any Liability or obligation after the date of such termination and such termination shall be without liability to Purchaser or Sellers; *provided, however*, that the obligations of the Parties under the Sale Deposit Account Agent Agreement and Section 4.5 and Section 8.5 and Article XI of this Agreement shall survive any such termination and shall be enforceable hereunder; *provided further* that no termination will relieve any Party from any Liability for damages (including damages based on the loss of the economic benefits of the transactions contemplated by this Agreement or any Transaction Document, including the Cash Payment, to Sellers), losses, costs or expenses (including reasonable legal fees and expenses) to any non-breaching Party resulting from any material breach of this Agreement by such first Party prior to the date of such termination (which, for the avoidance of doubt, will be deemed to include any failure by the Sellers or Purchaser to consummate the Closing if and when it is obligated to do so hereunder) or Fraud.

(b) In the event this Agreement is properly terminated by Sellers pursuant to (i) Section 4.4(b) in the event that Closing does not occur on or before the Outside Date solely as a result of Purchaser's material breach of its obligations under this Agreement, or (ii) Section 4.4(g), Sellers shall be entitled to retain the Deposit.

(c) In the event this Agreement is terminated by Purchaser pursuant to Section 4.4(c), or Section 4.4(f), Purchaser shall be entitled to the return of the Deposit.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the Schedules that correspond to the representations and warranties set forth in this Article V (each of which exceptions, in order to be effective, shall indicate the Section and, if applicable, the subsection of this Article V to which it corresponds, unless the relevance of such disclosure to other representations and warranties set forth in this Article V is reasonably apparent from the text of the disclosed exception, in which case such disclosed exception shall be deemed so applicable to such other representations and warranties set forth in this Article V), Sellers, severally and not jointly, represent and warrant to Purchaser as follows as of the Execution Date and as of the Closing Date:

Section 5.1 Organization and Good Standing. Each Seller is duly organized, validly existing, in good standing and duly qualified to transact business under the laws of the jurisdiction of its formation, and is duly qualified or licensed to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect, and, subject to the limitations imposed on Sellers as a result of having filed petitions for relief under the Bankruptcy Code, or pursuant to any Order entered by the Bankruptcy Court, each Seller has the requisite power and authority to own, lease and operate the Purchased Assets.

Section 5.2 Authorization of Agreement. Subject to the entry of the Sale Order, Sellers have all requisite power, authority and legal capacity to execute and deliver this Agreement and each other Transaction Document, agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by any such Seller in connection with the consummation of the transactions contemplated by this Agreement (the “Seller Documents”), to perform their respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate or limited liability company action, as applicable, on the part of each Seller. This Agreement has been, and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by each Seller which is a party hereto and thereto and (assuming the due authorization, execution and delivery by the other parties hereto and thereto, the entry of the Sale Order) this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, legal, valid and binding obligations of such Seller enforceable against such Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.3 No Violation; Consents.

(a) Except as set forth on Schedule 5.3(a), none of the execution and delivery by Sellers of this Agreement or any of the Seller Documents, the consummation of the transactions

contemplated hereby or thereby, or compliance by Sellers with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, (i) subject to entry of the Sale Order, any Order of any Governmental Authority; or (ii) subject to entry of the Sale Order, any Applicable Law, to the extent, in the case of each of clauses (i) and (ii), such conflicts, violations, defaults, terminations or cancellations that would reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

(b) Except as set forth on Schedule 5.3(b) and other than the entry of the Sale Order, no consent, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of any Seller in connection with the execution and delivery of this Agreement or the Seller Documents, the compliance by any Seller with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby, the assignment and assumption of the Purchaser Assumed Contracts, or the taking by any Seller of any other action contemplated hereby or thereby, except for other immaterial consents, Permits, authorizations, declarations, filings and notifications in the Ordinary Course of Business.

Section 5.4 Intentionally Omitted.

Section 5.5 Intellectual Property.

(a) Schedule 5.5(a) sets forth a true and complete list of all material issuances and registrations and material applications for issuance or registration included in the Purchased Intellectual Property including, as applicable:

(i) registered and applied for Trademarks owned or purported to be owned by Sellers and used or held for use in the Business, including for each the applicable trademark or service mark, jurisdiction, application numbers, filing dates, trademark registration numbers and registration dates, as applicable;

(ii) registered Copyrights owned or purported to be owned by Sellers and used or held for use in the Business, including title, jurisdiction, registration number and registration date;

(iii) issued Patents owned or purported to be owned by Sellers and used or held for use in the Business, including name, jurisdiction, patent number and issuance date; and

(iv) internet domain name registrations and social media accounts owned or purported to be owned by Sellers and used or held for use in the Business.

(b) Except as set forth in Schedule 5.5(b), no Seller is a party to any (i) Intellectual Property In-License that is material to the conduct of the Business, (ii) Intellectual Property Out-License that is material to the conduct of the Business, in each case of (i) and (ii), other than Incidental Licenses or (iii) Intercompany License, which in the case of clauses (i) – (iii), is not terminable at will by any Seller.

(c) Except as set forth on Schedule 5.5(c):

(i) Sellers own all Intellectual Property listed on Schedule 5.5(a) and have rights to use, publish, and perform, as applicable, all other Intellectual Property included in the Purchased Assets as such Intellectual Property is used in the Ordinary Course of Business, in each case, free and clear of all Liens other than Permitted Liens and Intellectual Property Licenses, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

(ii) The Purchased Intellectual Property is not the subject of any ownership, validity, use, or enforceability challenge or claim received by Sellers in writing or, to Sellers' Knowledge, any outstanding Order restricting the use by Sellers or any of their Subsidiaries thereof or adversely affecting any of the rights of Sellers or any of their Subsidiaries thereto, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

(iii) No Seller has received any written notice of any default or any event that with notice or lapse of time, or both, would constitute a default under any Intellectual Property License that is a Purchaser Assumed Contract and to which any Seller or any of its Subsidiaries is a party or by which it is bound, except for defaults that would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect. To Sellers' Knowledge, no Person is violating any Intellectual Property exclusively licensed to any Seller or any of its Subsidiaries under an Intellectual Property License that is a Purchaser Assumed Contract, except for violations that would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

(iv) To Sellers' Knowledge, (A) no Seller nor any of its Subsidiaries is violating, and since January 1, 2021, has violated, any Intellectual Property rights of any other Person in the operation of the Business, (B) there are no Actions or Legal Proceedings, pending or threatened, concerning any claim that Sellers or any of their Subsidiaries have infringed, diluted, misappropriated, or otherwise violated any Intellectual Property rights of any other Person in the operation of the Business, in each case of (A) and (B), except as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect, and (C) no Person is violating, or since January 1, 2021 has violated, the rights of any Seller or any of its Subsidiaries in any Purchased Intellectual Property.

(v) Sellers and their Subsidiaries have used commercially reasonable efforts to protect the confidentiality of any material Trade Secrets and other material confidential and proprietary information included in the Purchased Assets.

(d) Except as described in Schedule 5.5(d), no material breach or violation of any data security policies that have been adopted and maintained with respect to any database maintained by the Sellers containing (in whole or in part) Customer Data has occurred in the past three (3) years or is occurring, or to Sellers' Knowledge, is threatened, and in the past three (3) years there has not been, nor is there currently, any unauthorized or illegal use of or access to any database maintained by the Sellers containing (in whole or in part) Customer Data. Except as set forth on Schedule 5.5(d), to Sellers' Knowledge, Seller has complied, in all material respects, with

all of Seller's privacy policies and with all applicable Laws pertaining to privacy or Customer Data.

Section 5.6 Litigation. Except (a) as set forth on Schedule 5.6, (b) for matters before the Bankruptcy Court involving any Seller or any of its Affiliates, and (c) any matters that will otherwise be resolved by the Sale Order without any Liability or restriction applicable to Purchaser or the Purchased Assets, there are no Legal Proceedings pending or, to Sellers' Knowledge, threatened against any Seller or any of its Subsidiaries, relating to the Purchased Assets or Assumed Liabilities, before any Governmental Authority, which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

Section 5.7 Financial Advisors. If any Person has acted, directly or indirectly, as a broker, finder or financial advisor for any Seller or any of its Subsidiaries in connection with the Transactions contemplated by this Agreement and is entitled to any fee or commission or like payment in respect thereof, Sellers shall be solely liable for payment of any of such Person's fees, commissions, expenses or other compensation.

Section 5.8 No Other Representations or Warranties; Schedules. Except for the representations and warranties contained in this Article V (as modified by the Schedules hereto), no Seller nor any other Person makes any express or implied representation or warranty with respect to Sellers, their Subsidiaries, the Business, the Purchased Assets, the Assumed Liabilities or the transactions contemplated by this Agreement, and Sellers disclaim any other representations or warranties, whether made by Sellers, any Affiliate of Sellers or any of their respective officers, directors, employees, agents or representatives. Except for the representations and warranties contained in this Article V (as modified by the Schedules hereto), Sellers expressly disclaim and negate any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Purchased Assets (including any implied or express warranty of merchantability or fitness for a particular purpose). Sellers make no representations or warranties to Purchaser regarding the probable success or profitability of the Business. Seller acknowledges and agrees that neither Purchaser nor any other Person makes any express or implied representation or warranty with respect to Purchaser, the transactions contemplated by this Agreement, or otherwise, except for those representations or warranties set forth in Article VI.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Sellers as follows as of the Execution Date and as of the Closing Date:

Section 6.1 Organization and Good Standing. Purchaser is a corporation duly organized, validly existing, in good standing and duly qualified to transact business under the laws of Canada and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

Section 6.2 Authorization of Agreement. Purchaser has all requisite power, authority and legal capacity to execute and deliver this Agreement, the other Transaction

Documents and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by such party in connection with the consummation of the transactions contemplated hereby and thereby (the “Purchaser Documents”), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and each Purchaser Document have been duly authorized by all necessary entity action on behalf of Purchaser. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 6.3 No Violation; Consents.

(a) None of the execution and delivery by Purchaser of this Agreement or the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by Purchaser with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of a Purchaser, (ii) any Contract or Permit to which a Purchaser is a party or by which Purchaser or its properties or assets are bound, (iii) any Order of any Governmental Authority applicable to a Purchaser or by which any of the properties or assets of a Purchaser are bound or (iv) any Applicable Law, except in the case of clauses (ii), and (iii) and (iv) as would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of Purchaser in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Purchaser of any other action contemplated hereby or thereby, except for compliance with the applicable requirements of the HSR Act, or that would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

Section 6.4 Litigation. There are no Legal Proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser, or to which Purchaser is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

Section 6.5 Financial Capability. Purchaser (a) has and will have at the Closing sufficient funds available to pay the Purchase Price and any expenses incurred by Purchaser in

connection with the transactions contemplated by this Agreement, and (b) has and will have at the Closing the resources and capabilities (financial or otherwise) to perform its obligations hereunder.

Section 6.6 Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending against, being contemplated by, or to the knowledge of Purchaser, threatened against, Purchaser.

Section 6.7 Financial Advisors. If any Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the Transactions contemplated by this Agreement and is entitled to any fee or commission or like payment in respect thereof, Purchaser shall be solely liable for payment of any of such Person's fees, commissions, expenses or other compensation.

Section 6.8 Condition of the Business. Notwithstanding anything contained in this Agreement to the contrary, Purchaser acknowledges and agrees that no Seller is making any representations or warranties whatsoever, express or implied, beyond those expressly given by Sellers in Article V hereof (as modified by the Schedules hereto as supplemented or amended in accordance with Section 8.8), and Purchaser acknowledges and agrees that, except for the representations and warranties contained therein, the Purchased Assets are being transferred on a "where is" and, as to condition, "as is" basis. Purchaser further represents that no Seller or any of its Affiliates or any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Sellers or any of their Subsidiaries, the Business or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and no Seller, any of their Affiliates or any other Person will have or be subject to any liability to Purchaser or any other Person resulting from the distribution to Purchaser or its Representatives or Purchaser's use of, any such information, including any confidential memoranda distributed on behalf of Sellers relating to the Business or other publications or data room information provided to Purchaser or its representatives, in connection with the sale of the Business and the Transactions, except in case of Fraud. Purchaser acknowledges that it has conducted to its satisfaction its own independent investigation of the Business and, in making the determination to proceed with the Transactions, Purchaser has relied on the results of its own independent investigation.

Section 6.9 No Other Representations or Warranties. Except for the representations and warranties contained in this Article VI (as modified by the Schedules hereto), neither Purchaser nor any other Person makes any express or implied representation or warranty with respect to Purchaser, the transactions contemplated by this Agreement, or otherwise, and Purchaser disclaims any other representations or warranties, whether made by Purchaser, any Affiliate of Purchaser or any of their respective officers, directors, employees, agents or representatives. Purchaser acknowledges and agrees that none of the Sellers or any other Person makes any express or implied representation or warranty with respect to the Sellers, the Business, the Purchased Assets, the Assumed Liabilities, the transactions contemplated by this Agreement, or otherwise, except for those representations or warranties set forth in Article V. Purchaser further acknowledges that as of the Rejection Date, Sellers will not have any title, right, or interest in any of the Abandoned FF&E.

ARTICLE VII

BANKRUPTCY COURT MATTERS

Section 7.1 Competing Transaction.

(a) This Agreement is subject to approval by the Bankruptcy Court, the fiduciary duties of the Sellers and the consideration by Sellers of higher or better competing bids, including, in consideration of any sale, transfer, liquidation or disposition of the Business or assets of Sellers or their Subsidiaries, or a plan of reorganization or liquidation with respect to the Business or the Purchased Assets (each a “Competing Bid”). Purchaser acknowledges and agrees that subject to the limitations set forth in this Section 7.1, Sellers shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Purchased Assets or the Business and perform any and all other acts related thereto which are required under the Bankruptcy Code, the Bid Procedures Order or other Applicable Law, including supplying information relating to the Business and the assets of Sellers and its Subsidiaries to such prospective purchasers. Subject to the foregoing, Sellers shall use commercially reasonable efforts to seek and obtain entry of the Sale Order by no later than June 6, 2024.

(b) Sellers shall not and shall not permit any of their Subsidiaries to furnish information concerning Sellers, the Business, or the Purchased Assets to any third party, except (i) in the Ordinary Course of Business, (ii) to any Governmental Authority, or (iii) pursuant to a confidentiality agreement entered into between any Seller and such third party. Sellers shall use commercially reasonable efforts to promptly provide, or identify and make available to Purchaser any non-public information concerning Sellers, the Purchased Assets or the Business provided to any other Person after the Execution Date which was not previously provided to Purchaser. Notwithstanding anything to the contrary contained here, nothing shall prohibit Gordon Brothers Retail Partners, LLC from responding to inquiries about the Retained FF&E.

(c) Following the date of the entry of the Sale Order approving this Agreement and until such time as this Agreement has been terminated in accordance with its express terms, Sellers shall not, nor shall any of their Subsidiaries authorize or permit any Representative of any Seller to (i) directly or indirectly solicit, initiate or encourage the submission of any offer or proposal concerning any Competing Bid, or (ii) directly or indirectly participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to facilitate the making of, any proposal or expression of interest that constitutes or is reasonably likely to lead to a Competing Bid.

Section 7.2 Bid Protections.

(a) Sellers shall use commercially reasonable efforts to seek and obtain Bankruptcy Court approval of the motion filed on May 7, 2024 [Docket No. 94] (as may be amended, modified, or supplemented from time to time) by entry of the Bid Procedures Order in form and substance reasonably acceptable to Sellers and Purchaser; *provided, however*, that the foregoing shall apply solely to the Bid Procedures Order and not any exhibits attached thereto.

(b) If this Agreement is terminated for any reason other than pursuant to Section 4.4(g), in consideration for Purchaser having expended considerable time and expense in connection with this Agreement, the negotiation thereof and the diligence of the Purchased Assets of Seller, and the Purchaser agreeing to this Agreement being subject to an auction, the Seller shall pay Purchaser by wire transfer in immediately available funds, at the closing of, or in the case of a plan, on the effective date of, a Competing Bid, an amount equal to (i) \$90,000 (the “Break-Up Fee”), *plus* (ii) the actual, reasonable, and documented expenses of Purchaser or its Affiliates including reasonable fees, costs and expenses of any professionals (including outside legal counsel, experts and consultants) incurred in connection with the negotiation, execution, and preparation for the consummation of the Transactions contemplated by this Agreement up to an amount equal to \$75,000 in the aggregate (the “Expense Reimbursement”).

(c) The Parties acknowledge and agree that (A) the Parties have expressly negotiated the provisions of this Section 7.2(c) and the payment of the Break-Up Fee and the Expense Reimbursement are an integral part of this Agreement, (B) in the absence of Sellers’ obligations to make these payments, Purchaser would not have entered into this Agreement, and (C) the Expense Reimbursement shall constitute an allowed superpriority Administrative Expense Claims pursuant to sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code with priority over all other administrative expenses of the kind specified in section 503(b) of the Bankruptcy Code, and Seller shall obtain the consent, and the Bid Procedures Order shall ratify the consent, of all parties with an interest in the Purchased Assets to payment to Purchaser of the Break-Up Fee and Expense Reimbursement, including from proceeds of the sale of any or all of the Purchased Assets to a Person other than Purchaser. Purchaser’s rights to the Break-Up Fee and the Expense Reimbursement pursuant to this Section 7.2(c) shall be the sole and exclusive remedy of Purchaser against Seller and any of its respective Affiliates for any Liability, damage or other loss resulting from, the termination of this Agreement, breach of any representation, warranty covenant or agreement contained herein or the failure of the Contemplated Transactions to be consummated, and none of Purchaser nor any of its Affiliates shall have any other remedy or cause of action under or relating to this Agreement or any applicable Law.

(d) The obligations of Seller to pay the Break-Up Fee or the Expense Reimbursement shall survive the termination of this Agreement in accordance with Section 8.3. The Break-Up Fee and the Expense Reimbursement shall be deemed earned upon entry of the Bid Procedures Order. Seller shall not offer or provide a break-up fee, expense reimbursement or similar bid protection to any other Person with respect to any or all of the Purchased Assets.

(e) Purchaser shall take all commercially reasonable actions as may be reasonably necessary to cause the Bid Procedures Order and Sale Order to be issued, entered and become final orders, including, to the extent reasonably practicable, furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court. Purchaser agrees that it will promptly take such commercially reasonable actions as are reasonably requested by Seller to assist in obtaining entry of the Bid Procedures Order and Sale Order, a finding of adequate assurance of future performance by Purchaser within the meaning of Section 365 of the Bankruptcy Code, and demonstrating that Purchaser is a “good faith” purchaser under Section 363(m) of the Bankruptcy Code, and (y) establishing adequate assurance of future performance.

Section 7.3 Back-Up Bidder.

(a) In accordance with the Bidding Procedures Order, if an Auction is conducted and Purchaser is not the prevailing party at the conclusion of such Auction, but is the next highest or otherwise best bidder, as determined by Seller, Purchaser shall be required to serve as the Back-Up Bidder and keep its bid to consummate the transactions contemplated by this Agreement (as the same may be revised in the Auction with the consent of Seller) open and irrevocable in accordance with the Bidding Procedures Order until the earliest of (a) the first Business Day after the closing of a sale transaction with the Successful Bidder, (b) sixty (60) days after entry of the Sale Order and (c) seventy (70) days after the Auction (such date, the “Backup Bid Expiration Date”), *provided, that* Purchaser shall be entitled to the immediate return of the amount of its Deposit in excess of 10% of its bid at the conclusion of the Auction. In accordance with and subject to the Bidding Procedures, if the closing of the sale transaction with the Successful Bidder is terminated prior to the Backup Bid Expiration Date, the Backup Bidder will be deemed the new Successful Bidder and shall be obligated to consummate the sale as if it were the Successful Bidder at the Auction (in which case it will pay at Closing the balance owed of the Cash Purchase Price, less the Deposit then held by the Escrow Agent).

ARTICLE VIII

COVENANTS

Section 8.1 Access to Information.

(a) Sellers agree that, prior to the first to occur of the Closing and the termination of this Agreement in accordance with its terms, Purchaser shall be entitled, through its officers, employees and Representatives, to make such reasonable examination of the books and records of the Business, the Purchased Assets and the Assumed Liabilities as Purchaser reasonably requests in writing. Any such investigation and examination shall be conducted during regular business hours upon reasonable advance notice (at Purchaser’s expense) and under reasonable circumstances and Sellers and their Subsidiaries shall cooperate fully therein. Purchaser and its Representatives shall reasonably cooperate with Sellers and their Representatives and shall use their reasonable efforts to minimize any disruption to the Business in connection with such investigation and examination. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Sellers or any of their Subsidiaries to disclose information subject to attorney-client privilege or conflict with any confidentiality obligations to which such Seller or any of its Subsidiaries is bound.

(b) So long as the Bankruptcy Cases are pending, Purchaser shall provide Sellers and Sellers’ counsel and other professionals employed in the Bankruptcy Cases with reasonable access, on reasonable prior notice, to all documents relating to the Purchased Assets for the purpose of the continuing administration of the Bankruptcy Cases (including the pursuit of any avoidance, preference or similar actions), which access shall include (i) the right of Sellers’ professionals to copy, at Sellers’ expense, such documents and records as Sellers or Sellers’ may request in furtherance of the purposes described above, and (ii) Purchaser’s copying and delivering to Sellers or Sellers’ professionals such documents or records as Sellers or Sellers’ professionals may request, but only to the extent Sellers or Sellers’ professionals furnish Purchaser with

reasonably detailed written descriptions of the materials to be so copied and Sellers reimburse Purchaser for the reasonable and documented out-of-pocket costs and expenses in providing such information.

Section 8.2 Conduct of the Business Pending the Closing.

(a) During the period following the Execution Date and until the first to occur of the Closing and the termination of this Agreement in accordance with its terms, Sellers shall comply in all material respects with all Laws applicable to the ownership and use of the Purchased Assets.

(b) During the period following the Execution Date and until the first to occur of the Closing and the termination of this Agreement in accordance with its terms, except (1) as set forth on Schedule 8.2(b), (2) as required by Applicable Law or Order(s) of the Bankruptcy Court, (3) as otherwise contemplated by this Agreement, or (4) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Sellers shall not, and shall not permit their Subsidiaries to:

(i) subject any of the Purchased Assets to any Lien, except for Permitted Liens and except for Incidental Licenses pursuant to clause (iv) of the definition thereof;

(ii) terminate, amend, restate, supplement or waive any rights, terms or conditions under any Purchaser Assumed Contracts; and

(iii) agree to do anything prohibited by this Section 8.2.

Section 8.3 Appropriate Action; Filings. Through the Closing Date, Sellers and Purchaser shall cooperate with each other and use (and shall cause their respective Affiliates to use) commercially reasonable efforts: (i) to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary, proper or advisable on its part under this Agreement, Applicable Law or otherwise to consummate and make effective the Transactions, (ii) to obtain promptly from any Governmental Authority any Orders or Permits required to be obtained by Sellers or Purchaser or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the consummation of the Transactions, (iii) to promptly make all necessary filings and thereafter make any other required submissions with respect to this Agreement and prompt consummation of the Transactions required under Applicable Law, and (iv) to provide prompt notification to the other Party if such Party becomes aware of any event enumerated in clauses (i) – (iii) of this Section 8.3; *provided, however*, that nothing in this Section 8.3 shall be construed as altering the rights or obligations of Sellers under Section 7.1; *provided further*, that neither Purchaser nor any Seller shall be obligated to pay any consideration or incur any costs to obtain any approvals or consents from third parties (except for the Bankruptcy Court), whether or not they may be necessary, proper or advisable to consummate the Transactions.

Section 8.4 Confidentiality. Purchaser acknowledges that Confidential Information (as defined in the Confidentiality Agreement) has been, and in the future will be, provided to it in connection with this Agreement, including under Section 8.1, and may be subject to the terms of that certain Confidentiality Agreement, dated as of April 29, 2024, by and between Seller Parent

and Purchaser (the “Confidentiality Agreement”), the terms of which are incorporated herein by reference. Purchaser acknowledges and understands that this Agreement may be made available by Sellers to prospective bidders and that such disclosure shall not be deemed to violate any confidentiality obligations owing to Purchaser, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. Effective upon, and only upon, the Closing, the Confidentiality Agreement shall terminate. Sellers agree that, from and after the Closing, no Seller will and Sellers will cause their Subsidiaries not to disclose to any Person any non-public information relating to the Purchaser and its Affiliates, the Purchased Assets and the Assumed Liabilities, except as required by Law or as otherwise becomes available in the public domain other than through any action by any Seller in violation of its obligations under this Agreement. The provisions of this Section 8.4 shall survive the Closing.

Section 8.5 Preservation of Records; Cooperation. Unless otherwise mutually agreed in writing, Sellers and Purchaser shall (and shall cause their Affiliates to) preserve and keep in their possession all records held by them on and after the Execution Date relating to the Purchased Assets for a period of three (3) years or such longer period as may be required by Applicable Law (*provided, however*, that in no event shall Sellers be required to preserve such records after the Bankruptcy Cases are dismissed and/or closed) and, on reasonable prior notice, such Party shall make such records and personnel available to the other Party as may reasonably be required by the requesting Party, including in connection with any insurance claims or Legal Proceedings involving the Purchased Assets, or any governmental investigations of Sellers or Purchaser or any of their respective Affiliates related to the Purchased Assets or in order to enable Sellers or Purchaser or any of their respective Affiliates to comply with their respective obligations hereunder and each other agreement, document or instrument contemplated hereby or thereby or otherwise; *provided, however*, that in no event shall either Party be obligated to provide any information the disclosure of which would jeopardize any privilege available to such Party or any of its Affiliates relating to such information or which would cause such Party or any of its Affiliates to breach a confidentiality obligation to which it is bound. Purchaser further acknowledges that Sellers shall be entitled to copy any such records, at Sellers’ sole cost and expense, and to retain copies of such records, but subject to the terms of this Agreement. After the expiration of any applicable retention period, but only so long as the Bankruptcy Cases remain open, before Purchaser shall dispose of any of such records, at least ninety (90) days’ prior written notice to such effect shall be given by Purchaser to Sellers or their successors (or a Person designated by Sellers) and Sellers or their successors (or a Person designated by Sellers) shall have the opportunity (but not the obligation), at their sole cost and expense, to remove and retain all or any part of such records as they may in their sole discretion select.

Section 8.6 Publicity. Prior to the Closing and without limiting or restricting any Party from making any filing with the Bankruptcy Court with respect to this Agreement or the Transactions, no Party shall issue any press release or public announcement concerning this Agreement or the Transactions without obtaining the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed, unless, in the reasonable judgment of Purchaser or Sellers, disclosure is otherwise required by Applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement or by the applicable rules of the Securities Exchange Commission or any stock exchange on which Purchaser or such Seller lists securities; *provided* that the Party intending to make such release shall use its best efforts consistent with such Applicable Law or Bankruptcy

Court requirement to consult with the other Party with respect to the text thereof. Notwithstanding the foregoing, Purchaser may make disclosures related to this Agreement or the Transactions in connection with Purchaser's negotiations or discussions with counterparties to Contracts and Real Property Leases, prospective employees, advisors, insurers and other persons with whom Purchaser may conduct business after the Closing. After the Closing, the Parties may issue public announcements regarding the Transactions so long as such announcements, in the case of announcements made by Sellers, do not disclose the specific terms or conditions of this Agreement or any Transaction Document except where such terms and conditions have already been disclosed as required by Law, applicable stock exchange regulation or in filings that any Seller is required to make in the Bankruptcy Court or office of the United States Trustee; *provided, however*, that the issuing Party shall use its best efforts to consult with the other Party with respect to the text thereof.

Section 8.7 Supplements to Schedules. Upon two (2) Business Days written notice to Purchaser, Sellers may supplement or amend the Schedules provided pursuant to Sections 5.4 and 5.5 solely to cure and correct non-material errors or omissions in any representation or warranty which would have existed if Sellers had not made such supplements or amendments. Any such supplements or amendments shall be effective upon delivery to Purchaser of such supplements or amendments. All references to Schedules that are supplemented or amended pursuant to this Section 8.7 shall be deemed to be a reference to such Schedule as supplemented or amended. In the event any supplement or amendment to a Schedule or Schedules results in any representation or warranty of Purchaser existing immediately prior to the delivery of such supplement or amendment to have been or become untrue in any material respect, then Purchaser may exercise its right to terminate this Agreement under Section 4.4(f).

Section 8.8 Further Assurances.

(a) Each Seller and Purchaser shall use its commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the Transactions and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the Transactions.

(b) Effective upon the Closing and subject to the terms and conditions set forth in the Sales Order and the Store Closing Order, the Purchaser shall grant, and does hereby grant to the Sellers and any agents engaged by or on behalf of the Sellers with respect to the Store Closing Sales Order, up and until June 30, 2024, a royalty free, non-exclusive license of the Purchased Intellectual Property for the sole purpose of conducting the Store Closing Sales in accordance with the Store Closing Sales Order and the Agency Agreement, *provided that*, any goodwill generated by the Sellers in connection with such license of the Purchased Intellectual Property shall inure to the benefit of Purchaser.

(c) Intentionally omitted.

(d) Within ten (10) Business Days following the Closing Date Seller Parent shall, and shall cause each of the Sellers to, file such amendments to its formation or organizational documents with the relevant Governmental Authority in its jurisdiction of formation or organization and, where appropriate, those jurisdictions in which it is qualified to do business, as

are necessary in order that the names (including trade names and d/b/a's) of each Seller no longer include the words "rue21" and cause the caption of the Bankruptcy Cases to reflect such change of name.

Section 8.9 Tax Matters.

(a) All sales, transfer, filing, recordation, registration, documentary, stamp and similar Taxes and fees arising from the Transactions (collectively, "Transfer Taxes"), whether levied on Purchaser or Sellers, shall be paid by Purchaser.

(b) Purchaser shall prepare at Purchaser's expense, with Sellers' cooperation, any necessary Tax Returns and other documentation with respect to any Transfer Taxes, and the party required by law to file such Tax Return shall timely do so. Purchaser shall pay or reimburse Seller for the costs charged by a Governmental Authority for such Transfer Tax filings required to be filed hereunder.

ARTICLE IX

CONDITIONS TO CLOSING

Section 9.1 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser, in its sole discretion, in whole or in part to the extent permitted by Applicable Law): the representations and warranties made by Sellers in Article V shall be true and correct (disregarding all qualifications or limitations as to "materiality" or "Material Adverse Effect" and words of similar import set forth therein) as of the Closing Date (as though such representations and warranties had been made on and as of the Closing Date) (other than representations and warranties that by their terms address matters only as of another specified date, which shall be so true and correct only as of such other specified date), except where the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect, and Purchaser shall have received a certificate signed by an authorized officer of each Seller (in form and substance reasonably satisfactory to Purchaser), dated the Closing Date, to such effect; and

(b) Sellers shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by them at or prior to the Closing Date, and Purchaser shall have received a certificate signed by an authorized officer of each Seller, dated the Closing Date, to the foregoing effect.

Section 9.2 Conditions Precedent to Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers, in their sole discretion, in whole or in part to the extent permitted by Applicable Law):

(a) the representations and warranties of Purchaser set forth in Article VI shall be true and correct at and as of the Closing Date (as though such representations and warranties

had been made on and as of the Closing Date), except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct on and as of such earlier date); *provided, however*, that in the event of a breach of a representation or warranty other than a representation or warranty qualified by materiality or material adverse effect, the condition set forth in this Section 9.2(a) shall be deemed satisfied unless the effect of all such breaches of representations and warranties taken together results in a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement, and Sellers shall have received a certificate signed by an authorized officer of Purchaser (in form and substance reasonably satisfactory to Sellers), dated the Closing Date, to such effect;

(b) Purchaser shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date, and Sellers shall have received a certificate signed by an authorized officer of Purchaser, dated the Closing Date, to the foregoing effect; and

(c) Purchaser shall have paid in full or otherwise satisfied all Assumed Cure Costs, if any, with respect to the Purchaser Assumed Contracts, if any, set forth on Schedule 1.1(b) prior to or on the Closing Date.

Section 9.3 Conditions Precedent to Obligations of Purchaser and Sellers. The respective obligations of Purchaser and Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser and Sellers in whole or in part to the extent permitted by Applicable Law):

(a) there shall not be in effect any Law or Order by a Governmental Authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the Transactions;

(b) the Bankruptcy Court shall have entered the Bid Procedures Order by no later than May 27, 2024 and such Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed; and

(c) the Bankruptcy Court shall have entered the Sale Order by no later than June 6, 2024 and such Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed.

Section 9.4 Frustration of Closing Conditions. Neither Sellers nor Purchaser may rely on the failure of any condition set forth in Section 9.1, Section 9.2 or Section 9.3, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

ARTICLE X

LIMITATIONS

Section 10.1 Purchaser's Review.

(a) No Reliance. Purchaser has had the opportunity to ask questions, and has received sufficient answers, in connection with its decision to enter into this Agreement, and to consummate the Transactions. In connection with the execution and delivery of this Agreement and the consummation of the Transactions, Purchaser has not relied upon, and Purchaser expressly waives and releases Sellers from any Liability for any claims relating to or arising from, any representation, warranty, statement, advice, document, projection, or other information of any type provided by Sellers or their Affiliates or any of their respective Representatives, except for those representations and warranties expressly set forth in Article V or any Transaction Document executed and delivered by the Sellers pursuant to Section 4.2. In deciding to enter into this Agreement, and to consummate the Transactions, Purchaser has relied solely upon its own knowledge, investigation, judgment and analysis (and that of its Representatives) and not on any disclosure or representation made by, or any duty to disclose on the part of, Sellers or their Affiliates or any of their respective Representatives, other than the express representations and warranties of Seller set forth in Article V.

(b) Limited Duties. Any and all duties and obligations which any Party may have to any other Party with respect to or in connection with the Purchased Assets, this Agreement or the Transactions are limited to those specifically set forth in this Agreement. Neither the duties nor obligations of any Party, nor the rights of any Party, shall be expanded beyond the terms of this Agreement on the basis of any legal or equitable principle or on any other basis whatsoever.

Section 10.2 No Exemplary or Punitive Damages. NO PARTY (OR ITS AFFILIATES OR REPRESENTATIVES) SHALL, UNDER ANY CIRCUMSTANCE, BE LIABLE TO THE OTHER PARTY (OR ITS AFFILIATES OR REPRESENTATIVES) FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES CLAIMED BY SUCH OTHER PARTY UNDER THE TERMS OF OR DUE TO ANY BREACH OF THIS AGREEMENT, INCLUDING LOSS OF REVENUE OR INCOME, DAMAGES BASED ON ANY MULTIPLIER OF PROFITS OR OTHER VALUATION METRIC, COST OF CAPITAL, DIMINUTION OF VALUE OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Survival of Representations, Warranties, Covenants and Agreements. The representations and warranties of any Party made herein, in any Transaction Document or in any other instrument delivered pursuant to this Agreement shall terminate at the Closing, or upon termination of this Agreement pursuant to Section 4.4, and, following the Closing or the termination of this Agreement, as the case may be, there shall be no Liability in respect thereof on the part of any Party or any of its Representatives. Except with respect to covenants or agreements

which are to be performed on or prior to the Closing, all covenants and agreements contained in this Agreement shall survive the Closing in accordance with their respective terms; *provided* that any covenant or agreement contained herein whose survival is not limited by its terms shall survive until fully performed in accordance with its terms.

Section 11.2 Specific Performance. Notwithstanding anything to the contrary, the Parties agree that irreparable damage, for which monetary relief, even if available, may not be an adequate remedy, may occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any Party fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement. It is accordingly agreed that (a) the Parties will be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 11.5 without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Sellers nor Purchaser would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 11.2 will not be required to provide any bond or other security in connection with any such Order. The remedies available to a non-breaching Party pursuant to this Section 11.2 will be in addition to any other remedy to which such Party were entitled at law or in equity, and the election to pursue an injunction or specific performance will not restrict, impair or otherwise limit such non-breaching Party from seeking to collect or collecting damages.

Section 11.3 Expenses. Except as otherwise set forth in this Agreement and with respect to the Expense Reimbursement and Break-Up Fee, each Party shall bear its own expenses (including attorneys' fees) incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated hereby and the consummation of the Transactions contemplated hereby and thereby; *provided, however*, Purchaser shall bear sole responsibility for any, UCC-3 filing fees, real estate, title recording or filing fees and other amounts payable in respect of transfer filings in connection with the Transactions contemplated by this Agreement.

Section 11.4 Non-Recourse. The Parties acknowledge and agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, agent, attorney, Representative or Affiliate of the Parties to this Agreement, in such capacity, shall have any liability for any obligations or liabilities of Purchaser or Sellers, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transactions.

Section 11.5 Submission to Jurisdiction.

(a) Without limiting any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes among the Parties which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Transactions, and (ii) any and all Actions related to the foregoing shall be filed and maintained only in the

Bankruptcy Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court for such purposes and shall receive notices at such locations as indicated in Section 11.11; *provided, however*, that if the Bankruptcy Cases have been fully and finally dismissed and the Bankruptcy Court declines jurisdiction, the Parties agree to and hereby unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Delaware sitting in New Castle County.

(b) The Parties hereby unconditionally and irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the Transactions brought in any court specified in subsection (a) above, or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(c) Each of the Parties hereby consents to process being served by any Party in any suit, Action or proceeding by the mailing of a copy thereof in accordance with the provisions of Section 11.11; *provided, however*, that such service shall not be effective until the actual receipt thereof by the Party being served.

Section 11.6 Waiver of Jury Trial. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT THEY MAY HAVE TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION, OR IN ANY PROCEEDING, DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY). EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.5.

Section 11.7 Authorization of Seller Parent as Representative of Sellers.

(a) By entering into and executing this Agreement, Sellers irrevocably make, constitute and appoint Seller Parent as their agent, effective as of the Execution Date, and authorize and empower Seller Parent to fulfill the role of Sellers' representative hereunder, and each Seller appoints Seller Parent as such Person's true and lawful attorney in fact and agent, for such Person and in such Person's name, place and stead for all purposes necessary or desirable in order for Seller Parent to take all actions contemplated by this Agreement, with the ability to execute and deliver all instruments, certificates and other documents of every kind incident to the foregoing to all intents and purposes and with the same effect as such Seller could do personally, including to give and receive notices and communications; to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and comply with orders of courts with respect to such claims; and to take all actions necessary or appropriate in the judgment of Seller Parent for the

accomplishment of the foregoing. The dissolution, liquidation, insolvency or bankruptcy of any Seller shall not terminate the authority and agency of Seller Parent as each Seller's representative pursuant to this Section 11.7. The power of attorney granted in this Section 11.7 is coupled with an interest and is irrevocable.

(b) Purchaser shall be entitled to rely exclusively upon any communication given or other action taken by Seller Parent pursuant to this Agreement, and shall not be liable for any action taken or not taken in good faith reliance on a communication or other instruction from Seller Parent.

Section 11.8 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 11.9 Entire Agreement; Amendments and Waivers. This Agreement (including the Schedules and Exhibits hereto) and the other Transaction Documents represent the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 11.10 Governing Law. THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, AND ANY CLAIM OR CONTROVERSY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY) DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN OR IN CONNECTION WITH THIS AGREEMENT OR AS AN INDUCEMENT TO ENTER INTO THIS AGREEMENT), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED, AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ANY CONFLICT OF LAWS PROVISION THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION) AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE, THE BANKRUPTCY RULES, AND THE LOCAL RULES OF THE BANKRUPTCY COURT.

Section 11.11 Notices. All notices and other communications under this Agreement, bankruptcy rules and the local rules of the Bankruptcy Court shall be in writing and shall be deemed duly given (i) when delivered personally or by prepaid overnight courier, with a record of receipt, (ii) the fourth (4th) day after mailing if mailed by certified mail, return receipt requested, or (iii) the day of transmission, if sent by electronic mail during regular business hours or the Business Day after transmission, if sent after regular business hours (with a copy promptly sent by prepaid overnight courier with record of receipt or by certified mail, return receipt requested), to the Parties at the following addresses or facsimile numbers (or to such other address or facsimile number as a Party may have specified by notice given to the other Parties pursuant to this Section 11.11):

If to Sellers:

New rue21, LLC
800 Commonwealth Drive
Warrendale, PA 15086
E-mail: mpascoe@rue21.com
Attention: Michele Pascoe, Interim Chief Executive Officer

With a copy to:

Willkie Farr & Gallagher
787 Seventh Avenue, New York, NY 10019-6099
E-mail: rstrickland@willkie.com, amordkoff@willkie.com, cjames@willkie.com, gdorment@willkie.com
Attention: Rachel Strickland, Andrew S. Mordkoff, Claire James, Genevieve Dorment

If to Purchaser:

c/o YM Inc. (Sales)
50 Dufflaw Road
Toronto, ON M6A 2W1
E-mail: egrundy@yminc.ca
Attention: Eric Grundy, CEO

With a copy to:

Goulston & Storrs PC
One Post Office Square
25th Floor
Boston, MA 02109
E-mail: drosner@goulstonstorrs.com
Attention: Douglas B. Rosner

-and-

Lampert LawGiC Professional Corporation
Email: LL@lampertlawgic.com
Attention: Leigh A. Lampert

Section 11.12 Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by Law or public policy, all other terms and provisions hereof shall nevertheless remain in full force and effect so long as the legal substance of the Transactions is not affected in any manner materially adverse to any Party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the Transactions are consummated as originally contemplated to the greatest extent possible.

Section 11.13 No Right of Set-Off. Purchaser for itself and for its Affiliates, successors and assigns hereby unconditionally and irrevocably waives any rights of set-off, netting, offset, recoupment, or similar rights that Purchaser or any of its Affiliates, successors and assigns has or may have with respect to the payment of the Purchase Price or any other payments to be made by Purchaser pursuant to this Agreement or any other document or instrument delivered by Purchaser in connection herewith.

Section 11.14 Binding Effect; Assignment. This Agreement shall be binding solely upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person not a Party to this Agreement except to the extent provided in Section 11.4. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Party (by operation of law or otherwise) without the prior written consent of the other Party and any attempted assignment without the required consents shall be void; *provided, however*, that (i) prior to the Closing, Purchaser may assign this Agreement and any or all rights or obligations hereunder (including Purchaser's right to purchase the Purchased Assets and assume the Assumed Liabilities) to any Affiliate of Purchaser and (ii) after the Closing, Purchaser (or its permitted assignee) shall have the right to assign its rights and/or delegate its obligations hereunder (A) to any Affiliates, (B) to any financing sources for collateral purposes or (C) to any subsequent purchaser of all or any portion of the stock or assets of Purchaser or the Business; *provided* that such assignment shall not relieve Purchaser of any obligation set forth in this Agreement. Upon any such permitted assignment, the references in this Agreement to Purchaser shall also apply to any such assignee unless the context otherwise requires.

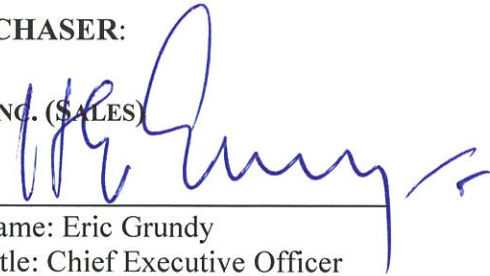
Section 11.15 Counterparts. This Agreement may be executed and delivered (including by electronic transmission) in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[The Remainder of This Page Is Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Execution Date by their respective officers thereunto duly authorized.

PURCHASER:

YM INC. (SALES)

By: 

Name: Eric Grundy

Title: Chief Executive Officer

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Execution Date by their respective officers thereunto duly authorized.

SELLERS:

NEW RUE21 HOLDCO, INC.

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

NEW RUE21 INTERMEDIATE, INC.

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

R21 HOLDINGS, INC.

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

NEW RUE21, LLC

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

R SERVICES, LLC

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

NEW RSC, LLC

DocuSigned by:
By: Michele Pascoe
Name: Michele Pascoe
Title: Interim Chief Executive Officer

Exhibit A

Bill of Sale

(See attached.)

BILL OF SALE

This Bill of Sale (this “**Agreement**”) is executed on May [•], 2024 (the “**Effective Date**”), by and among New rue21, LLC, a Delaware limited liability company (“**Seller Parent**”), each of the Subsidiaries of Seller Parent (together with Seller Parent, “**Sellers**” and individually a “**Seller**”), and YM Inc. (Sales), a Canadian corporation (“**Purchaser**”). Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

WHEREAS, Purchaser and Sellers are parties to that certain Asset Purchase and Sale Agreement, dated as of May 16, 2024 (as amended, restated, supplemented, modified or waived from time to time in accordance with its terms, the “**Purchase Agreement**”), pursuant to which, among other things, Sellers shall sell, assign, transfer, convey and deliver the Purchased Assets to the Purchaser;

WHEREAS, the Purchaser and Sellers hereby enter into this Agreement evidencing the vesting in the Purchaser of all of the Purchased Assets as set forth herein as further detailed in the Purchase Agreement; and

WHEREAS, the execution and delivery of this Agreement is required in connection with the consummation of the transactions contemplated by the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Purchaser and Sellers hereby agree as follows:

1. **Sale and Assignment of Purchased Assets.** Effective as of 12:01 a.m. EDT on the Effective Date, Sellers hereby irrevocably and unconditionally sell, assign, transfer, convey and deliver to the Purchaser and its successors and assigns, forever, the entire right, title and interest of Sellers in and to any and all of the Purchased Assets including, without limitation, the Purchased Intellectual Property and the Purchased FF&E in each case as set forth on Exhibit A hereto, free and clear of all Liens (other than Permitted Liens), without representation or warranty, express or implied. Purchaser acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement. Notwithstanding anything in this Agreement to the contrary, Sellers are retaining all Excluded Assets as set forth in the Purchase Agreement.

2. **Purchase Agreement Controls.** Nothing in this Agreement shall be deemed to supersede, enlarge or modify any of the provisions of the Purchase Agreement, all of which survive the execution and delivery of this Agreement as provided, and subject to the limitations set forth, in the Purchase Agreement. If any conflict exists between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern and control.

3. **Governing Law and Jurisdiction.** THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, AND ANY CLAIM OR CONTROVERSY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY) DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN OR IN CONNECTION WITH THIS AGREEMENT OR AS AN INDUCEMENT TO ENTER INTO THIS AGREEMENT), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED, AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ANY CONFLICT OF LAWS PROVISION THAT

WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION) AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

4. **Miscellaneous.** Sections 11.5 (Submission to Jurisdiction), 11.6 (Waiver of Jury Trial), 11.9 (Entire Agreement; Amendments and Waivers), 11.11 (Notices), 11.12 (Severability) and 11.14 (Binding Effect; Assignment) of the Purchase Agreement are hereby incorporated herein, *mutatis mutandis*.

5. **Counterparts.** This Agreement may be executed and delivered (including by electronic transmission) in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

PURCHASER:

YM INC. (SALES)

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

SELLERS:

NEW RUE21, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

R SERVICES, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

NEW RSC, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

Exhibit A

Purchased Intellectual Property:

1. [To list the Purchased Intellectual Property]

Purchased FF&E: All equipment, computers, hardware, electronics, file servers, scanners, printers, networks, copiers, cash registers, furniture, furnishings, trade fixtures, racking, interior and exterior store signage, telephone lines, telecopy machines, telecommunication equipment, spare parts, shipping materials, office supplies, Store supplies, packaging materials, shopping bags, hangers, raw materials and other personal property located at the following Stores:

1. [To list the Stores containing Purchased FF&E]

Exhibit B

Assignment and Assumption Agreement

(See attached.)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Agreement**”), is made and entered into as of May [•], 2024 (the “**Effective Date**”), by and among New rue21, LLC, a Delaware limited liability company (“**Seller Parent**”), each of the Subsidiaries of Seller Parent (together with Seller Parent, “**Sellers**” and individually a “**Seller**”), and YM Inc. (Sales), a Canadian corporation (“**Purchaser**”). Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

WHEREAS, Purchaser and Sellers have entered into that certain Asset Purchase and Sale Agreement, dated as of May 16, 2024 (as amended, restated, supplemented, modified or waived from time to time in accordance with its terms, the “**Purchase Agreement**”), pursuant to which, among other things, Sellers have agreed to assign to Purchaser the Purchaser Assumed Contracts listed on Exhibit A hereto, and Purchaser has agreed to assume certain Assumed Liabilities thereunder; and

WHEREAS, the execution and delivery of this Agreement is required as a condition to the consummation of the transactions contemplated by the Purchase Agreement.

NOW, THEREFORE, pursuant and subject to the terms of the Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser and Sellers hereby agree as follows:

1. **Assignment and Assumption.** Effective as of 12:01 a.m. EDT on the Effective Date, (i) Sellers hereby assign, transfer, and deliver to Purchaser and (ii) Purchaser hereby assumes and agrees to discharge and perform when due, in accordance with the terms of the Purchase Agreement, each of the Purchaser Assumed Contracts listed on Exhibit A hereto and the Assumed Liabilities thereunder solely to the extent such Liabilities arise from events or omissions occurring, or obligations under the Purchaser Assumed Contracts attributable to the period, on or after the Closing.
2. **Excluded Liabilities.** Notwithstanding anything in this Agreement to the contrary, Sellers are retaining all Excluded Assets and Excluded Liabilities, all as set forth in the Purchase Agreement.
3. **Purchase Agreement Controls.** Nothing in this Agreement shall be deemed to supersede, enlarge or modify any of the provisions of the Purchase Agreement, all of which survive the execution and delivery of this Agreement as provided and subject to the limitations set forth in the Purchase Agreement. If any conflict exists between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern and control.
4. **Further Actions.** Purchaser and Sellers for themselves, and their successors and assigns, hereby covenant and agree that, at any time and from time to time upon the written request of the any other party, they will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to assign, transfer, set over, convey, assure and confirm unto and vest in Purchaser the Purchased Assets and give full effect to the intent of this Agreement.
5. **Governing Law and Jurisdiction.** THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, AND ANY CLAIM OR CONTROVERSY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY) DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY

MADE IN OR IN CONNECTION WITH THIS AGREEMENT OR AS AN INDUCEMENT TO ENTER INTO THIS AGREEMENT), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED, AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ANY CONFLICT OF LAWS PROVISION THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION) AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

6. **Miscellaneous.** Sections 11.5 (Submission to Jurisdiction), 11.6 (Waiver of Jury Trial), 11.9 (Entire Agreement; Amendments and Waivers), 11.11 (Notices), 11.12 (Severability) and 11.14 (Binding Effect; Assignment) of the Purchase Agreement are hereby incorporated herein, *mutatis mutandis*.

7. **Counterparts.** This Agreement may be executed and delivered (including by electronic transmission) in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

PURCHASER:

YM INC. (SALES)

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

SELLERS:

NEW RUE21, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

R SERVICES, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

NEW RSC, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

Exhibit A

[To be determined – to list the Purchaser Assumed Contracts]

Exhibit C

Intellectual Property Assignment Agreement

(See attached.)

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This Intellectual Property Assignment Agreement (this “**Agreement**”) is executed on May [●], 2024 (the “**Effective Date**”), by and among New rue21, LLC, a Delaware limited liability company (“**Seller Parent**”), each of the Subsidiaries of Seller Parent (together with Seller Parent, “**Sellers**” and individually a “**Seller**”), and YM Inc. (Sales), a Canadian corporation (“**Purchaser**”). Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

WHEREAS, Purchaser and Sellers are parties to that certain Asset Purchase and Sale Agreement, dated as of May 16, 2024 (as amended, restated, supplemented, modified or waived from time to time in accordance with its terms, the “**Purchase Agreement**”), pursuant to which, among other things, Sellers shall sell, assign, transfer, convey and deliver the Purchased Intellectual Property to the Purchaser;

WHEREAS, the Purchaser and Sellers hereby enter into this Agreement evidencing the assignment to Purchaser of all of the Purchased Intellectual Property pursuant to the Purchase Agreement, as set forth herein for the purpose of recording the sale, conveyance, assignment, transfer and delivery to the Purchaser of the Purchased Intellectual Property with any applicable Governmental Authority; and

WHEREAS, the execution and delivery of this Agreement is required in connection with the consummation of the transactions contemplated by the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Purchaser and Sellers hereby agree as follows:

1. **Assignment.** Effective as of 12:01 a.m. EDT on the Effective Date, Sellers hereby irrevocably and unconditionally assign, transfer, convey and deliver to Purchaser, to the fullest extent permitted by Law, free and clear of Liens (other than Liens created by Purchaser and Permitted Liens), all of Sellers’ right, title, and interest in, to and under the Purchased Intellectual Property including, without limitation:

- (a) the Transferred Copyrights listed on **Exhibit A**;
- (b) the Transferred Domain Names and social media accounts listed on **Exhibit B**;
- (c) the Transferred Patents listed on **Exhibit C**;
- (d) the Transferred Trademarks listed on **Exhibit D** together with the goodwill associated with and symbolized by each such Transferred Trademark; and
- (e) the right to sue for and recover damages, profits and any other remedy in connection with any of the foregoing, for past, present or future infringement, misappropriation or other violation related to any of the foregoing.

2. **Authorization.** Sellers hereby authorize and request the Commissioner of Patents of the United States, the Commissioner of Trademarks of the United States, the Librarian of Congress of the United States and any other official of any applicable Governmental Authority worldwide and each registrar of a Domain Name or web site, to record all registrations and applications for registration included in such Purchased Intellectual Property in the name of Purchaser, and issue any and all registrations from any and all applications for registration included in such Purchased Intellectual Property to and in the name of Purchaser.

3. **Purchase Agreement Controls.** Nothing in this Agreement shall be deemed to supersede, amend or modify any of the provisions of the Purchase Agreement. If any conflict exists between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern and control.

4. **Further Assurances.** From time to time following the Effective Date, Sellers shall, at Purchaser's request and expense, execute and deliver such documents and other papers and perform any other actions as may be reasonably required to carry into effect and perfect the assignment and transfer in this Agreement or to enable Purchaser to obtain the full benefits of this Agreement. In the event Purchaser is unable for any reason, after reasonable effort, to secure any Seller's signature on any document needed in connection with the actions specified herein, such Seller hereby irrevocably designates and appoints Purchaser and its duly authorized officers and agents as its agent and attorney in fact, which appointment is coupled with an interest, to act for and in its behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of the assignment effected hereunder with the same legal force and effect as if executed by such Seller.

5. **Moral Rights.** To the extent any rights of paternity, attribution, integrity, disclosure or withdrawal or any other rights that may be known as or referred to as *droit moral* or "moral rights" (collectively, "**Moral Rights**") cannot be transferred or assigned under applicable Law and to the extent allowed by applicable Law, Sellers hereby waive all Moral Rights with respect to all Copyrights included in the Purchased Intellectual Property, and all uses thereof, and consent to any action of Purchaser that would violate such Moral Rights in the absence of such waiver or consent.

6. **Governing Law and Jurisdiction.** THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, AND ANY CLAIM OR CONTROVERSY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY) DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN OR IN CONNECTION WITH THIS AGREEMENT OR AS AN INDUCEMENT TO ENTER INTO THIS AGREEMENT), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED, AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ANY CONFLICT OF LAWS PROVISION THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION) AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

7. **Miscellaneous.** Sections 11.5 (Submission to Jurisdiction), 11.6 (Waiver of Jury Trial), 11.9 (Entire Agreement; Amendments and Waivers), 11.11 (Notices), 11.12 (Severability) and 11.14 (Binding Effect; Assignment) of the Purchase Agreement are hereby incorporated herein, *mutatis mutandis*. .

8. **Counterparts.** This Agreement may be executed and delivered (including by electronic transmission) in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

PURCHASER:

YM, INC. (SALES)

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties have executed this Agreement with terms herein being effective as of the Effective Date.

SELLERS:

NEW RUE21, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

R SERVICES, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

NEW RSC, LLC

By: _____
Name: Michele Pascoe
Title: Chief Financial Officer

Exhibit A

Transferred Copyrights

Exhibit B

Transferred Domain Names and Social Media Accounts

Exhibit C

Transferred Patents

Exhibit D

Transferred Trademarks