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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In re:	)	Chapter 11
Del Monte Foods Corporation II Inc., *et al.*,[1]	)	Case No. 25-16984 (MBK)
Debtors.	)	(Jointly Administered)

DECLARATION OF JONATHAN GOULDING IN FURTHER SUPPORT OF ENTRY OF ORDERS APPROVING SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS AND IN SUPPORT OF THE DEBTORS' 9019 MOTION

Pursuant to 28 U.S.C. § 1746, I, Jonathan Goulding, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge and belief:

1. I serve as the Chief Restructuring Officer of Del Monte Foods Corporation II Inc. ("**DMFC**"), Del Monte Foods Holdings Limited ("**DMFHL**") and their affiliated debtors-in-possession in the above-captioned chapter 11 cases (collectively, "**Del Monte**," the "**Debtors**" or the "**Company**"). I was appointed as the Company's Chief Restructuring Officer on June 29,

[1] The last four digits of Debtor Del Monte Foods Corporation II Inc.'s tax identification number are 1894. A complete list of the Debtors in these Chapter 11 Cases and their respective tax identification numbers may be obtained on the website of the Debtors' claims and noticing agent, at https://cases.stretto.com/DelMonteFoods. The location of the Debtor Del Monte Foods Corporation II Inc.'s principal place of business and the Debtors' service address is 205 North Wiget Lane, Walnut Creek, California 94598.

2025. I am a Managing Director with Alvarez & Marsal North America, LLC ("**A&M"**), which has been retained by the Debtors in these Chapter 11 Cases pursuant to the *Order (I) Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide a CRO and Certain Additional Personnel, and (B) Designate Jonathan Goulding as Chief Restructuring Officer for the Debtors, in Each Case, Effective as of the Petition Date, (II) Waiving Certain Timekeeping Requirements, and (III) Granting Related Relief* [Docket No. 311].

2. I submit this declaration (this "**Declaration**") for two principal purposes:

(i) in further support of the *Debtors' Motion for Entry of an Order (A) Approving the Settlement Reached Among the Mediation Parties Pursuant to Bankruptcy Rule 9019 and (B) Granting Related Relief* [Docket No 954] (the "**9019 Motion**:), including to respond to various assertions made by the Minority Ad Hoc Group;[2] and

(ii) in further support of the transactions described in the Sale Motion, including, in particular, to reflect in brief why the Debtors concluded that the sum-of-the parts bids described in the *Notice of Successful Bidders for the Sale of Substantially All of the Debtors' Assets* [Docket No. 1007] (collectively, the "**SOTP Transactions**,") are higher or otherwise better than the Stalking Horse Bid.[3]

3. In my capacity as Chief Restructuring Officer of the Debtors and based on my review of the relevant documents and my discussions with other members of the Debtors' management team, I am generally familiar with the Debtors' day-to-day operations, business affairs, books and records. I have been involved in the Sale Process, and in regular contact with PJT concerning the Sale Process. I also participated in the Mediation that led to the Settlement; attended the live portion of the Auction on December 12; was involved in various discussions

[2] The Members of the Minority Ad Hoc Group are listed in the *Verified Statement of the Ad Hoc Group of Minority Secured Lenders, Pursuant to Bankruptcy Rule 2019* [Docket No. 295].

[3] Capitalized terms used herein but not otherwise defined shall have the meanings ascribed in the *Debtors' Motion for Entry of an Order (I) Approving the Auction and Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (II) Authorizing the Debtors to Enter into the Stalking Horse Purchase Agreement, (III) Scheduling an Auction and Sale Hearing, (IV) Approving the Form and Manner of Notice Thereof, (V) Approving the Sale of Substantially All of the Debtors' Assets and (VI) Granting Related Relief* [Docket No. 190] (the "**Sale Motion**") or in the *Declaration of Jonathan Goulding, as Chief Restructuring Officer of the Debtors, in support of Chapter 11 Petitions and First Day Motions* [Docket No. 19] (the "**First Day Declaration**"), as applicable.

thereafter as part of the Auction process; and was involved in the selection of the Successful Bidders. I regularly attend the meetings of the Boards of Directors of Del Monte Foods Holdings Limited, Del Monte Foods, Inc., and Del Monte Foods Corporation II Inc. (collectively, the "**Board**") and have observed the conduct and deliberations of the Board. I have been present during [all but one] of the reports by the Special Investigation Committee (the "**SIC**") to the Board, and nearly every report by PJT to the Board on the Sale Process. As such, except where specifically noted, the statements in this Declaration are based upon (a) my personal knowledge of the Debtors' business affairs, (b) my review of relevant documents, including information provided by the Debtors or other parties, (c) information provided to me by employees of A&M working under my supervision, (d) information provided to me by, or discussions with, the members of the Debtors' Board, management team or other advisors, and/or (e) my opinion based upon my experience. If called upon to testify, I would testify competently to the facts as set forth in this Declaration.

4. I previously filed declarations in support of the Debtors' first day motions [Docket No. 19] (the "**First Day Declaration**") and the 9019 Motion [Docket No. 954-2] (the "**First 9019 Declaration**"), which are incorporated herein by reference.

The Settlement Is Reasonable and Should Be Approved

5. As described further in my First 9019 Declaration, after a Court-ordered mediation, the Debtors, the Official Committee of Unsecured Creditors (the "**Committee**"), the Ad Hoc Term Lender Group (the "**Majority Ad Hoc Group**"), and Del Monte Pacific Limited and its affiliated non-debtor entities ("**DMPL**") (together, the "**Settlement Parties**"), reached a settlement (the "**Settlement**"). For the reasons previously described in my First 9019 Declaration, and for the reasons described here, I believe the Settlement is a reasonable exercise of the Debtors' business

judgment, and in the best interests of the Debtors' estates. The Settlement provides a clear path towards a value-maximizing sale, confirmation, and wind-down of the Debtors' estates.

6. As I explained in my First 9019 Declaration, the Debtors believed that the Settlement was necessary to avoid delay and disruption to the Sale Process, value-destructive litigation, loss of vendors and employees, and many other negative effects. That continues to be the Debtors' position.

The Settlement and Sale Are Linked

7. I understand that the Minority Ad Hoc Group has objected to the Settlement and has suggested that it could be de-linked from the Sale Process. That was not – and is not – consistent with the Debtors' views on the Settlement and Sale Process. Prior to the Auction (and still to this day), the Debtors viewed the Settlement and the Sale Process as intertwined and believed that the Settlement was integral to the positive result achieved in the Sale Process. In particular, the Debtors viewed the presence of the Stalking Horse Bidder at the Auction – without the cloud of challenges to its credit bid – as important for competitive tension. If the Stalking Horse Bidder's bid was not viewed by the other sum-of the parts Bidders as viable, then the Debtors were concerned that they would have no incentive to bid higher. These pre-settlement expectations were borne out. As Mr. Brash explains in his *Declaration in Further Support of the Sale Motion* filed contemporaneously herewith (the "**Supplemental Brash Declaration**"), the post-Settlement presence of the Stalking Horse Bidder at the Auction drove up the value of the bids by the sum-of-the-parts Bidders materially and the Debtors have now concluded that such bids, collectively, represent the higher or otherwise best transaction for the Debtors and their estates.

8. In addition, in the absence of the Settlement the Debtors understand that the Majority Ad Hoc Group could argue that it could withdraw its consent to the Sale, the release of its liens, or the use of Sale proceeds to fund an orderly wind-down. The Sale proceeds would bring in less than the full amount due to the DIP Term Loan Lenders. A chart showing the estimated proceeds and flow of funds from the SOTP Transaction, and the balance that would be left on the DIP Term Loan, is annexed as **Exhibit A**. Under the Settlement, the Majority Ad Hoc Group will permit the Debtors to use cash – that otherwise could be required to be used to repay the DIP Term Loan – to run an orderly wind-down and confirm a Chapter 11 plan. Absent the Settlement, the Debtors could find themselves without sufficient funds – even with the proceeds of the SOTP Transaction – to do that. A non-consensual Sale could also result in a default under the Debtors' DIP Term Loan Facility, further imperiling the Debtors' ability to close the SOTP Transactions.

Facts and Documents Relevant to Other Assertions by the Minority Ad Hoc Group

9. I understand that the Minority Ad Hoc Group has made various other arguments about the Settlement relating to, among other things, the settlement of the Black Diamond litigation, an interest payment made by the Debtors in advance of the petition date, the composition of the Board at various times, and the work of the SIC. Debtors' counsel will respond to the Minority Ad Hoc Group's arguments in the Debtors' reply submission. Here, I merely point out various relevant facts and documents.

10. The Debtors had various considerations in mind when they settled the Black Diamond litigation.[4] One item that the Debtors considered was the way in which the Black Diamond litigation impacted the Debtors' effort to sell the Hanford Facility (with which I had been

[4] I was not intimately involved in the litigation itself, but I was involved as a financial advisor with respect to certain aspects of the business addressed here.

involved). Those efforts were underway prior to and during the Black Diamond litigation. I am aware that the Debtors had to seek relief from the court to sell the property at the time of their choosing because of the Black Diamond plaintiffs' refusal to agree to a waiver of a Status Quo Order entered in that litigation. The removal of the Status Quo Order was valuable to the Debtors because it meant future transactions could be undertaken without delay and concern over whether any actions were in compliance with the Status Quo Order. I am also aware that the Debtors believed that if the Black Diamond plaintiffs prevailed in litigation, they would sue the Majority Ad Hoc Group, triggering indemnification obligations that the Debtors would be required to satisfy under their prepetition credit agreements. Thus, the Debtors viewed the Black Diamond settlement as not only resolving pending litigation but also preventing future litigation (and costs associated therewith). In addition, had Black Diamond prevailed, the Debtors were concerned that it could have been able to take certain steps that, in turn, would have resulted in a change in the various Debtors' Boards. A selection of documents relevant to the Debtors' decision to settle the Black Diamond litigation, and a document reflecting the flow of funds of the settlement payments, are attached as **Exhibits B-D**.

11. The Minority Ad Hoc Group also raised the Debtors' prepetition interest payment. This was a regularly scheduled interest payment made in accordance with the terms of Super-Senior Term Loans, which provided for specific interest payment dates for SOFR loans that varied based on when the specific tranche was issued. Further, the Debtors did not think at the time that they would be able to obtain all the consents needed to implement a forbearance. At that time, failing to make an interest payment would likely have quickly become public and would have significant negative ramifications for the Debtors' initial restructuring discussions, including likely

causing vendors to contract trade terms and affect ongoing operations as the Debtors prepared for their upcoming pack season.

12. The Board was not "controlled" at the time it made those or any other decisions by the Majority Ad Hoc Group. At the time of the August 2024 drop down transaction (described in my First Day Declaration), the Majority Ad Hoc Group had one appointee on the Board. At the time of the approval of the Black Diamond settlement, the Majority Ad Hoc Group continued to have one appointee on the Debtors' Board. At the time of the filing and approval of the Settlement, four of ten members of the Board had been selected by the Special Shareholder, which is affiliated with the Majority AHG.

13. Finally, I understand that the Minority Ad Hoc Group has questioned certain aspects of the SIC's work. I will let counsel respond in briefing (and Ms. Frizzley in live testimony). I merely annex the SIC's presentations to the Board which, though redacted to omit privileged material, give a glimpse into the scope of the SIC's considerations. These are attached as **Exhibits E-G**.

Selection of Successful Bids

14. As set forth in more detail in the Supplemental Brash Declaration, the Debtors have selected the SOTP Transaction as the successful set of Bids.

15. The SOTP Transaction excludes certain of the Debtors' assets, including (a) estate causes of action, that are to be settled under the terms of the Settlement;[5] and (b) certain real estate assets, including the Debtors' Modesto and Yakima production facilities. The Debtors have negotiated with the Majority Ad Hoc Group concerning the treatment of those excluded assets,

[5] With respect to the value of the estate causes of action, all of the Debtors' assets were available for purchase during the Sale Process, including individual assets. No actionable bids were received for the estate causes of action, other than the Stalking Horse Bidder as part of its all-assets bid.

and the Majority Ad Hoc Group has agreed to waive $70 million of their DIP Term Loan Claims in exchange for releasing the estate claims and receiving designation rights on the real property that will be monetized in the future through the wind-down. In other words, the Debtors obtained value for excluded assets that no one sought to acquire in the Auction.

16. Given the breadth and duration of the Sale Process described above and as more fully set forth in the Supplemental Brash Declaration, the competitive bids received by the Debtors, the economic terms of the SOTP Transaction, and based on my experience as the Debtors' Chief Restructuring Officer and professional experience in similar cases, I believe that the SOTP Transaction is the highest or otherwise best transaction presently available to the Debtors and their estates.

17. The Debtors have compared features of the SOTP Transaction and the Stalking Horse Bid. In various respects, they are comparable. Both would preserve the Debtors' business as a going-concern, maintain a significant number of jobs, support various existing vendor relationships, and provide for assumption of the Company's pension plan. Both scenarios provide for payment of administrative and priority claims, repayment of the ABL facility, and similar recovery for unsecured claims. However, the Debtors, their advisors, and I, as the Debtors' CRO, believe the SOTP Transaction represents the highest and/or best bid for the Debtors' assets for a number of reasons, including:

a. The gross proceeds of the SOTP Transaction, taken together with conservative projections of the value of excluded assets, exceed the gross proceeds of the Stalking Horse Bid by at least $7.5 million. And, with the Majority Ad Hoc Group's waiver of DIP claims, the gross proceeds of the SOTP Transaction are

estimated to exceed the gross proceeds of the Stalking Horse Bid by more than $20 million.

b. The SOTP Transaction involves strategic buyers with extensive experience operating in the packaged foods industry and pose minimal regulatory concerns. This too is valuable to the estates and reduces execution risk.

c. The Stalking Horse Bidder is the back-up bidder should the SOTP Transaction not be consummated, thereby assuring a going-concern transaction.

d. The SOTP Transaction provides for wind-down funding, reducing the risk of administrative insolvency and unfunded post-closing obligations

e. The SOTP Transaction is supported by important stakeholders in these Chapter 11 Cases, including the Debtors' DIP Lenders and the Committee.

18. The negotiation and selection of the Successful Bids is the product of good-faith, informed decision making by the Debtors and represents a sound and reasoned exercise of the Debtors' business judgment. The Debtors' Board and Finance Committee received frequent updates from the Debtors' advisers throughout the Sale Process, meeting regularly since these Chapter 11 Cases were filed to discuss the marketing and sales efforts, and to evaluate the incoming IOIs and eventual Bids.

19. After the live portion of the Auction session on December 12, the Debtors' Board met several times to discuss the negotiations with the eventual Purchasers and to evaluate the SOTP Bids. The Debtors' advisors then presented a formal assessment of the SOTP Transaction at a meeting on January 14, 2026, (attached as **Exhibit H**) recommending the SOTP Transaction over the Stalking Horse Bid. The SOTP Transaction was approved unanimously by those in attendance at the Debtors' Board meeting on January 14, 2026.

CONCLUSION

20. For the reasons set forth herein, I believe that approval of the Settlement and the SOTP Transaction is in the best interests of the Debtors and their estates, and that the Debtors' approval of the Settlement and SOTP Transaction reflects a sound exercise of the Debtors' business judgment.

[*Remainder of page intentionally left blank.*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: January 26, 2025

/s/ *Jonathan Goulding*
Name: Jonathan Goulding
Title: Chief Restructuring Officer

EXHIBIT A

Professional Eyes Only

EXHIBIT B

Professional Eyes Only

EXHIBIT C

Professional Eyes Only

EXHIBIT D

Professional Eyes Only

EXHIBIT E

Professional Eyes Only

EXHIBIT F

Professional Eyes Only

EXHIBIT G

Professional Eyes Only

EXHIBIT H

Professional Eyes Only