IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
EXPRESS, INC., *et al.*,[1]	)	Case No. 24-10831 (KBO)
Debtors.	)	(Joint Administration Requested)

DECLARATION OF STEWART GLENDINNING, CHIEF EXECUTIVE OFFICER OF EXPRESS, INC., IN SUPPORT OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Stewart Glendinning, hereby declare under penalty of perjury:

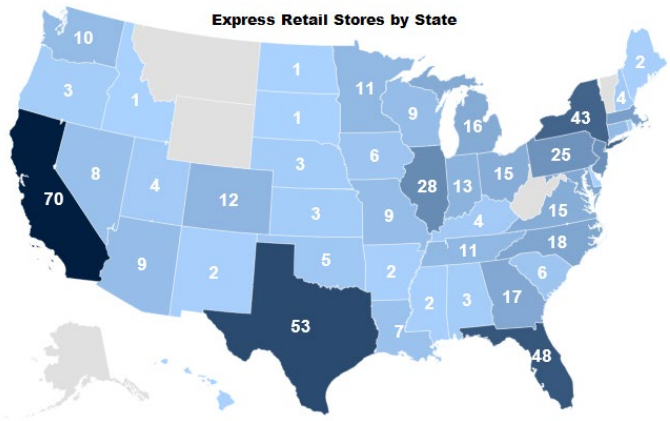
1. I am the Chief Executive Officer at Express, Inc. ("Express" or the "Company"). I have over 20 years of experience within the consumer products industry and have served in my current position since September 2023. I hold a Juris Doctor degree from the University of Miami School of Law and bachelor's degree in business administration and accounting from the college of William & Mary. Before joining Express, I served as Group President and Chief Financial Officer at Tyson Foods, Inc. from 2017 to 2023, where I managed national brands such as Jimmy Dean and Hillshire Farm. Before joining Tyson Foods, Inc., I served as President, Chief Executive Officer, and Chief Financial Officer at Molson Coors International and several of its affiliates from 2005 to 2017. I am familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records.

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification numbers, are Express, Inc. (8128), Express Topco LLC (8079); Express Holding, LLC (8454); Express Finance Corp. (7713); Express, LLC (0160); Express Fashion Investments, LLC (7622); Express Fashion Logistics, LLC (0481); Express Fashion Operations, LLC (3400); Express GC, LLC (6092); Express BNBS Fashion, LLC (3861); UW, LLC (8688); and Express Fashion Digital Services Costa Rica, S.R.L. (7382). The location of Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is One Express Drive, Columbus, Ohio 43230.

2. Express commences these chapter 11 cases with a line of sight to successfully reorganize, preserve thousands of jobs, and rationalize its store footprint through strategic store closures. To facilitate a going-concern sale, Express has secured a letter of intent from a joint venture comprised of its significant shareholder and majority IP owner, WHP Global ("WHP Global"), and key landlords, Simon Property Group, L.P. ("Simon") and BPR Acquisitions LLC ("Brookfield"), together with $35 million of debtor-in-possession financing from its existing lenders. But achieving a going-concern transaction will be contingent on speed. The Debtors must move quickly and capitalize on the support to date to finalize a transaction in the next 30 days to ensure the viability of the organization for years to come.

3. These past 15 months have been tumultuous for Express, but the iconic fashion brand has continued to adapt and proactively seek solutions in the face of macroeconomic headwinds that confront the Company and the fashion industry. Express has sought to meet its challenges by selling and contributing its IP to a valuable joint venture with WHP Global, acquiring Bonobos, securing additional financing, aggressively pursuing its nearly $50 million tax refund under the CARES Act, and coordinating closely with vendors and landlords. Through these proactive steps, the Company has remained nimble and explored all potentially value-maximizing alternatives in an effort to turn around its business and stave off chapter 11.

4. The entire industry, however, is still recovering from the retail apocalypse and global pandemic that has permanently changed consumer behavior. In response to these broader factors and more specific business challenges for Express and its brand, current leadership formulated a turnaround plan that is designed to



refocus the business with a reduced store footprint and a lease portfolio that is right-sized for the ever-changing retail landscape.

5. The Debtors' commitment to identify a going-concern transaction to save this iconic fashion brand is unwavering. As noted above, during its proactive prepetition marketing process and discussions with numerous financial and strategic investors, Express has taken steps to demonstrate the viability of its go-forward business plan. Company has received a proposal from a joint venture (the "Phoenix JV") owned by WHP Global and affiliates of Express's two most significant landlords, Simon and Brookfield, to purchase a substantial portion of the Company's assets pursuant to the proposed bidding procedures. While managing their challenged liquidity position and associated timing constraints imposed by this limited liquidity runway, the Debtors will engage with the Phoenix JV on the terms attached hereto as Exhibit C to effectuate the potential sale transaction contemplated thereunder while pursuing any and all viable options in accordance with the proposed bidding procedures.

6. The biggest impediment to a going-concern transaction will be time. As a condition to the terms of the $35 million debtor-in-possession financing facility, if the marketing process does not result in a firm deal within 30 days, the Debtors will be forced to pivot to an orderly liquidation process pursuant to the terms of the debtor-in-possession financing agreements. The parties understand these timing restraints and are committed to proceed on an expedited basis.

7. I submit this declaration to provide an overview of the Debtors' business and these chapter 11 cases and First Day Motions (as defined herein) filed by the Debtors. Exhibit A to this declaration includes evidentiary support for the First Day Motions and Exhibit B is a structure chart reflecting an overview of the Debtors' corporate organization. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). To minimize the adverse effects on

their business and facilitate a "smooth landing" in the chapter 11 cases, the Debtors also filed motions seeking certain "first day" relief (the "First Day Motions").

8. Except as otherwise indicated, all facts in this declaration are based upon my personal knowledge, my discussions with the Debtors' management team and advisors, my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, and/or my experience, knowledge, and familiarity with the Debtors' business and operations. I am over the age of 18, and if called upon to testify, I would testify competently to the facts set forth in this declaration.

I. Background - Express Then.

9. Express is a modern, omnichannel apparel and accessories brand. It has been a go-to style destination since it burst into malls and the retail space in 1980, operating more than 600 stores at its peak. From wardrobe essentials to the latest trends, Express designs clothes for real-life versatility and is a brand with a purpose, powered by a styling community.

10. The Express motto, "We Create Confidence. We Inspire Self Expression," is telling of its brand and purpose. The story of Express is a story of adaptation. Express began as a humble experiment. In 1980, the first Express store, then called "Limited Express," opened in Chicago's Water Tower Place mall. From its inception, the Express brand represented the idea that style, quality, and value should all be found in one place. The initial Limited Express store experienced immediate success, and in just one year, the Company expanded from a single store to eight locations. The success of the 'Express experiment' continued growing exponentially. Only five years later, by 1986, Express exploded from eight stores to 250 stores nationwide.



11. By this point, Express had already carved out its place in the women's fashion conversation, but it continued to adapt and grow in new directions. By 1987, Express began to test demand for men's merchandise in sixteen of its stores under a new brand name, "Structure." By the early 90s, the Company footprint soared to 600 stores as an established brand where "*shopping…is really like shopping*" as highlighted in a 1992 New York Times article, "Chain Takes Fashion Tongue-in-Chic."



12. By the early 2000s, Express was a household name and leader in both men's and women's fashion. In 2003, seeking to consolidate Express's men's and women's fashion under the same 'Express' mark, the Company sold the Structure brand to Sears. In May 2010, Express converted to a Delaware corporation, held an initial public offering, and listed its shares on the New York Stock Exchange.

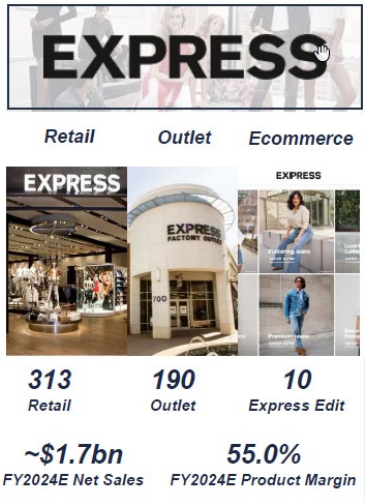


13. In November 2019, Express expanded into the growing market for environmentally mindful apparel by launching UpWest, a lifestyle brand of clothing and accessories that donates a portion of their sales proceeds to charitable causes. UpWest is geared towards health, wellness, and sustainability, incorporating comfortable apparel with contemporary values.

II. Express Today.

A. Express.

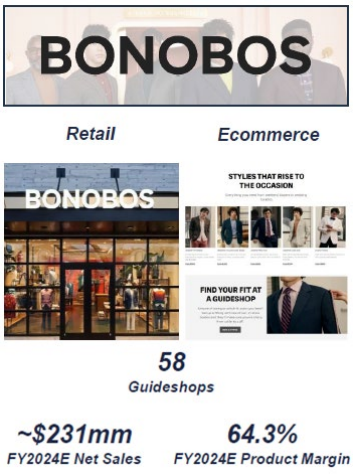
14. Today, Express is an iconic fashion retailer in North America with over 500 stores in the United States, offering comfortable, practical, and professional fashion lines that emphasize confidence and self-expression. With high impact in adolescent and young adult markets, Express attracts customers seeking a high-quality, modern aesthetic at an accessible price point.



15. In addition to its brick-and-mortar retail locations, Express sells products through its e-commerce website, Express.com. Products available through the website consist of clothing inventory available in stores and online.

B. Bonobos.

16. Launched in 2007 by Stanford business students Andy Dunn and Brian Spaly, Bonobos, Inc. ("Bonobos") is an ascendant e-commerce fashion retailer. The founders started with an innovation to men's professional wear, reinventing the design of khakis to incorporate a curved waistband, medium rise, and tailored thigh that better contoured the body and eliminated unpopular aesthetics from the traditional loose-hanging men's pant. Two of the professors that had taught Dunn at Stanford Business School were inspired to join Bonobos as investors and assisted the founders in creating Bonobos.com. Dunn moved from California to New York with the 400 pairs of pants that he packed and shipped out to customers from his Union Square apartment.





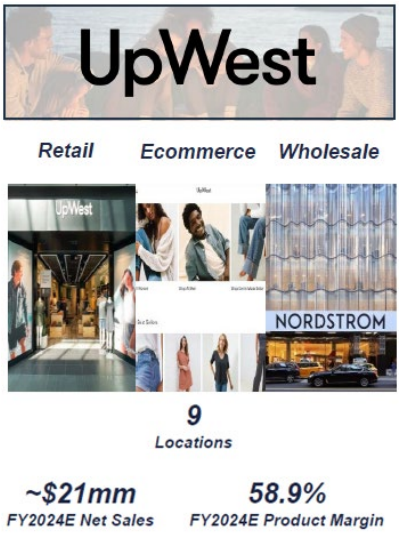
17. Today, Bonobos is renowned for its comfortable and professional men's fashion attire, streamlined fitting process both online—with a five-minute fit quiz—as well as its brick-and-mortar "guide shops" that specialize in tailored measurements.



18. In connection with these chapter 11 cases, the Debtors intend to reduce the number of guide shops to position the Bonobos brand for a better post emergence footprint. Bonobos is a robust component of the Debtors' portfolio that will be further streamlined by resizing its retail presence and energizing its online sales platform.

C. UpWest.

19. Launched in November 2019, UpWest is a direct-to-consumer brand for comfortable apparel and zen lifestyle home goods founded on a commitment to quality and sustainability. In addition to sustainably sourcing its products, UpWest promotes positive impact by encouraging consumers to return unwanted or worn-out apparel to be "UpCycled" into cozy and sustainable dog sweaters, blankets, and mittens for populations in need. Additionally, the UpWest Foundation budgets approximately 1% of annual sales revenue towards charities to support global well-being. To date, UpWest's charitable contributions have provided for community gardens, over 20,000 free showers and hygiene services, and over 37,000 mental health screening services through their charitable partnerships.



20. The Debtors anticipate that UpWest's greatest value to the Debtors' estates will be realized by a spinoff and sale to a third-party purchaser in connection with the chapter 11 process.

To the extent there is no such purchaser, the Debtors expect to use the tools available in chapter 11 to wind down the UpWest banner.

III. The Decline of Brick-and-Mortar Retail.

A. Early Responses to Business Headwinds.

21. In March 2012, Express's stock hit an all-time high of $525 per share. The following years were turbulent, trending downward. By 2017, the stock had fallen to $120 per share, erasing up to $950 million in value.[2] Much of this diminution came as consumer shopping patterns shifted dramatically towards online shopping. Express struggled to keep up with its rivals who had invested heavily in e-commerce. In addition, Express saw gross profits decline from $740 million in fiscal 2012 to less than $615 million in fiscal 2018, and to further decline below $530 million in fiscal 2022. For fiscal 2022, Express reported an operating loss of $67.5 million and negative operating cash flows of $157.1 million.

22. At the time, Express's leadership team made a concerted effort to revitalize its brand. Express doubled down on its retail store marketing efforts to attract new foot traffic and retain its existing consumer base. The Company hoped this would ultimately enhance margins and provide deeper market penetration with household consumers. Unfortunately, this strategy proved unavailing. Traffic, market share, and important customer programs such as loyalty and registry did not sufficiently increase, while marketing costs mounted. Further, the reinvestment in retail stores occurred just as brick-and-mortar retailers across the globe felt the unprecedented disruption caused by the COVID-19 pandemic.

23. The COVID-19 pandemic foisted an already struggling industry into a retail apocalypse. Bottom lines across the industry suffered as the pandemic drastically exacerbated the

[2] Based on 2,329,000 outstanding shares of Common Stock in January 2017.

trend away from in-store shopping. Retailers were forced to cut back operations to prioritize the health and safety of associates and customers. In compliance with local mandates, in March 2020, Express implemented temporary closures of its retail stores across the United States. Along with health and safety concerns, the pandemic also worsened supply chain problems, serving as the driving force behind inflationary pressures that led to higher inventory costs and reductions in consumer discretionary spending.

24. The impact of macroeconomic and industry trends was apparent. Even prior to the devastating effects of the pandemic, multiple storefront retailers experienced distress attributed to the loss of crucial in-store foot traffic, declining in-store sales, the growth of e-commerce giants, and a younger generation of customers who are more inclined to order items on the internet with expedited shipping options that allow for same-day delivery.

B. New Leadership's Transformation Plan.

25. In response, the board of directors (the "Board") and Company leadership have reprioritized towards the historically profit-yielding Bonobos e-commercial presence and substantially reduced costs in Express and UpWest's storefronts. I replaced Tim Baxter as CEO to drive Express forward and close the gap with its e-commerce-adept competitors. I have a proven history of success at streamlining efficient operations while implementing cost savings. I am optimistic that, with these changes and an updated store footprint, Express will be well-equipped to emerge from these chapter 11 cases modernized and streamlined for the next chapter of the Company's story.

26. The Board has been driving the Company to reinvigorate the brand, taking swift actions to realize approximately $80 million in year-over-year cost reductions in 2023. The Company projects to further decrease costs by an additional $40 million in fiscal 2024 through

regular-way expense reductions. Express has engaged, and continues to engage, with its landlords in negotiations to right-size the Company's retail footprint.

27. Express's leadership is confident that, with the tools available only to chapter 11 debtors, Express is well-situated to launch into the next phase of their commercial life cycle. Despite insurmountable headwinds in recent quarters that have forced the Debtors to engage with their lenders and other stakeholders, Express has a history of successful adaptation and a Board with expertise in driving upward change. Over the past several months, Express's advisors have worked closely with supplier and vendor partners to ensure that Express's inventory of customer-favorite items—especially Portofino shirts and denim products—remains strong across both in-store and digital channels to optimize Express's position to effectuate a restructuring transaction.

IV. Exhaustively Explored All Alternatives.

28. Express's growth has been stymied by times of nation- and industry-wide hardship. The COVID-19 pandemic negatively impacted the global economy, disrupted consumer spending, retail foot traffic, and supply chains, and created significant volatility and disruption of financial markets. Recent geopolitical events, including rising tensions in the Middle East and beyond, have further disrupted supply chains and delayed overseas transportation of goods. Express, operating primarily out of brick-and-mortar stores, has been hit hard. Express suffered considerable delays in updating its inventories due to reduced commercial flow and disruptions to supply caused by transportation shortages and port congestion worldwide. Each wave of infection outbreak refreshed consumer inhibitions and decimated Express's foot traffic and sales volumes.

29. Even with the government shutdowns and consumer fears substantially in the rearview mirror, the struggling mall retail economy continued to suffer coming out of the pandemic. The Company recognizes that Express—like other peer brick-and-mortar retailers—

must fundamentally adapt to remain competitive in a redefined industry. As challenges continued throughout 2023, the Company launched a multi-pronged attack and pursued several viable alternatives to free up liquidity and generate runway for the Board to realize on its transformative vision for the Company.

30. Accordingly, in January 2023, Express entered into a new strategic partnership with WHP Global, a leading global brand management firm, leveraging Express's valuable intellectual property to advance the Express omnichannel platform, which signified the first great leap in its attempt to reinvigorate its brand and to drive greater scale and profitability of the Express platform, including into additional brands. In January 2023, in connection with the closing of the new strategic partnership transaction with WHP Global, Express received gross proceeds of approximately $260 million consisting of (1) approximately $25 million in aggregate proceeds from the issuance and sale of 5.4 million shares of common stock (representing approximately 7.4% of Express' outstanding common stock, on a pro forma basis) to an affiliate of WHP Global in a private placement, and (2) approximately $235 million from the sale of a 60% ownership interest in an intellectual property joint venture, EXP Topco, LLC, pursuant to which Express contributed certain of its intellectual property assets. The intellectual property joint venture at the time was valued at approximately $400 million and allowed the Company to develop its domestic U.S. licensing capability in non-core categories and expand its brand internationally.

31. The proceeds from the new strategic partnership with WHP Global allowed Express to pay down its then term loan and a portion of its revolving credit facility and remain focused on other available initiatives to further enhance its brand. Shortly thereafter in April 2023, Express made another significant strategic move and, together with WHP Global, entered into a definitive agreement with Walmart Inc. to acquire Bonobos, a menswear brand known for exceptional fit and an innovative online retail model that leverages physical tailoring "guide shops" seamlessly

with virtual shopping. Under the terms of the transaction, which had been arranged as part of the WHP Global strategic partnership, Express agreed to purchase Bonobos' operating assets, and assume certain related liabilities of the Bonobos business, for a purchase price of $25 million, subject to a customary working capital adjustment, and WHP Global agreed to purchase certain intellectual property related to the Bonobos brand for a purchase price of $50 million. The Bonobos acquisition was completed in May 2023.

32. Despite these transactions, industry headwinds roared on, and the Company's in-store sales continued to decline—with net sales through Q3 of fiscal 2023 falling by almost $80 million dollars year over year despite the addition of approximately $93 million in Bonobos sales during the same period. To bolster liquidity going into a critical holiday season despite the ongoing industry headwinds, in September 2023, the Company entered into an asset-based term loan agreement with ReStore Capital, LLC ("ReStore"), as both agent and lender, including First Eagle Alternative Credit, LLC ("First Eagle") and 1903 Partners, LLC ("Gordon Brothers") as the other participating lenders following assignments from ReStore to each of First Eagle and Gordon Brothers. This provided the Company with a $65 million "first-in, last-out" term loan.

33. Even with the strategic liquidity-enhancing solutions the Company pursued over the past several years in response to the distress brought about by the pandemic and the prevailing headwinds facing the retail industry, Express is simply unable to continue operating with its current store footprint under the strain of challenged vendor relationships and funded debt obligations. The tools available to a debtor in chapter 11 are precisely what Express needs to right-size its footprint and effectuate a value-maximizing transaction, thus necessitating the filing of these chapter 11 cases. Express intends to narrow its less profitable physical store locations and refocus the role of its physical stores to be complementary to the online shopping experience.

34. To facilitate this process, Express secured $35 million of debtor-in-possession financing, consisting of a $10 million first lien revolver and a $25 million new-money second lien term loan. Additionally, contemporaneously with the filing of these chapter 11 cases, Express has commenced a process to close certain of its locations as it works to right-size its store footprint. Express believes this roadmap to the next phase of their business's evolution will best maximize value for all stakeholders.

A. Credit Agreements and Loans.

35. On May 20, 2015, the Debtors entered into a second amended and restated asset-based loan credit agreement, as amended on May 24, 2019, January 13, 2021, November 23, 2022, January 25, 2023 and September 5, 2023 (the "Prepetition ABL Facility") with Wells Fargo Bank, National Association ("Wells Fargo"), Bank of America, N.A. ("Bank of America"), U.S. Bank National Association ("US Bank"), and Fifth Third Bank, National Association ("Fifth Third" and with Wells Fargo, Bank of America, and US Bank, the "ABL Lenders"), and with Wells Fargo as the administrative and collateral agent (the "ABL Agent"), and Bank of America as documentation agent, pursuant to which revolving loans up to $290 million may be borrowed, repaid, and reborrowed until the maturity date of November 26, 2027.

36. On September 5, 2023, the Debtors entered into a second-priority asset-based term loan agreement on a first-in, last-out basis (the "Prepetition FILO Term Loan Facility") with ReStore, First Eagle, and Gordon Brothers as lenders (collectively, the "FILO Lenders"), and ReStore as administrative agent and collateral agent (the "FILO Agent"). The Prepetition FILO Term Loan Facility provided the Debtors an additional $65 million in available liquidity maturing on the earlier of (a) November 26, 2027, or (b) the termination of commitments under the Prepetition ABL Facility. The Prepetition FILO Term Loan Facility requires the Debtors to meet certain financial covenants, including minimum excess availability.

37. On March 14, 2024, the FILO Agent informed the Debtors that a cash reserve requirement under the Prepetition FILO Term Loan Facility had been triggered, requiring the Debtors to post $20 million in reserve for the benefit of the FILO Lenders. On April 14, 2024, the FILO Agent further implemented an additional $15 million reserve under the Prepetition FILO Term Loan Facility.

38. On March 28, 2024, the ABL Agent notified the Debtors that, as a result of insufficient liquidity to meet the necessary availability requirements under the Prepetition ABL Facility, a cash dominion period (the "Cash Dominion Period") had occurred and related measures would be implemented. The Company closely coordinated with the ABL Lenders in discussions regarding this notice.

39. Subordinate to the Prepetition ABL Facility and Prepetition FILO Term Loan Facility (together, the "Prepetition Credit Facilities"), the Debtors also have obligations pursuant to an amended and restated sourcing agreement (the "Sourcing Agreement") with MGF Sourcing US, LLC ("MGF Sourcing"). Pursuant to the Sourcing Agreement, MGF Sourcing sold goods and inventory to the Debtors. In exchange, MGF Sourcing received a subordinated lien on certain goods and inventory with payment secured by a $15 million letter of credit issued by Wells Fargo for the benefit of MGF Sourcing. Pursuant to an amended and restated subordination and intercreditor agreement (the "MGF Subordination Agreement") among the Debtors, MGF Sourcing, the ABL Agent, and the FILO Agent, MGF Sourcing agreed not to initiate any enforcement action until the ABL Lenders and the FILO Lenders have been paid in full, and granted the ABL Lenders and the FILO Lenders discretion to allocate cash collateral or debtor-in-possession financing to pay prepetition claims junior to any of MGF Sourcing's claims.

40. From time to time, the Debtors entered into various trade letters of credit ("Trade LCs") in favor of certain vendors to secure merchandise. These Trade LCs were issued

for a defined period of time, for specific shipments, and generally expired three weeks after the merchandise shipment date. As of the Petition Date, there were no outstanding Trade LCs. Additionally, the Company entered into stand-by letters of credit ("Stand-by LCs") on an as-needed basis to secure payment obligations for insurance, third-party logistic services, merchandise purchases, and other general and administrative expenses. As of the Petition Date, there is $20.1 million outstanding under the Stand-by LCs, the vast majority of which secure the Company's insurance obligations.

B. Strategic Partnership with WHP Global.

41. In January 2023, Express closed a strategic partnership transaction with WHP Global to better position Express to scale its brand through new category licensing and international expansion opportunities and to provide Express additional liquidity to fund operations, including to position the Express platform to operate additional brands. WHP Global is a leading global brand management firm with expertise in advancing omnichannel platforms. As part of the strategic partnership, the Company formed a subsidiary, EXP Topco, LLC, to which it contributed certain of its intellectual property assets, including the Express trademark. At the time of the transaction, such assets were valued at $400 million. WHP Global purchased a 60% ownership interest in EXP Topco, LLC while Express, through its subsidiaries Express, LLC and Express Fashion Investments, LLC, retained a 40% ownership interest in EXP Topco, LLC. In connection with the transaction, EXP Topco, LLC licensed back to Express the intellectual property contributed to EXP Topco, LLC, pursuant to an intellectual property license agreement dated as of January 25, 2023 (the "License Agreement"). Pursuant to the License Agreement, Express is obligated to pay royalties to EXP Topco, LLC, including guaranteed minimum royalties in each contract year during the term of the License Agreement. The guaranteed minimum royalty payable for 2024, the second contract year, is $61 million.

42. As consideration for the 60% controlling stake in EXP Topco, LLC, WHP Global paid $235 million to Express, and executed a PIPE transaction to purchase 5.4 million shares of Express common stock at a purchase price of $4.60 per share, resulting in a $25 million cash infusion. Beyond the equity contribution and the royalty payments realized through Express's retained 40% ownership interest in EXP Topco, LLC, the partnership was designed to accelerate the Express brand globally and domestically.

C. Negotiations with Landlords.

43. Express leases all of its stores and offices, including its headquarters in Columbus, Ohio, its design office in New York, and its distribution center in Kentucky. The aggregate annual occupancy cost of Express's current locations is approximately $302 million. Prior to the Petition Date, the Company and its major landlords engaged in productive negotiations regarding potential rent deferrals, concessions, and other relief, but have not yet reached a resolution. As of the Petition Date, these negotiations have enabled the Company to defer approximately $40.6 million in rent obligations at approximately 433 locations, which has provided the Company access to much-needed liquidity to continue operations and navigate the traditional softness in the business in the first quarter following the holiday push, which is generally common among retailers.

44. As economic headwinds mounted, the Company has maintained ongoing discussions with its landlords and, with the assistance of its advisors, has been evaluating the right-sizing of its retail footprint. Accordingly, and in connection with these chapter 11 cases, the Company intends to close a considerable subset of its retail stores and, upon completion of applicable store closing sales, reject the corresponding leases. The Debtors are committed to continuing the constructive cooperation with their landlords to reach a mutually agreeable resolution and proceed through these chapter 11 cases with the landlords' support.

D. Supply Chain and Vendor Relationships.

45. The Company's supply chain and vendor relationships are some of the most important components of its business. The Company maintains an integrated supply chain aimed at ensuring the uninterrupted flow of new fashion merchandise to its brick-and-mortar locations and to the Company's distribution centers. In order to adapt to the changing demands and preferences of customers and to stay ahead of trends within the fashion market, Express cooperates closely with various vendors, designers, and logistics providers to ensure merchandise is high quality and delivered on time. In the month leading up to the Petition Date, the Company worked with key vendors to ensure its business was supported and received the inventory necessary to remain as a viable going-concern while negotiating payment plans and deferring other payments as necessary to address softness in performance and mounting liquidity needs.

E. The CARES Act Refund.

46. The CARES Act, enacted on March 27, 2020, includes several provisions that impact the Company, including (a) the establishment of a five-year carryback of net operating losses originating in the tax years 2018, 2019 and 2020, (b) temporarily suspending the 80% limitation on the use of net operating losses, (c) relaxing limitation rules on business interest deductions, and (d) retroactively clarifying that businesses may immediately write-off certain qualified leasehold improvement property dating back to January 1, 2018. The Company carried back certain of its U.S. federal net operating losses to offset taxable income in the five-year carryback period as part of the CARES Act. On April 15, 2024, the Company received the CARES Act refund in the amount of approximately $49 million. Pursuant to the Prepetition ABL Facility, the Company was required to remit the funds to the ABL Lenders within one business day of receipt. The Company engaged the ABL Lenders in an effort to retain a subset of the funds, but ultimately were required to pay the full balance of the refund to the ABL Lenders.

F. The Reverse Stock Split.

47. On August 14, 2023, the Board approved the implementation of a 1-for-20 reverse stock split of the Company's common stock, par value $0.01 per share ("Common Stock"), and a corresponding proportional reduction in the number of authorized shares of Common Stock. The reverse stock split was effected after market close on August 30, 2023, and shares of the Common Stock began trading on a split-adjusted basis as of market open on August 31, 2023. This reduction in outstanding shares caused by the reverse stock split had the effect of increasing the per share trading price of the Common Stock and brought Express back into compliance with the listing standards of the New York Stock Exchange (the "NYSE"), which requires a listed company to maintain an average closing share price of at least $1.00 over a period of thirty consecutive trading days. However, on March 6, 2024, the Common Stock was nonetheless delisted from the NYSE as a result of the Company failing to maintain an average global market capitalization of at least $15 million over a period of thirty consecutive trading days.

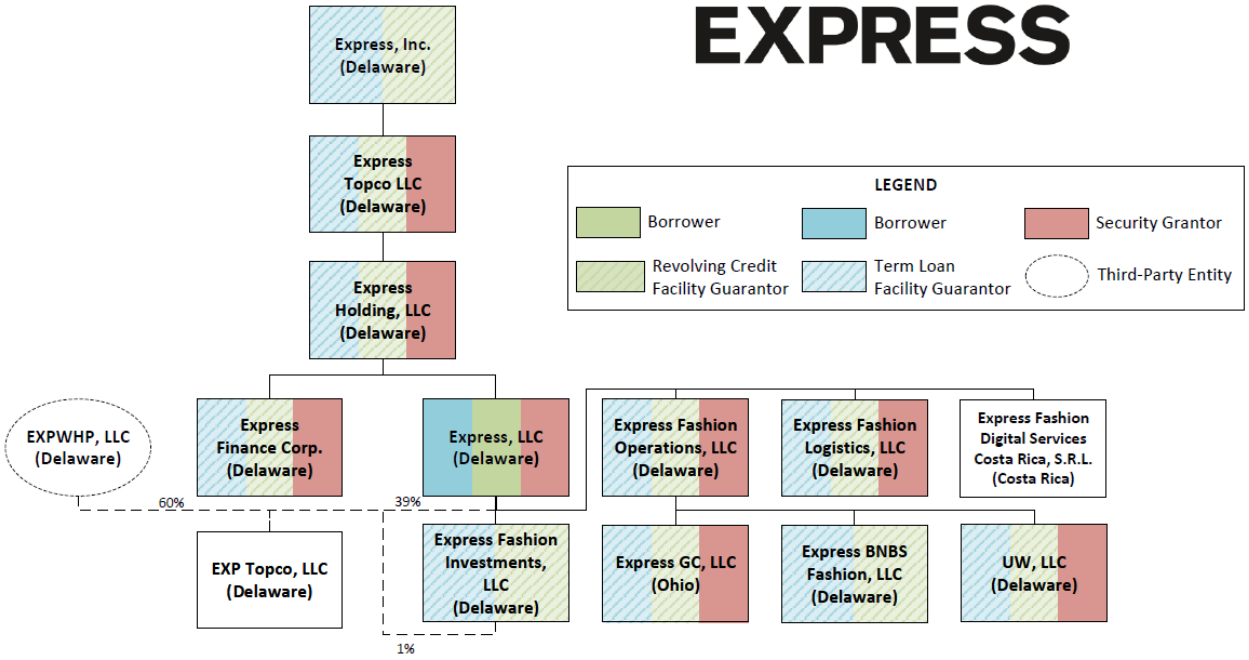


V. Debtors' Prepetition Corporate and Capital Structure.

A. The Debtors' Corporate Structure.

48. As set forth on the structure chart attached as **Exhibit B**, Express has eleven direct and indirect wholly-owned subsidiary entities, all of which are Debtors in these chapter 11 cases, and an indirect 40% ownership interest in the joint-venture non-debtor entity EXP Topco, LLC.

49. The Debtors' corporate organizational structure is reflected, in simplified form, in the following chart:



50. The Debtors have approximately $188.9 million in total funded debt obligations. This consists of approximately (a) $105.7 million in aggregate principal amount outstanding under the Prepetition ABL Facility, (b) $63.1 million in aggregate principal amount outstanding under the Prepetition FILO Term Loan Facility:

($ in millions)	**Maturity**	**Principal**
Secured Debt Facilities		
Prepetition ABL Facility	November 26, 2027	$105.7 million
Prepetition FILO Term Loan Facility	November 26, 2027	$63.1 million
Letters of Credit		$20.1 million
Total Funded Debt		**$188.9 million**

1. The Prepetition ABL Facility and the Prepetition FILO Term Loan Facility.

51. Express, LLC, as borrower, and certain of its parent companies and subsidiaries, as guarantors, are parties to (a) the Prepetition ABL Facility, alongside the ABL Lenders and the ABL Agent, which provides for aggregate revolving commitments up to $290 million of which

$105.7 million was drawn and outstanding as of the Petition Date, and (b) the Prepetition FILO Term Loan Facility, alongside the FILO Lenders and the FILO Agent, which provides for "first-in, last-out" term loans of $65 million of which $63.1 million was outstanding as of the Petition Date. The Prepetition Credit Facilities both mature on November 26, 2027, or upon the termination of certain commitments.

52. The Prepetition Credit Facilities are secured on a first and second priority basis, respectively, and subject to customary exceptions, on substantially all of the Company's assets. Amounts available to be drawn under the Prepetition ABL Facility (including, in part, in the form of the issuance of letters of credit) are equal to the lesser of (a) outstanding revolving commitments under the Prepetition Credit Agreement and (b) a borrowing base.

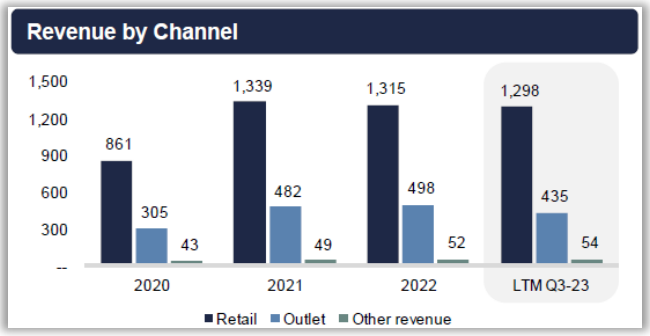
2. Express Equity.

53. As of the Petition Date, Express has 10,000 shares of preferred stock authorized but no shares of preferred stock are issued and outstanding. As of the Petition Date, Express has 25,000,000 shares of Common Stock authorized, of which 3,746,725 shares of Common Stock are outstanding. Shares of the Common Stock previously traded on New York Stock Exchange under the symbol "EXPR."

54. As previously mentioned, on March 6, 2024, the Common Stock was delisted from the NYSE as a result of the Company failing to maintain an average global market capitalization of at least $15 million over a period of thirty consecutive trading days. The transition to the over-the-counter market did not affect the Company's business operations or impact its U.S. Securities and Exchange Commission reporting obligations, and it did not trigger an event of default under any of the Prepetition Credit Facilities. Shares of Common Stock have since traded on the OTC Pink Open Market.

VI. Events Leading to Chapter 11 and Restructuring Actions.

55. A confluence of factors contributed to the need to commence these chapter 11 cases, of which the decrease in mall traffic is the most significant. Many Express storefronts are located in malls. As its neighbors have shuttered their stores, the number of customers walking past Express has declined. This has led to a decrease in sales through what has traditionally been Express's predominant retail channel—its brick-and-mortar stores. Despite Express's adaptation towards online sales, it remains saddled with excessive floor space from leases that originated prior to the pandemic. Over time, Express's liquidity has become strained and its longstanding and supportive vendor relationships have been tested—by and large, Express has maintained positive vendor relationships notwithstanding such tests. Even with continued vendor and landlord support, Express's cash flows dwindled, and the Company could not access sufficient incremental liquidity under its Prepetition Credit Facilities.



56. Given its substantial brick-and-mortar presence in the United States, and the expenses associated therewith, Express's business has been heavily dependent on physical consumer traffic, and resulting in-store sales, to meet sales and profitability targets. Additionally, Express's supply chain was disrupted by the shipping delays that resulted from rising geopolitical tensions in main shipping channels, resulting in items at sea for an extended period. Such delays have been costly given the fast pace of trends in the fashion market. At the same time, widespread inflationary pressures over the last 18 months continued to drive up inventory costs all while consumer discretionary spending was at a low. The capital markets tightened as the Federal Reserve raised interest rates eleven times since March 2022. This confluence of economic factors,

and others plaguing the retail industry as a whole, contributed to the Company falling short of its sales targets and depressed profitability, which was only exacerbated by its oversized retail footprint.

A. Marketing and Lender Engagement.

(i) Prepetition Marketing Efforts.

57. Beginning in March 2024, Moelis & Company LLC ("Moelis") commenced a process to solicit interest in a sale transaction that could be effectuated through a chapter 11 filing. In parallel, Moelis solicited interest from the market for prospective debtor-in-possession financing parties. Moelis initially reached out to a group of potential financial and strategic investors who are experienced in investing in the retail sector, operational turnarounds, and/or distressed situations and held meetings with certain of those investors in late March and April 2024. This initial group was comprised of approximately 28 investors, 15 of which had executed nondisclosure agreements ("NDAs") by the week of April 7, 2024. Several of the parties could have potentially been acquirors of some or all of the Company's businesses, as well as providers of postpetition financing to fund a going-concern chapter 11 process. In parallel, the Debtors engaged with the ABL Lenders, the ABL Agent, and WHP Global on the terms of a revolving credit DIP financing.

58. The Debtors are committed to achieving the highest or otherwise best bid for some or all of the Debtors' assets by marketing their assets pursuant to the bidding procedures for which the Debtors are seeking approval, and, if necessary, conducting an auction for any of their assets.

(ii) The Phoenix LOI.

59. The Debtors remain laser-focused on identifying and working expeditiously with interested parties to reach agreement on terms of a viable going-concern transaction that saves this iconic fashion brand and otherwise maximizes value for all stakeholders.

60. To that end, Express has received a stalking horse bid proposal to purchase a substantial portion of the Company's assets pursuant to the proposed bidding procedures. As evidenced in the Phoenix JV's non-binding letter of intent (the "Phoenix LOI") attached hereto as Exhibit C, the Company reached the first major step to doing just that. The sale transaction contemplated in the Phoenix LOI provides for the Phoenix JV to: (a) acquire (i) certain retail store and distribution center leases; (ii) all inventory, merchandise and all furnishings, fixtures, equipment, other tangible personalty and/or improvements to real property associated with 100% of the acquired leases; (iii) the Express, Bonobos, and UpWest e-commerce businesses and domain names, other domains, websites, social media accounts, and other Internet properties and digital assets that use or incorporate the Express, Bonobos, and UpWest-formative trademarks, (iv) the 40% interest of the Debtors in their intellectual property joint venture with WHP Global, and (v) other assets to be determined; and (b) assume (i) the leases on a minimum of 280 stores, (ii) employee-related obligations related to substantially all of the current store-level workforce employed at acquired locations and a significant number of the corporate-level employees, (iii) customer loyalty programs outstanding as of closing of any transaction contemplated under the Phoenix LOI, (iv) certain assets and liabilities of the Company and Bonobos with respect to customer financing arrangements, (v) all claims of the Company and Bonobos associated with the payment card interchange fee settlement, and (vi) certain overhead, logistics, technology and other services and infrastructure-related assets and liabilities to be identified by the Phoenix JV, for aggregate cash consideration in the amount of $10 million plus 100% of the net orderly liquidation value of the acquired merchandise, in addition to the assumption of the applicable liabilities. The Phoenix LOI contemplates partnership with certain of the Debtors' key landlords, including Simon and Brookfield.

(iii) DIP Financing.

61. By the DIP Motion filed contemporaneously herewith, the Debtors seek authority to enter into the DIP Facilities (as defined in the DIP Motion). The Debtors require immediate access to additional liquidity to ensure that they can continue operating during these chapter 11 cases and can maximize the value of their estates for the benefit of all parties in interest.

62. As described herein, the Debtors faced severe profitability and inflationary strain arising from market forces crippling the brick-and-mortar retail industry. The Debtors' burgeoning liquidity crisis soon gave rise to lender and vendor concerns that increased the economic pressures on the Debtors even further. The Debtors started coordinating with landlords on arrangements regarding rent deferrals ahead of looming payments, but the landlords subsequently provided notices of default to reserve any and all rights with respect to the underlying leases and the Debtors' nonpayments related thereto. The Debtors' outstanding accounts payable also continued to climb, which led to vendors threatening to terminate inventory supplies. The Debtors' FILO Lenders imposed $20 million of additional borrowing base reserves, which in turn tightened the Debtors' liquidity position. Facing an insurmountable liquidity crisis, the Debtors, with the assistance of their advisors, determined that they required incremental and immediate liquidity to address their postpetition financing needs.

63. While the Debtors approached numerous potential providers of debtor-in-possession financing, no viable third-party postpetition financing sources were actionable. In the absence of workable third-party financing proposals, and in light of the requirement under the Prepetition Credit Facilities to secure the support of ABL Lenders for any postpetition financing, the Debtors pushed the Prepetition ABL Lenders and Prepetition Term Loan Lenders to reach consensus on a combined proposal (together, in such capacity, the "DIP Lenders"). Following round-the-clock, hard-fought negotiations, the Debtors and the DIP Lenders agreed upon the terms

of a senior secured postpetition financing facility on a superpriority basis (the "DIP Facilities"), which provide for (a) up to $35 million of available debtor-in-possession financing, consisting of $10 million of new availability under a first lien revolver and a $25 million new-money second lien term loan, and (b) a roll-up of obligations under the Prepetition Credit Facilities in the amount of $202 million.

64. As described in the Kamlani Declaration, the Debtors require immediate access to additional liquidity to ensure that they are able to continue to operate during these chapter 11 cases and maximize the value of their estates for the benefit of all parties in interest. Specifically, based on the Debtors' forecast, the Debtors anticipate that they will be unable to generate sufficient levels of operating cash flow in the ordinary course of business to cover the projected restructuring costs of these chapter 11 cases without access to the postpetition financing provided by the DIP Facilities. Critically, the liquidity provided by the DIP Facilities is necessary to provide the Debtors' customers, vendors, and employees with comfort that the Debtors will continue to operate in the ordinary course of business during these chapter 11 cases. Moreover, the DIP Facilities provide for several reserves, which will be used to fund costs associated with (a) allowed undisputed and unpaid administrative expense claims, (b) the restructuring of the Debtors' businesses, and (c) obligations arising under the Worker Adjustment and Retraining Notification Act and state law equivalents. Absent the creation of such funds, the Debtors' pathway to a successful emergence from the chapter 11 cases would be uncertain.

(iv) Supply Chain Pressures Mounting.

65. To bridge liquidity shortfalls and maintain the fresh flow of inventory in their stores, the Company has negotiated payment deferral agreements with certain of its vendors. The Company had anticipated satisfying its deferred payment obligations using liquidity from the income tax refund under the CARES Act. However, because of the timing of disbursement of the

CARES Act refund, the Debtors were obligated to remit the balance to the ABL Lenders within one business day of receipt. Despite receipt of the CARES Act refund and the immediate paydown of the Prepetition ABL Facility, the Debtors' business continued to face insurmountable hurdles on account of pressure caused by increasingly stretched trade payables. Pressure mounted as weeks passed and the Company continued to receive shipments of inventory on credit.

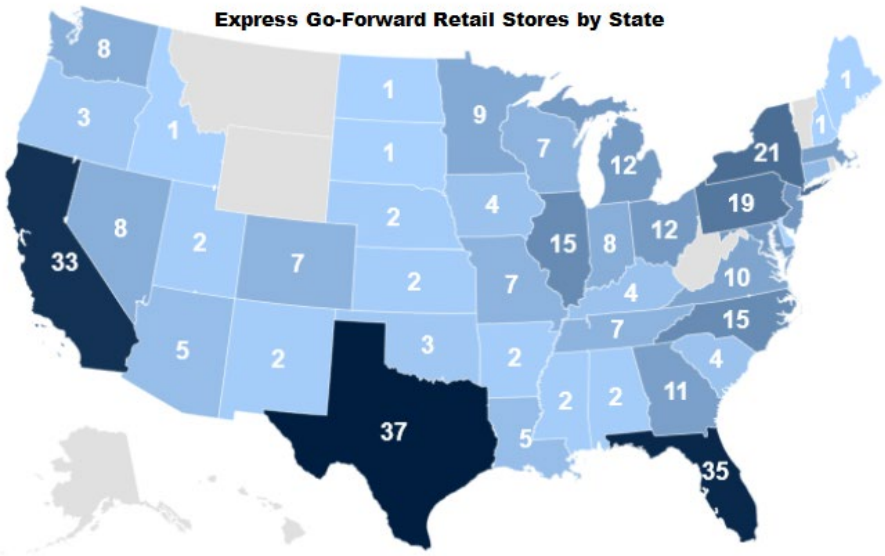
66. Additionally, as the Company's liquidity tightened, certain supply chain vendors have begun to place pressure on the supply chain cost structure. Some of the Company's inventory is currently located in foreign ports, and several foreign vendors have signaled that they are unwilling to ship the product absent payment in full prior to delivery. This, in turn, reduces the Company's ability to generate revenue from sales, creating a negative feedback loop further decreasing liquidity. Any disruption to the supply chain poses a threat to the Company, as without the flow of fresh inventory, the Company's retail business will effectively starve. The flow of fresh inventory is the lifeblood of retail sales, and ensuring the uninterrupted flow of new fashion merchandise to the Company's customers is of the utmost importance.

(v) Right-Sizing the Go-Forward Operations.

67. The Debtors' management team and advisors, including A&G Realty Partners, LLC, undertook a store-by-store analysis of the financial performance of each store location. The analysis demonstrated that the Company should reduce its brick-and-mortar store footprint by closing its least profitable stores (the "Closing Stores") to create a simplified and substantially more profitable store base. Contemporaneous with the commencement of these chapter 11 cases, the Company has initiated store closures to reach an optimized lease portfolio that properly right-size its store footprint. As described in the Store Closing Motion (as defined in Exhibit A at Section XIII), the Debtors have initiated the process to close approximately 106 underperforming stores and will consider including any additional Closing Stores as the Debtors

work to reach an optimal level of stores that best serve its customers. The Company continues to partner with its ordinary-course consultant, Hilco Global, to help effectively exit stores, including on a postpetition basis pursuant to the Store Closing Motion.

68. Absent the burden of operating the Closing Stores, the remaining business will adapt into a streamlined and profitable go-forward operation. The Company's revenue will have room to expand through the development of the online portions of the Express platform, while at the same time, operating costs will decrease as a result of maintaining fewer stores. The Company will realize savings from the reduced costs of rents and maintaining inventory in low-traffic stores, which the Company can then use to capitalize on its growing online presence and distribution centers.



69. As part of the Company's efforts to right-size its retail footprint, the Debtors expect to incur costs associated with issuing notices under the federal Worker Adjustment and Retraining Notification Act and state law equivalents (collectively, the "WARN Liabilities"). The Debtors have negotiated with their DIP lenders to make funds available sufficient to pay the expected costs associated with providing notice or paying amounts related to the WARN Liabilities.

B. Heightened Corporate Governance.

70. In connection with consideration of strategic restructuring alternatives and in consultation with its advisors, the Debtors conducted a review of its existing corporate governance infrastructure. Express and its advisors determined that it was in the best interest of the Company

and its stakeholders to appoint an independent and disinterested director—William Transier—as disinterested director to Express, Inc. (the "Disinterested Director"). The Board appointed the Disinterested Director and vested him with the authority to, among other things: (a) review and act upon any matters pertaining to the restructuring in which a conflict exists between the Company and its shareholders, creditors, affiliates, or the Company's directors and officers (the "Conflict Matters"); (b) investigate and determine whether any matter arising in the restructuring constitutes a Conflict Matter; and (c) conduct all investigations and analyses related to the Conflict Matters.

71. Further, on April 19, 2024, Yehuda Shmidman resigned from his position as a director of Express, Inc. Mr. Shmidman remains in his position as the chief executive officer of WHP Global.

VII. Evidentiary Basis for Relief Requested in the First Day Motions.

72. Contemporaneously with the filing of this Declaration, the Debtors have filed a number of First Day Motions seeking relief to minimize the adverse effects of the commencement of these chapter 11 cases on their business and to ensure that their reorganization strategy can be implemented with limited disruptions to operations.

73. Approval of the relief requested in the First Day Motions is critical to the Debtors' ability to continue operating their business with minimal disruption and thereby preserving value for the Debtors' estates and various stakeholders. I have reviewed each of the First Day Motions and I believe that the relief sought therein is necessary to permit an effective transition into chapter 11. I believe that the Debtors' estates would suffer immediate and irreparable harm absent the ability to make certain essential payments, and otherwise continue their business operations as sought in the First Day Motions. A list of the First Day Motions is set forth on **Exhibit A** attached hereto.

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

Dated: April 22, 2024

By: */s/ Stewart Glendinning*
Name: Stewart Glendinning
Title: Chief Executive Officer
Express, Inc.

Exhibit A

Evidentiary Support for First Day Motions[1]

[1] Capitalized terms used but not defined herein have the meanings ascribed to them in the applicable First Day Motion.

Evidentiary Support for First Day Motions[2]

I. Motion of Debtors Seeking Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Prepetition Claims of (A) Certain Critical Vendors, (B) Certain Foreign Vendors, (C) Certain Lien Claimants, (D) 503(b)(9) Claimants, and (E) PACA Claimants, (II) Confirming Administrative Expense Priority of Critical Outstanding Orders, and (III) Granting Related Relief (the "Critical Vendors Motion").

1. In the ordinary course of business, the Debtors engage a number of third-party vendors (the "Critical Vendors"), foreign vendors and suppliers (collectively, the "Foreign Vendors"), warehousemen (collectively, the "Warehousemen"), and various freight vendors, ocean carriers, truckers, common or contract carriers, customs brokers, and other shipping services providers (the "Shippers," and together with the Warehousemen, the "Lien Claimants") for the receipt, distribution, and delivery of the inventory and merchandise ("Merchandise") that the Debtors sell in their stores and on their e-commerce sales platforms, as well as the infrastructure that supports the operation of their stores and e-commerce sales platforms. Further, certain of these vendors provide services that are necessary and critical to enhance estate value. Those vendors willing to provide the Debtors with goods and services on reasonable trade terms create considerable liquidity for the Debtors' business and maintaining these trade terms is critical to the efficient administration of these Chapter 11 Cases. Without strong vendor relationships, the Debtors' ability to maximize the value of their estates would be severely impacted.

2. ***Critical Vendor Claims.*** The Debtors rely on a number of third-party vendors to provide them with goods and services used in the operation of their business. Certain vendors of goods and services that the Debtors and their advisors have identified as critical to the Debtors' business provide, among other things, brand creative services, information technology services,

[2] To the extent there is any conflict or inconsistency between the relief described herein and the relief requested in the applicable First Day Motion, the relief requested in the applicable First Day Motion shall govern.

e-commerce services, repair and maintenance services, store construction services, and store security services.

3. The Debtors rely on the goods and services provided by the Critical Vendors to continue to sell their products to customers efficiently. The loss of the goods and services provided by the Critical Vendors could result in the Debtors' inability to produce and provide their products to customers, which would immediately and irreparably harm the Debtors' business and significantly impair their going-concern viability. Such harm would likely far outweigh the cost of payment of the prepetition claims accrued in the ordinary course of business held by certain Critical Vendors (collectively, the "Critical Vendor Claims").

4. As of the Petition Date, the Debtors estimate that there is approximately $4,648,509 in aggregate amount of Critical Vendor Claims that are due and owing as of the Petition Date or will become due and owing on an interim basis pending entry of the final order granting relief sought in the Critical Vendors Motion.

5. ***Foreign Vendor Claims.*** As a multinational company, the Debtors' supply chain includes Foreign Vendors that provide a significant number of materials utilized by the Debtors. These materials are sourced for their effectiveness and adherence to the Debtors' and their customers' standards. The Debtors' Foreign Vendors provide, among other things, brand creative services, customer relationship management services, design services, e-commerce services, fabric services, insurance services, information technology services, landlord services, legal services, marketing services, merchandise, photo editing services, professional services, repair and maintenance services, and supply chain services. As of the Petition Date, the Debtors estimate that there is approximately $84,003,645 in aggregate amounts due and owing as of the Petition Date on account of prepetition goods and services provided by the Debtors' Foreign Vendors

(the "Foreign Vendor Claims"), or that will become due and owing on an interim basis pending entry of the final order granting relief sought in the Critical Vendors Motion.

6. The Debtors believe there is a significant and material risk that the nonpayment of even a single invoice could cause a Foreign Vendor to stop shipping goods and supplies and/or providing services to the Debtors on a timely basis and/or completely sever its business relationship with the Debtors. Suppliers and vendors located in foreign countries and so may be unfamiliar with the chapter 11 process and react skeptically to its debtor protections. Short of severing their relations with the Debtors, nonpayment of certain Foreign Vendor Claims may also cause Foreign Vendors to take other harmful actions, including delaying shipments of goods or refusing to render services. Timely shipment of inventory and maintaining services are critical to the Debtors' business, and the Debtors can ill-afford any delays or interruptions of this nature.

7. ***Lien Claims.*** The Lien Claimants are generally comprised of those vendors whose continued services are deemed critical to moving inventory and merchandise that has already been purchased to the appropriate stores for sale to maximize the value of the Debtors' estates. More specifically, the services of various import shippers, trucking companies, and parcel shipping providers are critical to accessing the Debtors' Merchandise, which is currently in the possession of such parties. Due to the growing prepetition balances owed to the Lien Claimants, the prepetition balances likely need to be paid to ensure uninterrupted service to effectuate the sales contemplated in these Chapter 11 Cases.

8. The Debtors' merchandise, inventory, and other goods are stored at warehouses, including, without limitation, warehouses that are operated by Warehousemen. Additionally, the flow of merchandise, inventory, and other goods from the Debtors' manufacturers to (a) stock the Debtors' domestic brick and mortar stores, and (b) fulfill online orders, depends on the services

provided by the Shippers. As a result, in the ordinary course of business, the Lien Claimants regularly have possession of the Debtors' Merchandise.

9. Under certain nonbankruptcy laws, the Lien Claimants may be able to assert liens on the goods in their possession to secure payment of the charges or expenses incurred in connection with the third-party shipping, storage, and other related charges (collectively, the "Lien Claims"). Accordingly, in the event certain of the Lien Claims remain unpaid, those Lien Claimants are likely to attempt to assert such possessory liens, and may refuse to deliver or release goods in their possession until their claims are satisfied and their liens are redeemed. The Lien Claimants' retention of the Debtors' goods would disrupt the Debtors' supply chain and negatively affect the Debtors' ability to generate revenue and administer these Chapter 11 Cases.

10. The Debtors believe that no Lien Claims are due and owing as of the Petition Date or will become due and owing on an interim basis pending entry of the Final Order. However, out of abundance of caution, the Debtors seek authority to pay any undisputed Lien Claims (if any) as they come due and in the ordinary course of business.

11. ***503(b)(9) Claims.*** The Debtors may have received goods from various vendors within the twenty-day period immediately preceding the Petition Date (collectively, the "503(b)(9) Claimants"), thereby giving rise to prepetition claims under section 503(b)(9) of the Bankruptcy Code (the "503(b)(9) Claims"). Many of the Debtors' relationships with the 503(b)(9) Claimants are not governed by long-term contracts. Rather, the Debtors obtain goods from such claimants on an order-by-order basis. As a result, a 503(b)(9) Claimant may refuse to supply new orders without prompt payment of its 503(b)(9) Claims. Such refusal could negatively affect the Debtors' estates as the Debtors' business is dependent on the steady flow of inventory to stock its stores. Such foreign vendors also may take action against the Debtors based

on the incorrect belief that they are not bound by the automatic stay and may refuse to do business with the Debtors until their claims are paid. In light of the fact that such foreign and domestic vendors are rightfully entitled to payments on account of 503(b)(9) Claims as administrative claims, the Debtors believe it is prudent to seek administrative status of such claims now. The Debtors estimate that they owe approximately $32,740,399 on account of goods delivered within the twenty days immediately preceding the Petition Date, that are due and owing as of the Petition Date, or will become due and owing on an interim basis pending entry of the final order granting relief sought in the Critical Vendors Motion, the value of which may be entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

12. ***PACA Claims.*** The Debtors operate a cafeteria at their corporate headquarters in Columbus, Ohio. Certain of the goods delivered to the Debtors include fresh fruits and fresh vegetables. I understand that under PACA, eligible produce suppliers and their agents (the "PACA Claimants") are the beneficiaries of a statutory trust (the "Statutory Trust") in all of the buyer's perishable agricultural commodity inventory or other derivatives of perishable agricultural commodities, the products derived therefrom, and the proceeds related to any sale of the commodities or products (collectively, the "PACA Trust Assets"), and may be able to assert claims (the "PACA Claims" and together with the Critical Vendor Claims, Foreign Vendor Claims, Lien Claims, and 503(b)(9) Claims, the "Obligations") that are entitled to receive payment ahead of other creditors of the Debtors.

13. Furthermore, certain of the PACA Claims may relate to transactions where goods were received by the Debtors in the twenty-day period prior to the Petition Date.

14. As of the Petition Date, the Debtors estimate that approximately $42,063 on account of PACA Claims are due and owing or will become due and owing pending entry of the interim order granting relief sought in the Critical Vendors Motion.

15. ***Payment of Outstanding Orders.*** Prior to the Petition Date and in the ordinary course of business, the Debtors may have ordered goods that will not be delivered until after the Petition Date (collectively, the "Outstanding Orders"). To avoid becoming general unsecured creditors of the Debtors' estates with respect to such goods, certain suppliers may refuse to ship or transport such goods (or may recall such shipments) with respect to such Outstanding Orders unless the Debtors issue substitute purchase orders postpetition. The Debtors believe that payment of the Critical Outstanding Orders is necessary to prevent any disruption to the Debtors' business operations.

16. I believe that the relief requested in the Critical Vendors Motion will allow the Debtors to preserve stakeholder value by paying the prepetition claims of certain counterparties that are critical to the Debtors' efficient administration of these Chapter 11 Cases. I believe that the relief requested in the Critical Vendors Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to facilitate a timely and efficient process to maximize the value of the Debtors' estates for the benefit of all stakeholders. Accordingly, on behalf of the Debtors, I respectfully submit that the Court should approve the Critical Vendors Motion.

II. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Perform Intercompany Transactions and (II) Granting Related Relief (the "Cash Management Motion").

17. In the ordinary course of business, the Debtors use their cash management system (the "Cash Management System") as illustrated on Exhibit 1 of Exhibit A and Exhibit B, attached

to the Cash Management Motion, to collect, transfer, and disburse funds and to facilitate cash monitoring, forecasting, and reporting. The Cash Management System is comparable to the centralized cash management systems used by other similarly-sized companies to help control funds, ensure cash availability for each entity, and reduce administrative expenses by facilitating the movement of funds among multiple entities.

18. The Debtors' treasury department (the "Treasury") maintains daily oversight over the Cash Management System and implements cash management controls for entering, processing, and releasing funds, including in connection with Intercompany Transactions. Additionally, the Debtors' corporate accounting department and the Treasury regularly reconcile the Debtors' books and records to ensure transfers are accounted for properly. Given the economic and operational scale of the Debtors' businesses, I believe that it is critical that the Debtors' Cash Management System remain in place on a postpetition basis, as any further disruption would have an immediate adverse effect on the Debtors' businesses and operations to the detriment of the Debtors' estates and to their stakeholders. Accordingly, to minimize disruption, the Debtors request authority, but not direction, to continue operating their Cash Management System in the ordinary course on a postpetition basis, consistent with historical practices.

19. ***The Bank Accounts and Flow of Funds***. As of the Petition Date, the Cash Management System is comprised of 27 bank accounts (each, a "Bank Account" and, collectively, the "Bank Accounts")[3] that are owned by the Debtors and maintained at three banks (such banks, collectively, the "Cash Management Banks"). More specifically, the Cash Management System is comprised of:

[3] The Bank Accounts are identified on Exhibit 2 of Exhibit A and Exhibit B attached to the Cash Management Motion.

Cash Management Bank	Number of Bank Accounts
Wells Fargo Bank, N.A. ("Wells Fargo")	21
Fifth Third Bank, N.A. ("Fifth Third")	3
Banco Popular de Puerto Rico ("Banco Popular")	3
Total Accounts	***27***

20. Substantially all of the cash held in the Bank Accounts is subject to properly perfected security interests in favor of Wells Fargo, in its capacity as the Administrative Agent under the Prepetition ABL Facility, subject to the priority of payments among the secured parties set forth in the Prepetition ABL Facility. As described in this declaration, on March 28, 2024, the Administrative Agent informed the Debtors that, as a result of insufficient liquidity to meet the necessary availability requirements base under the Prepetition ABL Facility, a cash dominion period had occurred and related measures would be implemented.

21. ***Master Accounts***. The Cash Management System is based around three Master Accounts and one Master Collection Account maintained at Wells Fargo and Banco Popular (the "Master Accounts"). Every day, at the close of business, the Master Accounts, and the Master Collection Account, receive funds from Deposit Accounts (defined below) and transfer such funds to Disbursement Accounts (defined below) to satisfy outstanding operating expenses such as, but not limited to, payroll and sales taxes. Generally, the Master Accounts act as intermediaries to receive and disburse funds depending on operational procedure and the needs of other Debtor entities.

22. ***Deposit Accounts***. The Debtors maintain eleven Deposit Accounts (the "Deposit Accounts") between all three Cash Management Banks for cash and non-cash receipts. Deposit Accounts are zero balance accounts where, generally, funds transfer from the Deposit Accounts to the Master Accounts at the end of each day.

23. ***Disbursement Accounts***. The Debtors maintain ten Disbursement Accounts (the "Disbursement Accounts") between Wells Fargo and Banco Popular, to disburse funds and satisfy operational expenses. Traditionally, the Disbursements Accounts are zero balance accounts, and excess funds are transferred to the Master Accounts.

24. ***Security Accounts***. The Debtors also maintain two Security Accounts used for investments, both of which are empty and inactive.

25. Because of the nature of the Debtors' business and the disruption to the business that would result if they were forced to close their existing bank accounts, I believe that it is critical that the Debtors' Cash Management System remain in place on a postpetition basis.

26. ***Compliance with the Bankruptcy Code and Guidelines***. In addition, I have reviewed applicable portions of the *Operating Guidelines for Chapter 11 Cases*, U.S. Department of Justice, United States Trustee Program, Region 3, (the "U.S. Trustee Guidelines"), and confirmed that the Debtors' Bank Accounts are maintained at Cash Management Banks designated as authorized depositories by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee").

27. As part of the Cash Management System, the Debtors utilize a number of preprinted business forms (the "Business Forms"), including, but not limited to, letterhead, purchase orders, invoices, and preprinted and future checks. Allowing the Debtors to continue using of all Business Forms in existence immediately before the Petition Date, without reference to the Debtors' status as debtors in possession, will minimize cost to the estates. Further, once the Debtors exhaust their existing supply of Business Forms during these Chapter 11 Cases, the Debtors will, when reordering (or with respect to checks the Debtors or their agents print themselves), require or print the "Debtor in Possession" legend and corresponding bankruptcy case number on all such items.

28. ***Credit Card Program***. As part of the Cash Management System, the Debtors provide a limited number of employees and departments with access to travel and expense credit card ("Credit Cards"). The Debtors maintain the Credit Cards with Bank of America, N.A. (the "Corporate Credit Card Program"), which are reimbursed by the Debtors. The Credit Cards issued under the Corporate Credit Card Program are used by the Debtors' employees to cover certain payments for travel expenses, such as meals and other necessary and approved company expenditures including facilities upkeep, office supplies, and utilities.

29. The Corporate Credit Card Program is an integral part of the Debtors' Cash Management System. Employees continued use of the Credit Cards for travel purposes, and the Debtors' ability to reimburse expenses incurred through the Corporate Credit Card Program, is essential to the continued operation of the Debtors' business.

30. ***Bank Fees***. The Debtors incur periodic service charges and other fees related to the Cash Management System (collectively, the "Bank Fees"). Payment of the Bank Fees is necessary for the Debtors to continue to operate their Cash Management System in the ordinary course.

31. ***Intercompany Transactions***. In the ordinary course of business, the Debtors maintain business relationships with each other and one non-Debtor affiliate (the "Intercompany Transactions") resulting in intercompany receivables and payables in the ordinary course of business (the "Intercompany Balances"). The Debtors generally account for and record all Intercompany Transactions and Intercompany Balances in their centralized accounting system, the results of which are recorded on the Debtors' balance sheets and regularly reconciled.

32. The Intercompany Transactions cover several different categories such as management services, financial arrangements, and license of certain intellectual property. Intercompany Transactions involving Debtor-to-Debtor transfers are the most common. For example, in the ordinary course of business, Debtor Express Fashion Digital Services Costa Rica, S.R.L. provides certain Debtor entities with information technology services in exchange for compensation in an amount comparable to what would be charged by an unrelated third-party. Accordingly, at any given time there may be Intercompany Balances owing by one Debtor to another Debtor or the non-Debtor affiliate. The Debtors track all fund transfers through their accounting system and can ascertain, trace, and account for all Intercompany Transfers. Furthermore, the Debtors expect that such Debtor entities will continue to receive the benefits of these historical Intercompany Transactions and Debtor-to-Debtor services as needed on a go-forward basis in the ordinary course.

33. Any discontinuation of the Intercompany Transactions would unnecessarily disrupt the Cash Management System and the Debtors' operations to the detriment of the Debtors, their creditors, and other stakeholders.

34. I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to facilitate a timely and efficient process to maximize the value of the Debtors' estates for the benefit of all stakeholders. Accordingly, on behalf of the Debtors, I respectfully submit that the Cash Management Motion should be approved.

III. Debtors' Application for Entry of an Order (I) Authorizing the Appointment of Stretto, Inc. as Claims and Noticing Agent Effective as to the Petition Date, and (II) Granting Related Relief (the "Stretto 156(c) Retention Application").

35. Based on my discussions with the Debtors' advisors, I believe that the Debtors' selection of Stretto, Inc. ("Stretto") as claims, noticing, and solicitation agent (the "Claims

and Noticing Agent") is appropriate under the circumstances, is in the best interests of the estates, and satisfies the Claims Agent Protocol. Moreover, it is my understanding, based on all engagement proposals obtained and reviewed, that Stretto's rates are competitive and comparable to the rates charged by their competitors for similar services.

36. The Debtors anticipate that there will be thousands of persons and entities to be noticed in these Chapter 11 Cases. In light of the number of parties in interest and the complexity of the Debtors' business, the appointment of a claims and noticing agent is in the best interests of the Debtors' estates, their creditors, and all other parties in interest because it will provide the most effective and efficient means of, and relieve the Debtors and/or the Clerk's office of the administrative burden of, noticing and processing proofs of claim.

37. Accordingly, it is my opinion that the Court should approve the Stretto 156(c) Retention Application.

IV. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs (II) Honor Certain Prepetition Obligations Related Thereto, and (III) Granting Related Relief (the "Customer Programs Motion").

38. The Debtors historically have provided certain incentives, discounts, and accommodations to their customers to attract and maintain positive customer relationships. On account of the Customer Programs, the Debtors may owe certain obligations to their customers as well as other third parties arising both before and after the Petition Date. The Customer Programs promote customer satisfaction and inure to the goodwill of the Debtors' business and the value of their brand. Because maintaining brand value and goodwill of their customers is important to the Debtors' ability to efficiently administer their estates during the pendency of these Chapter 11 Cases, maintaining the Customer Programs is of vital importance.

39. As of the Petition Date, the Debtors estimate that there are approximately $127,300,000 million of prepetition obligations outstanding related to Customer Programs. These obligations include refunds and exchanges, sales promotions and coupons, gift cards, rewards, credit card and payment processor agreements, or other similar obligations owing to customers and certain third parties. The majority of these obligations ***do not*** entail the expenditure of cash.

40. I believe that the failure to honor the Customer Programs could place the Debtors at a competitive disadvantage in the marketplace, amplifying the negative effect of customer uncertainty that may arise from the chapter 11 filings. Such uncertainty could erode the Debtors' hard-earned reputation and customer loyalty, which, in turn, could adversely impact their prospects for a successful emergence from bankruptcy.

41. I believe that the relief requested in the Customer Programs Motion is necessary with respect to the long-term reorganization of their businesses, both in terms of profitability and in terms of goodwill, especially at this critical time following the filing of the Chapter 11 Cases. Accordingly, on behalf of the Debtors, I respectfully submit that the Court should approve the Customer Programs Motion.

V. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) File A Consolidated List of Creditors in Lieu of Submitting A Separate Mailing Matrix for Each Debtor, (B) File A Consolidated List of the Debtors' Thirty Largest Unsecured Creditors, (C) Serve Certain Parties in Interest by Email, and (D) Redact Certain Personally Identifiable Information of Natural Persons; (II) Approving the Form and Manner of Service of the Notice of Commencement; (III) Waiving the Requirement to File A List of Equity Holders; and (IV) Granting Related Relief (the "Creditor Matrix Motion").

42. ***Consolidated Creditor Matrix***. I believe allowing the Debtors to prepare and maintain a single consolidated list of creditors (the "Creditor Matrix") in lieu of filing a separate creditor matrix for each Debtor is warranted under the circumstances of these Chapter 11 Cases. Converting and segregating the Debtors' computerized information to a format compatible with

the matrix requirements, as well as the preparation of separate lists of creditors for each Debtor would be expensive, time consuming, administratively burdensome, and increase the risk of error with respect to information already on computer systems maintained by the Debtors or their agents. Accordingly, I believe that filing a Consolidated Creditor Matrix is in the best interests of the Debtors' estates.

43. ***Consolidated List of the Thirty Largest Unsecured Creditors***. I believe that allowing the Debtors to file a single, consolidated list of their thirty largest general unsecured creditors will help alleviate administrative burdens, costs, and the possibility of duplicative service, and will prevent the Debtors' estates from incurring unnecessary costs associated with serving multiple notices to the parties listed on the Debtors' voluminous creditor matrix. This will be a more efficient use of the Debtors' and their advisors' limited time and resources and will be most efficient for the U.S. Trustee in its efforts to communicate with these creditors. Accordingly, I believe that filing a single consolidated list of the Debtors' thirty largest general unsecured creditors is in the best interests of the Debtors' estates.

44. ***Serve Certain Parties in Interest by Email.*** I believe that it is appropriate to authorize the Debtors to provide service to certain creditors via email. The Debtors have a large number of vendors, customers, approximately 9,300 current employees, and over 30,000 former employees, and service by email will help alleviate administrative burdens. Email service is likely the most efficient and cost-effective manner by which service of all interested parties can be completed and is also the most likely to facilitate creditor responses. Accordingly, I believe that allowing the Debtors to serve their creditors by email, where an email address is available to the Debtors, is in the best interests of the Debtors' estates.

45. ***Redact Certain Personally Identifiable Information***. I believe that it is appropriate to authorize the Debtors to redact the home and email addresses of natural persons and all personally identifiable information of minors, from any paper filed or to be filed with the Court in these Chapter 11 Cases, including the Creditor Matrix and Schedules and Statements, because such information can be used to perpetrate identity theft, phishing scams, or to locate survivors of domestic violence, harassment, or stalking. Disclosure also risks violating data and privacy laws and regulations, thereby exposing the Debtors to potential civil liability and significant financial penalties. Because the Debtors will provide an unredacted version of the Creditor Matrix, the Schedules and Statements, affidavits of service, and any other applicable filings redacted pursuant to a Court order to the Court, the U.S. Trustee, counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases (if any), the Claims and Noticing Agent, and any party in interest upon a request to the Debtors or to the Court that is reasonably related to these Chapter 11 Cases, *provided* each such request would be subject to a review of whether such disclosure, on a case-by-case basis, would violate any privacy or data protection law or regulation, I submit that the Debtors' proposed redactions are appropriate under the circumstances.

46. ***Approving the Form and Manner of the Service of the Notice of Commencement of these Chapter 11 Cases.*** I believe that it is appropriate to authorize the Debtors to use Stretto, their Claims and Noticing Agent, to undertake all mailings and email service, as applicable, directed by the Court or the U.S. Trustee or as required by the Bankruptcy Code or Bankruptcy Rules, including serving the notice of commencement of these Chapter 11 Cases (the "Notice of Commencement") on all parties listed on the Creditor Matrix to advise them of the meeting of creditors under section 341 of the Bankruptcy Code. This will help avoid confusion among creditors and prevent Debtors' estates from incurring unnecessary costs associated with serving

multiple notice parties listed on the Debtors' voluminous Creditor Matrix. Using the Claims and Noticing Agent to promptly provide notices to all applicable parties will maximize efficiency in administering these Chapter 11 Cases and ease administrative burdens that would otherwise fall upon the Court and the U.S. Trustee. Accordingly, on behalf of the Debtors, I believe allowing the Claims and Noticing Agent to undertake all mailings and email service, including the Notice of Commencement, is in the best interests of the Debtors' estates.

47. ***Waiving the Requirement to File a List of Equity Holders***. I believe it is appropriate to waive the requirements that the Debtors file a list of and provide notice directly to Debtor Express, Inc.'s equity security holders (other than registered holders of Debtor Express, Inc.'s common stock). Debtor Express, Inc.'s common stock is publicly traded on the OTC Pink Market, with approximately 3,470,000 outstanding shares of common stock as of the Petition Date, and cannot readily be traced to specific individual holders. Express, Inc. only maintains a list of its registered equity security holders and therefore must obtain the names and addresses of its shareholders from a securities agent. I believe that preparing a list of registered equity security holders with accurate names and last known addresses and providing notices to all such parties of the commencement of these Chapter 11 Cases would create a significant undue expense and administrative burden without a corresponding benefit to the estates or parties in interest.

48. Debtor Express, Inc. has taken or will take several actions to inform its equity security holders of the commencement of these Chapter 11 Cases. The Debtors will issue a press release announcing the filing. Debtor Express, Inc. also filed with its petition a list of persons and entities with significant holdings of its outstanding common stock. As soon as is practicable following the date hereof, the Debtors intend to cause the notices required under Bankruptcy Rule 2002(d) to be served on registered and nominee holders of Debtor Express, Inc.'s common

stock with instructions to serve such notices down to the beneficial holders of equity securities and published in full in The New York Times (national edition). Accordingly, on behalf of the Debtors, I believe it is appropriate that the requirements that the Debtors file a list of and provide notice directly to Debtor Express, Inc.'s equity security holders (other than registered holders of Debtor Express, Inc.'s common stock) be waived.

49. I believe that the relief requested in the Creditor Matrix Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to facilitate a timely and efficient process to maximize the value of the Debtors' estates for the benefit of all stakeholders. Accordingly, on behalf of the Debtors, I respectfully submit that the Creditor Matrix Motion should be approved.

VI. Debtors' Motion Seeking Entry of an Order Extending Time to (I) File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs, and (II) Granting Related Relief (the "SOFAs and Schedules Motion").

50. I believe that good and sufficient cause exists for granting an extension of time to file the Schedules and Statements by nineteen days, for a total of forty-seven days from the Petition Date, to and including June 10, 2024.[4] The ordinary operation of the Debtors' business requires the Debtors to maintain voluminous books, records, and complex accounting systems. To prepare the Schedules and Statements, the Debtors must compile information from those books and records, and from documents relating to the claims of their creditors, and the Debtors' many assets and contracts. This information is extensive. Collecting the necessary information requires an enormous expenditure of time and effort on the part of the Debtors, their employees, and their

[4] The date forty-seven days after April 22, 2024, is Saturday, June 8, 2024, but such date continues to June 10, 2024, by operation of Bankruptcy Rule 9006.

professional advisors in the near term—when these resources would be best used to stabilize the Debtors' business operations.

51. The Debtors, with the assistance of their professional advisors, are mobilizing their employees to work diligently and expeditiously on preparing the Schedules and Statements, but resources are strained. With the size of the Debtors' enterprise, hundreds of hours will be required to assemble and compile a vast amount of information and complete the Schedules and Statements. Given the amount of work entailed in completing the Schedules and Statements and the competing demands on the Debtors' key personnel to assist with stabilizing business operations and complying with chapter 11 obligations during the initial postpetition period, and the critical matters that the Debtors' management and professionals were required to address prior to the commencement of these Chapter 11 Cases, the Debtors likely will not be able to properly and accurately complete the Schedules and Statements within the required time period. I submit that no party in interest will be prejudiced by the extension.

52. Accordingly, on behalf of the Debtors, I respectfully submit that the Court should approve the SOFAs and Schedules Motion.

VII. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage Entered into Prepetition and Pay Related Prepetition Obligations, and (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage, and (II) Granting Related Relief (the "Insurance Motion").

53. ***The Insurance Policies and Related Payment Obligations.*** In the ordinary course of business, the Debtors maintain 42 insurance policies (collectively, the "Insurance Policies," and, each individually, an "Insurance Policy") that are administered by various third-party insurance carriers (collectively, the "Insurance Carriers"). The Insurance Policies provide coverage for, among other things, the Debtors' property, general liability, automobile liability, fiduciary and crime liability, cyber liability, business travel liability, kidnapping liability, employment practices

liability, casualty liability, property liability, cargo liability, aviation liability, terrorism liability, workers' compensation, umbrella coverage, directors' and officers' liability, and international general and property liability for Costa Rica and Puerto Rico. The coverage provided under these Insurance Policies extends to all jurisdictions in which the Debtors operate their businesses, including the United States, Costa Rica, and Puerto Rico. The aggregate annual premium for the Insurance Policies is approximately $10,678,746.15, including applicable taxes and surcharges. The Insurance Policies are generally one year in length and renewed annually. As of the Petition Date, the Debtors do not believe that they owe any amounts on account of Insurance Policy premiums coming due in the first thirty days of these Chapter 11 Cases. However, in an abundance of caution and because all of the Insurance Policies are vital to efficiently administer the Debtors' estates during the pendency of these Chapter 11 Cases, the Debtors seek authority to honor any amounts owed on account of the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

54. The Debtors also retain the services of an insurance brokers. The Debtors obtain the majority of their Insurance Policies, including their commercial property, general liability, kidnapping and ransom liability, crime liability, aviation liability, director and officer liability, workers' compensation, and fiduciary liability through their insurance brokers, Amwins Insurance Brokerage LLC, Bowring Marsh (Bermuda) Ltd., Hylant Companies, Marsh USA, Inc., and Special Contingency Risks Inc. (collectively, the "Brokers"). The Insurance Brokers perform many services for the Debtors to help them obtain comprehensive insurance coverage for their operations in a cost-effective manner, including managing renewal data, marketing the Insurance Policies with respect to negotiating policy terms, provisions, and premiums, handling claims, and providing ongoing support throughout the applicable policy periods.

55. The Debtors pay the Insurance Brokers a broker commission and brokerage fees. The Insurance Broker also collects commission payments from the insurance carriers, payable as part of the premiums paid on the Insurance Policies, for services rendered on account of the Debtors' cyber liability, commercial property, and business travel accident Insurance Policies, among others. As of the Petition Date, the Debtors owe $225,000.00 to the Brokers on account of Broker Fees and the Debtors request authority to pay the Brokers for services rendered in the ordinary course of business to ensure uninterrupted coverage, which is critical to the Debtors' business.

56. ***The Debtors' Surety Bond Program.*** In the ordinary course of business, the Debtors are required to provide surety bonds (the "Surety Bonds") to certain third parties, often governmental units, or other public agencies, to secure the Debtors' payment or performance of certain obligations (the "Surety Bond Program").

57. The Debtors currently maintain 10 Surety Bonds, which are used to assure counterparties of the Debtors' ability to pay any applicable duties, penalties, or obligations they may incur with respect to their imports.

58. When a party that transacts with the Debtors requests a bond and the Debtors determine that they have better operational uses for cash and do not wish to provide the cash and cash equivalents necessary to satisfy such request, they may pursue a surety bond. In such situations, sureties provide, upfront, the full amount of the requested cash and cash equivalents to the requesting party on behalf of the Debtors, in exchange for a fee from the Debtors and an amount of collateral to secure the bond issuance on the Debtors' behalf. The issuance of a surety bond

shifts the risk of the Debtors' nonperformance or nonpayment from an obligee (such as a government agency) to a surety.

59. The premiums for the Surety Bonds are generally determined on an annual basis and are paid by the Debtors when the bonds are issued and upon renewal. The aggregate annual premium for the Surety Bonds currently maintained by the Debtors is approximately $136,283.00.

60. To preserve estate value during these Chapter 11 Cases, the Debtors must maintain the existing Surety Bond Program, including paying bond premiums and related fees as they come due, providing the sureties (collectively, the "Sureties") with collateral, renewing or potentially acquiring additional bonding capacity as needed in the ordinary course of business, and executing other agreements, as appropriate, in connection with the Surety Bond Program. Failing to provide, maintain, or timely replace their Surety Bonds may prevent the Debtors from complying with their federal law obligations, and consequently prevent them from undertaking essential functions, such as shipping goods. Accordingly, maintaining the Surety Bond Program is in the best interest of the Debtors' estates.

61. ***The Debtors' Premium Financing Arrangements.*** In the ordinary course, the Debtors finance the premiums under several of the Insurance Policies pursuant to certain payment arrangements with the Brokers (the "Premium Financing Arrangements"). As of the Petition Date, approximately $895,488.00 remains outstanding under the Premium Financing Arrangements, with no amounts in arrears. The Debtors will pay the remaining amounts due under the Premium Financing Arrangements in two monthly installments of approximately $450,000.

62. I believe that continuation and renewal of the Insurance Policies, and entry into new Insurance Policies, as needed, is essential to the preservation of the value of the Debtors' business and operations, and that failure to receive the requested relief in the Insurance Motion at the outset

of these Chapter 11 Cases could expose the Debtors to direct liability for payment of claims otherwise covered by the Insurance Policies. Moreover, in many instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee's requirements that a debtor maintain adequate insurance coverage given the circumstances of its chapter 11 case.

63. I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to facilitate a timely and efficient process to maximize the value of the Debtors' estates for the benefit of all stakeholders. Accordingly, on behalf of the Debtors, I respectfully submit that the Insurance Motion should be approved.

VIII. Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief (the "Joint Administration Motion").

64. Joint administration of these cases is appropriate here. Given the integrated nature of the Debtors' operations and the Debtors' intent to pursue a restructuring of the Debtors' business (either through a plan of reorganization or the sale of business as a going concern), joint administration of these Chapter 11 Cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these Chapter 11 Cases will affect each Debtor entity. The entry of an order directing joint administration of these Chapter 11 Cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration will also allow the U.S. Trustee and all parties in interest to monitor these Chapter 11 Cases with greater ease and efficiency. Additionally, parties in interest will benefit from the relief requested because (a) of the cost reductions associated with the joint administration of these Chapter 11 Cases and (b) for ease of reference, there will be one main case docket of Express, Inc. throughout the Chapter 11 Cases.

65. I believe that the relief requested in the Joint Administration Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest. Accordingly, on behalf of the Debtors, I respectfully submit that the Joint Administration Motion should be approved.

IX. Debtors' Motion for Entry of Interim and Final Orders Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness of Common Stock (the "NOL Motion").

66. As of February 3, 2024, the Debtors had approximately $128 million of federal NOLs, all arising after December 31, 2017, approximately $20 million of 163(j) Carryforwards, approximately $314,225 of foreign tax credit carryforwards, and approximately $935,000 of general business credits. The Debtors may generate additional Tax Attributes in the current tax year, including during the pendency of these cases (together with the aforementioned NOLs, 163(j) Carryforwards, foreign tax credits, general business credits, and certain other tax attributes, collectively, the "Tax Attributes"). The Tax Attributes are potentially of significant value to the Debtors and their estates because the Tax Attributes may offset U.S. federal taxable income or U.S. federal tax liability in future years, including any taxable income generated by transactions consummated during these Chapter 11 Cases (including with respect to any taxable disposition of some or all of the Debtors' assets). Accordingly, the value of the Tax Attributes will inure to the benefit of all of the Debtors' stakeholders.

67. I believe that implementation of the notification and hearing procedures (the "Procedures") related to certain transfers of, or declarations of worthlessness, with respect to Debtor Express, Inc.'s existing classes (or series) of common stock or any Beneficial Ownership therein (any such record or Beneficial Ownership of common stock, collectively, the "Common Stock") is necessary and appropriate to preserve the value of the Tax Attributes for the benefit of the Debtors' estates. The Tax Attributes may provide the potential for material future tax savings

(including in post-emergence years) or other potential tax structuring opportunities in these Chapter 11 Cases. Conversely, a premature limitation of the Debtors' Tax Attributes could cause substantial deterioration of value and significantly reduce recoveries to the Debtors' stakeholders. Failure to obtain the relief sought in the NOL Motion could, therefore, greatly increase the risk that the Debtors would be unable to maximize the value of their estates.

68. The Debtors have limited the relief requested therein to the extent necessary to preserve estate value. Specifically, the proposed Interim Order and Final Order will affect only: (a) holders of the equivalent of more than 156,285 shares of Common Stock (*i.e.*, 4.5 percent or more of outstanding Common Stock);[5] (b) parties who are interested in purchasing sufficient Common Stock to result in such party becoming a holder of 4.5 percent or more of Beneficial Ownership of any outstanding Common Stock; and (c) any "50-percent shareholder" seeking to claim a worthless stock deduction.

69. To maximize the use of the Tax Attributes and enhance recoveries for the Debtors' stakeholders, the Debtors seek limited relief that will enable them to closely monitor certain transfers of Beneficial Ownership of Common Stock and certain worthless stock deductions with respect to Beneficial Ownership of Common Stock so as to be in a position to act expeditiously to prevent such transfers or worthlessness deductions, if necessary, with the purpose of preserving the Tax Attributes. By establishing and implementing such Procedures, the Debtors will be in a position to object to "ownership changes" that threaten their ability to preserve the value of their Tax Attributes for the benefit of the estates.

70. I believe that the relief requested in the NOL Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to

[5] Based on approximately 3,473,000 shares of Common Stock outstanding as of the Petition Date.

continue to operate their business in chapter 11. Accordingly, on behalf of the Debtors, I respectfully submit that the NOL Motion should be approved.

X. Debtors' Motion for Entry of Interim and Final Orders Authorizing the Payment of Certain Taxes and Fees (the "Taxes Motion").

71. In the ordinary course of business, the Debtors collect, withhold, and incur: (a) income taxes; (b) franchise taxes; (c) property taxes; (d) sales and use taxes; (e) goods and services taxes (collectively, "GST"); (f) value-added taxes and related fees ("VAT"); (g) customs and import duties; (h) regulatory taxes and fees, as well as other governmental taxes, fees, assessment, interest, penalties, and additions to tax; and (i) fees to various third party tax services providers (collectively, the "Taxes and Fees").[6] The Debtors pay or remit, as applicable, the Taxes and Fees to various governmental authorities (each, an "Authority," and collectively, the "Authorities") on a periodic basis (monthly, quarterly, semi-annually, or annually) depending on the nature and incurrence of a particular Tax or Fee and as required by applicable laws and regulations.

72. From time to time, the Debtors may also receive tax credits for overpayments or refunds with respect to Taxes and Fees. The Debtors generally use these credits in the ordinary course of business to offset against future Taxes and Fees or cause the amount of such credits to be refunded to the Debtors. The Debtors estimate that approximately $27,159,619 in Taxes and Fees are outstanding as of the Petition Date, of which approximately $25,893,000 is currently payable or will become due and owing to the Authorities within the first thirty days of these Chapter 11 Cases in the ordinary course.

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[6] Other than with respect to potential Audits or Assessments, the Taxes Motion does not seek relief with respect to the Debtors' collection and remittance of employee-related taxes and withholdings, which are instead addressed in the *Debtor's Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I)Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (II) Continue Employee Benefits Programs*, filed contemporaneously herewith.

73. Additionally, the Debtors are subject to, and may become subject to further routine audit investigations on account of tax returns and/or tax obligations ("Audits") during these Chapter 11 Cases, including as a result of any voluntary disclosure agreements or similar procedural mechanisms (if applicable). Audits may result in additional prepetition Taxes and Fees being assessed against the Debtors (such additional Taxes and Fees, "Assessments"). Critically, in certain of the jurisdictions where the Debtors operate, the Debtors must be able to accept a proposed resolution of an Audit and make a payment with respect to such resolution in a timely manner.

74. Any failure by the Debtors to pay the Taxes and Fees could materially disrupt the Debtors' business operations in several ways, including (but not limited to): (a) the Authorities may initiate Audits of the Debtors, which would unnecessarily divert the Debtors' attention from these Chapter 11 Cases; (b) the Authorities may attempt to suspend the Debtors' operations, file liens, seek to lift the automatic stay, and/or pursue other remedies that will harm the Debtors' estates; and (c) in certain instances, certain of the Debtors' directors and officers could be subject to claims of personal liability, which would likely distract those key individuals from their duties related to the Debtors' Chapter 11 Cases. Taxes and Fees not paid on the due date as required by law may result in fines and penalties, the accrual of interest, or both. In addition, nonpayment of the Taxes and Fees may give rise to priority claims under section 507(a)(8) of the Bankruptcy Code. The Debtors also collect and hold certain outstanding tax liabilities in trust for the benefit of the applicable Authorities, and these funds may not constitute property of the Debtors' estates.

75. I believe that the relief requested in the Taxes Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to

continue to operate their business in chapter 11. Accordingly, on behalf of the Debtors, I respectfully submit that the Taxes Motion should be approved.

XI. Debtors' Motion for Entry of Interim and Final Orders (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief (the "Utilities Motion").

76. In connection with the operation of their business and management of their approximately 600 retail locations, distribution centers, and corporate offices, the Debtors obtain necessary electricity, natural gas, telecommunications, water and sewer, waste management, internet, cable, HVAC, and other similar services (collectively, the "Utility Services") from a number of utility providers or brokers (each, a "Utility Provider" and collectively, the "Utility Providers").

77. On average, the Debtors pay approximately $1,884,190 in the aggregate each month for Utility Services, calculated as a historical average payment for the twelve-month period ending March 2024. The Debtors do not anticipate this monthly average will change materially during the initial thirty days following the commencement of these Chapter 11 Cases. The Debtors estimate that their cost for Utility Services during the next 30 days will be approximately $1,884,190.

78. Prior to these Chapter 11 Cases, the Debtors deposited $204,877.82 with certain Utility Providers (each a "Prepetition Deposit", collectively the "Prepetition Deposits"). To provide additional assurance of payment, the Debtors propose to deposit $850,000.00 (the "Adequate Assurance Deposit") into a segregated account (the "Adequate Assurance Account"). The Prepetition Deposits and the Adequate Assurance Deposit will be equal to approximately one-half of the Debtors' average monthly cost of Utility Services, calculated as the historical average payment for the twelve-month period ending March 2024, plus an additional

$80,802.80 included out of an abundance of caution to provide assurance to any Utility Provider that may have been inadvertently excluded from the Utility Services List.

79. I submit that the Debtors' proposed adequate assurance procedures will provide a streamlined process for Utility Providers to address potential concerns with respect to the Proposed Adequate Assurance, while allowing the Debtors to continue their operations uninterrupted.

80. I believe that uninterrupted Utility Services are essential to the Debtors' ongoing business operations and hence, the efficient administration of these Chapter 11 Cases. The Debtors' retail locations, distribution centers, and corporate offices require electricity, natural gas, telecommunications, water and sewer, waste management, internet, cable, HVAC, and other similar Utility Services to operate. Should any Utility Provider refuse or discontinue service, even for a brief period, the Debtors' business operations may be severely disrupted, and such disruption would jeopardize the Debtors' ability to orderly effectuate the chapter 11 process. Accordingly, it is essential that the Utility Services continue uninterrupted during these Chapter 11 Cases.

81. I believe that the relief requested in the Utilities Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their business in chapter 11. Accordingly, on behalf of the Debtors, I respectfully submit that the Utilities Motion should be granted.

XII. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief (the "Wages Motion").

82. The Debtors seek authority, but not direction, to make the following payments related to prepetition amounts owed on account of the Compensation and Benefits:

Compensation & Benefits	Interim Amount
Unpaid Compensation	**$4,850,700**
Unpaid Employee Compensation	$125,000

Unpaid Part-Time Employee Compensation	$85,000
Unpaid Independent Contractor Compensation	$2,718,421
Unpaid Non-Insider Bonus Program Compensation	$1,904,779
Unpaid Long-Term Incentive Plan & Stock Plan Compensation	$17,500
Withholding Obligations	**$779,105**
Payroll Deductions	$15,000
Payroll Taxes	$764,105
Reimbursable Expenses	**$376,278**
Employee Benefits Programs	**$5,883,777**
Health and Welfare Coverage and Benefits	$2,738,000
COBRA	N/A
Life and Long-Term Disability Coverage	$0
Workers' Compensation Program Obligations	$1,841,122
Employee Assistance Program Coverage	$0
Unremitted 401(k) Obligations	$23,952
Paid Leave and Unpaid Leave	$1,280,703
Postpetition Non-Employee Director Compensation (Final Order Only)	**N/A**
Total	$11,889,860

83. The Debtors do not currently seek to pay outstanding prepetition amounts on account of the Employee Compensation and Benefit Programs in excess of $15,150.

84. As of the Petition Date, the Debtors employ approximately 9,300 employees (the "Employees"), approximately 2,800 of whom are full-time Employees. In addition to the Employees, the Debtors also periodically retain part time, temporary employees (the "Part-Time Employees") to supplement their workforce. As of the Petition Date, the Debtors retain approximately 6,500 Part-Time Employees. I believe the Part-Time Employees are an important supplement to the efforts of the Debtors' Employees.

85. The Debtors' Employees perform a wide variety of functions critical to the Debtors' operations at the Debtors' offices, distribution centers, and stores. Certain of these individuals are highly trained and have an essential working knowledge of the Debtors' business that cannot be replaced. Without the continued, uninterrupted services of their Employees, I believe the Debtors'

business operations will be halted, and the administration of the Debtors' estates will be materially impaired.

86. The Employees rely on their compensation and benefits to pay for their basic needs and daily living expenses. These workers will be materially harmed if the Debtors are not permitted to continue paying compensation and providing health and other benefits during these Chapter 11 Cases. Furthermore, the Debtors and their estates may be harmed if they are unable to provide compensation and benefits consistent with past practice. Consequently, I believe the relief requested in the Wages Motion is necessary and appropriate.

87. ***Employee Compensation.*** In the ordinary course of business, the Debtors incur obligations to their Employees for wages, overtime, and similar obligations (the "Employee Compensation"). Employees are typically paid bi-weekly, with the exception of New York employees who are paid weekly. As of the Petition Date, the Debtors estimate that they owe approximately $125,000 on account of accrued but Unpaid Employee Compensation, all of which is currently payable or will become payable during the first thirty days of these Chapter 11 Cases.

88. ***Part-Time Employee Compensation.*** The Debtors incur payment obligations to Part-Time Employees for services rendered to the Debtors (the "Part-Time Employee Compensation"), which is typically paid in arrears. Currently, the Debtors employ approximately 6,500 Part-Time Employees, who perform critical services for the Debtors. As of the Petition Date, the Debtors estimate that they owe approximately $85,000 on account of accrued but Unpaid Part-Time Employee Compensation, all of which is currently payable or will become payable during the first thirty days of these Chapter 11 Cases.

89. ***Independent Contractor Compensation***. The Debtors pay the Independent Contractors compensation directly through accounts payable. The Independent Contractors

perform certain services critical to the Debtors' operations, including, among other things, interim management, marketing, administrative functions, and operational functions related to the Debtors' businesses. In the three months before the Petition Date, the Debtors spent a monthly average of approximately $850,000 on Independent Contractor Compensation. As of the Petition Date, the Debtors estimate that Independent Contractors are owed an aggregate of approximately $2,718,421 on account of accrued services rendered prior to the Petition Date.

90. ***Non-Insider Bonus Program.*** The Debtors incur payment obligations to their non-insider Employees in connection with at least four bonus programs. As of the Petition Date, the Debtors estimate that they owe approximately $1,904,779 on account of accrued Non-Insider Bonus Program payments to non-insiders, all of which is currently payable or will become payable during the first thirty days of these Chapter 11 Cases.

91. ***The Long-Term Incentive Plan & Stock Plan.*** The Debtors also incur payment obligations under the Long-Term Incentive Plan & Stock Plan ("LTIP" and "Stock Plan"), which was established in 2018 to enhance profitability and value for the Debtors by offering eligible Employees cash and stock-based incentives for meeting performance metrics. As of the Petition Date, the Debtors estimate that they owe approximately $17,500 on account of accrued LTIP and Stock Plan payments.

92. ***Withholding and Deduction Obligations***. During each applicable payroll period, the Debtors routinely deduct certain amounts from Employees' paychecks, including garnishments, child support, and similar deductions as required by law. The Debtors also deduct other pre-tax and after-tax deductions payable pursuant to certain benefit plans discussed herein, such as an Employee's share of healthcare benefits and insurance premiums, 401(k) contributions, legally ordered deductions, and miscellaneous deductions (collectively, the "Payroll Deductions"),

and forward the Payroll Deductions to various third-party recipients. As of the Petition Date, the Debtors estimate that they owe approximately $15,000 on account of the Payroll Deductions, all of which will come due and owing within the first thirty days of these Chapter 11 Cases. In addition to the Payroll Deductions, certain federal and state laws require that the Debtors withhold amounts from Employees' gross pay related to federal, state, and local income taxes, as well as Social Security and Medicare taxes for remittance to the appropriate federal, state, or local taxing authorities (the "Employee Payroll Taxes"). The Debtors must then match the Employee Payroll Taxes from their own funds and pay, based on a percentage of gross payroll, additional amounts for federal and state unemployment insurance and Social Security and Medicare taxes (the "Employer Payroll Taxes" and, together with the Employee Payroll Taxes, the "Payroll Taxes"). As of the Petition Date, the Debtors estimate that they owe approximately $764,105 on account of the Payroll Taxes, all of which will become due and owing within the first thirty days of these Chapter 11 Cases. I understand that certain of the Withholding and Deduction Obligations are required by applicable federal and state laws.

93. ***Reimbursable Expenses.*** In the ordinary course of business, the Debtors reimburse certain Employees for pre-approved expenses incurred on behalf of the Debtors within the scope of their employment (the "Reimbursable Expenses"). The majority of Employees' Reimbursable Expenses are incurred through the use of corporate credit cards (the "Corporate Credit Cards") serviced by Bank of America (the "Credit Card Servicer"). The Debtors have issued Corporate Credit Cards to certain Employees in each Employee's own name to fund Employees' reasonable business expenses, including, among other expenses, travel-related expenses and office supplies. The Corporate Credit Cards serviced through Bank of America have an aggregate limit of $10,000, subject to increase for senior Employees. The Debtors remit payment to the Credit Card Servicers

on account of obligations incurred through the Corporate Credit Cards on a monthly basis. I believe that the Debtors' inability to reimburse eligible Reimbursable Expenses would impose hardship on Employees where the obligations were incurred for the Debtors' benefit.

94. As of the Petition Date, the Debtors estimate that they owe approximately $376,278 in aggregate Reimbursable Expenses, including fees owed to Concur, all of which will come due within the first thirty days of these Chapter 11 Cases.

95. ***Health and Welfare Programs.*** The Debtors offer their Employees the ability to participate in a number of health insurance and benefits programs, including, among other programs, medical, dental, and vision coverage plans, and other employee benefit plans (collectively, the "Health and Welfare Coverage and Benefits"). The Debtors provide Eligible Employees with medical and prescription coverage programs ("Medical and Prescription Coverage") through United Healthcare and CVS Caremark ("CVS"). Employees have the option to waive coverage if they are covered under another insurance plan. The Medical and Prescription Coverage is self-funded by the Debtors. The Debtors cover sixty-four percent of the premium cost for Medical and Prescription Coverage for Eligible Employees and cover forty-nine percent of the cost for eligible dependents, including legal spouses, domestic partners, and children. Employees cover the remaining amount for eligible dependents through premiums that are deducted from their paychecks. As of the Petition Date, the Debtors estimate they owe approximately $5,883,777 in aggregate amount on account of the Employee Benefits Programs, all of which will become due and owing within the first thirty days of these Chapter 11 Cases.

96. Additionally, Employees can utilize Health Savings Accounts for those enrolled in the Health Savings Plan ("HSP"). For Employees not enrolled in the HSP, the Debtors offer both a Health Care Flexible Spending Account and a Dependent Care Flexible Spending Account. The

Debtors allow Employees to pay for health care expenses directly from their Health Care Flexible Spending Account with a debit card. Furthermore, in order to provide comprehensive and cost-effective prescription drug program for Employees and their dependents, the Debtors contracted with PrudentRx Solution ("PrudentRx") to offer access to certain specialty medications. PrudentRx assists members by helping them enroll in manufacturer copay assistance programs.

97. Additionally, the Debtors offer Eligible Employees dental insurance plans administered by Delta Dental ("Dental Insurance Coverage"). The Dental Insurance Coverage is self-funded by the Debtors. The Debtors cover sixty-four percent of the premium cost for Dental Insurance Coverage for Eligible Employees and covers forty-nine percent of the cost for eligible dependents, including legal spouses, domestic partners, and children. The Debtors also offer a vision insurance plan provided by VSP Vision Care ("Vision Insurance Coverage"). Participating Employees pay the entire cost of premiums for the Vision Insurance Coverage through payroll deductions each pay period. Other voluntary, Debtor-provided and Employee-paid benefits include access to various health and wellness programs provided by third-party vendors (the "Other Coverage and Benefits").

98. The Debtors' Medical and Prescription Coverage also provides former Employees with certain health benefits following their departure from the Debtors. Employees that are enrolled in a medical, prescription drug, dental, vision, and/or the Health Care Flexible Spending Account may have the option to temporarily continue coverage in certain instances when coverage would otherwise end, COBRA Employees are entitled by law to continue to receive COBRA Benefits for up to eighteen months, and in some instances up to thirty-six months, following termination of employment.

99. ***Life and Long-Term Disability Benefits.*** Additionally, Debtors provide Employees with voluntary life insurance and long-term disability insurance ("Life and Disability Insurance Coverage"). The Debtors life insurance plan is administered by Securian Financial ("Securian"), and the long-term disability insurance is administered by Prudential Financial, Inc. ("Prudential"). The Debtors also offer a short-term disability service, which is entirely self-insured. The Debtors pay Securian approximately $19,700 of coverage to administer the life insurance plan and offer Employees 1x base salary of life insurance coverage, with eligible Employees in vice president roles entitled to up to 2x base salary in coverage. The Debtors pay Prudential approximately $27,700 of coverage to administer the long-term disability insurance plan. As of the Petition Date, the Debtors do not believe that they owe any amounts on account of unpaid Life and Disability Insurance Coverage.

100. ***Workers' Compensation Program.*** The Debtors provide comprehensive workers' compensation coverage through their workers' compensation program (the "Workers' Compensation Program"). The Workers' Compensation Program is administered by a claims administration provider ("CorVel"). In order to recover on a claim through the Workers' Compensation Program, an eligible Employee would submit their claim to CorVel. Upon presentment of a valid claim, CorVel would compensate an Employee in the first instance. The Debtors then reimburse CorVel for the loss incurred. The Debtors maintain stop-loss workers' compensation insurance coverage through Travelers, (the "Workers' Compensation Insurance Policy"). Pursuant to the Workers' Compensation Insurance Policy, the Debtors must first exhaust a self-insured retention amount before Travelers will pay amounts the Debtors owe to CorVel. In addition to fees the Debtors pay in connection with the Workers' Compensation Insurance Policy,

the Debtors have posted a letter of credit valued at $2,670,000 million as insurance collateral to secure the Debtors' payment obligations to Travelers.

101. The Debtors must continue claim assessment, determination, adjudication, and payment pursuant to the Workers' Compensation Program, without regard to whether such liabilities are outstanding before the Petition Date, to ensure that the Debtors comply with applicable workers' compensation laws and requirements. There are currently 34 open claims under the Workers' Compensation Program. As of the Petition Date, the Debtors estimate that the amount of accrued and unpaid claims on account of the Workers' Compensation Program is approximately $1,841,122 million, all of which is expected to come due during the first thirty days of these Chapter 11 Cases.

102. I believe that failure to continue the Health and Welfare Programs would cause Employees to experience severe hardship and make it difficult to retain the Debtors' workforce, to the detriment of the Debtors' estates. Additionally, I understand that the Debtors' failure to maintain the Workers' Compensation Program could result in the prohibition of the Debtors' operations in certain states under applicable law.

103. ***The 401(k) Plan.*** The Debtors maintain a retirement savings plan for the benefit of their Employees that satisfies the requirements of section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan is administered by T. Rowe Price and allows for automatic pre-tax salary deductions of eligible compensation up to the limits set forth by the Internal Revenue Code. Each pay period, the Debtors deduct their Employees' 401(k) Plan contributions from the applicable Employees' paychecks (the "401(k) Deductions") and hold such amounts in trust until they are forwarded to T. Rowe Price. The Debtors match 100% of Employees' 401(k) contributions, on up to 4% of such Employee's base rate of pay (the "401(k) Matching

Contributions," and together with the 401(k) Deductions, the "401(k) Obligations"). As of the Petition Date, the Debtors estimate that they owe approximately $23,952 on account of the 401(k) Obligations (the "Unremitted 401(k) Obligations").

104. ***Paid and Unpaid Leave.*** The Debtors provide leave to Employees in the form of Paid Leave and Unpaid Leave (each as defined below). In the ordinary course of business, the Debtors provide paid time off ("Paid Time Off") to all Employees that may be used for any reason. The Debtors Paid Time Off program provides flexibility for associates when they need time away from work. Rather than providing traditional vacation, sick and personal days, the Debtors flexible Paid Time Off program provides paid time off that can be used however the associate wishes, whether for personal or family needs.

105. Solely with respect to Paid Time Off for Employees in California, California state law mandates the accrual and use of sick paid leave and safe leave. To comply with California law, the Company calculates the accrual of Paid Time Off separately for California-based Employees. Currently, the California-based Employees have accrued $1,280,703 in unused Paid Time Off, which amount becomes payable upon an Employee's termination or resignation. Because Employees are employed at-will, the Debtors could become liable for some or all of the accrued, but unused Paid Time Off due to California-based Employees. Accordingly, and to comply with California law, the Debtors seek authority, but not direction, to pay up to an aggregate of $1,280,703 in accrued obligations on account of Paid Time Off for California-based Employees, any of which may come due in the first thirty days of these Chapter 11 Cases, and to pay all other amounts on account of Paid Time Off for California-based Employees that become due and owing in the postpetition period.

106. The Debtors also maintain a holiday leave policy (the "Holiday Leave"), whereby all full-time Employees are compensated for certain working and non-working holidays. Employees are compensated at 100% of their base rate of pay, in addition to an additional holiday pay bonus, if such Employee does work on a holiday; all Employees are otherwise compensated at their base rate of pay during Holiday Leave. In addition, the Debtors provide certain other forms of paid leave, including other paid leaves of absence for personal reasons, many of which are required by law, including, time missed for bereavement, jury or court attendance, or time spent voting ("Other Paid Leave," and collectively with Paid Time Off and Holiday Leave "Paid Leave"). Employees do not accrue earned, but unused Paid Leave as a cash balance. As such, the Debtors do not have any unpaid cash obligations associated with Paid Leave.

107. Additionally, the Debtors provide unpaid leaves of absence for additional sick leave, military leave, leave under the Family and Medical Leave Act, and other similar purposes (collectively, the "Unpaid Leave").

108. I believe that the continuation of the Paid Leave and Unpaid Leave policies in accordance with prior practice is essential to maintaining Employee morale during these Chapter 11 Cases. Further, the policies are broad-based programs upon which all Employees have come to depend.

109. ***WARN Act Obligations.*** Unless an exception applies, the Worker Adjustment and Retraining Notification Act (the "Federal WARN Act") generally requires sixty days advance notice to affected employees and governmental entities prior to the implementation of a "mass layoff" or a "store closing" (collectively, the "WARN Act Notices"). The WARN Act Notices each contemplate a termination date (the "WARN Act Termination Date") for the relevant Employees that is in accordance with the notice period under the WARN Act. The Debtors intend

to continue to employ the Employees who received the WARN Act Notices through the WARN Act Termination Date before terminating their employment. However, the Debtors anticipate that business needs, store closing timing, and other economic factors may require certain terminations to become effective within the sixty-day notice period provided by the WARN Act. Accordingly, the Debtors anticipate that they may incur certain severance obligations pursuant to the Federal WARN Act ("WARN Act Obligations").

110. In addition to requirements under the Federal WARN Act, the Debtors must comply with various state law equivalent "mini-WARN Acts," including New Jersey's Millville Dallas Airmotive Plan Job Loss Notification Act, N.J. Stat. § 34:21-2, (the "NJ WARN Act," and together with the Federal WARN Act and other state law equivalents, the "WARN Acts"). The NJ WARN Act, among other things, requires ninety days' advance notice to affected employees and applicable governmental entities prior to a "mass layoff" or "plant closing." The NJ WARN Act also requires an employer to provide severance pay to affected employees equal to one week of pay for each full year of employment. An additional four weeks of severance must be paid if less than ninety days' notice is provided. The Debtors anticipate that business needs, store closing timing, and other economic factors may require certain terminations to become effective within the ninety-day notice period provided by the NJ WARN Act.

111. ***Postpetition Non-Employee Director Compensation.*** The Debtors maintain a board of directors that includes eight Non-Employee Directors (the "Non-Employee Directors"), including seven independent directors (the "Independent Directors"). Non-Employee Directors, seven of whom are an Independent Directors, are compensated for their services, and each such Independent Non-Employee Director receives annual compensation in the amount of $80,000 for their services as well as annual retainers in the amounts of $10,000 for service on a committee,

$20,000 for service as committee chair, and $100,000 for service as chairman of the board paid quarterly in advance. Non-Employee Directors also typically receive equity grants on an annual basis. In a continued effort to preserve shares under the Company's shareholder approved equity plan, Non-Employee Directors are granted time-based restricted cash awards each year equal to $32,500 for each Independent Director and $42,500 for the chairman of the board that vest on June 15, 2024, subject to continued service. Around one-quarter of this restricted cash award total was paid out to the Non-Employee Directors prior to the Petition Date, with the outstanding amounts remaining due on June 15, 2024. Additionally, all Non-Employee Directors are entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in connection with their Board service (collectively, the "Non-Employee Director Compensation"). The Debtors believe they are authorized to pay Non-Employee Director Compensation in the ordinary course (the "Postpetition Non-Employee Director Compensation").

112. ***Employee Assistance Programs.*** The Debtors also provide employees with access to the Employee Assistance Program ("EAP"), managed by SupportLinc. The EAP provides employees with on-demand emotional and mental well-being resources to help address and solve everyday issues through text messaging, phone calls, virtual small group support, and a mobile app. The Debtors pay SupportLinc approximately $4,580 in monthly premiums to administer the Employee Assistance Program.

113. I believe the Employees provide the Debtors with services necessary to conduct the Debtors' businesses, and that absent the payment of the Employee Compensation and Benefits Programs owed to the Employees, the Debtors may experience Employee turnover and instability at this critical time in these Chapter 11 Cases. The Debtors believe that without these payments, the Employees may become demoralized and unproductive because of the potential significant

financial strain and other hardships the Employees may face. Such Employees may then elect to seek alternative employment opportunities. Additionally, a significant portion of the value of the Debtors' business is tied to their workforce, which cannot be replaced without significant efforts—which efforts may not be successful given the overhang of these Chapter 11 Cases. Enterprise value may be materially impaired to the detriment of all stakeholders in such a scenario. The Debtors therefore believe that payment of the prepetition obligations with respect to the Employee Compensation and Benefits Programs is a necessary and critical element of the Debtors' efforts to preserve value and will give the Debtors the greatest likelihood of retention of their Employees as the Debtors seek to operate their businesses during these Chapter 11 Cases.

114. I believe the relief requested in the Wages Motion represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is therefore justified.

115. For the foregoing reasons, I believe that the relief requested in the Wages Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses during these Chapter 11 Cases. Accordingly, on behalf of the Debtors, I respectfully submit that the Wages Motion should be granted.

XIII. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Assume the Consulting Agreement, (II) Authorizing and Approving the Conduct of Store Closing Sales, with Such Sales to Be Free and Clear of All Liens, Claims, and Encumbrances, (III) Authorizing Customary Bonuses to Employees of Closing Stores, and (IV) Granting Related Relief (the "Store Closing Motion").

116. ***The Store Closings.*** Over the past several years, the Debtors have faced a challenging commercial environment brought on by both broader economic and retail-specific market pressures. Major players across industries are experiencing the challenges associated with elevated interest rates and decreased consumer expenditure. However, retailers specifically

contend with reduced foot traffic in malls, shopping centers, and stores, heightened competition from comparable retailers offering substantial discounts, and a disparity between inventory and consumer demand. Given the expenses associated with a substantial brick-and-mortar presence, and the issues affecting the retail industry as a whole, a significant number of the Debtors' stores are operating at sub-optimal performance levels.

117. In the past 12 months, the Debtors have reduced their store footprint by approximately 100 stores, leaving the Debtors with approximately 584 stores as of the Petition Date. Ultimately, the Debtors' management team and advisors determined that it is appropriate to close and wind down approximately 95 underperforming brick-and-mortar stores, with the potential to close and wind down additional stores in the future. The Debtors expect all Sales at the Initial Closing Stores to be completed and the properties vacated by June 30, 2024.

118. ***The Consultant and Consulting Agreement.*** For over five years, the Debtors have engaged Hilco Merchant Resources, LLC (the "Consultant") to facilitate store closures and provide other advisory services for the Company. As a result, the Consultant has significant expertise and knowledge of the Debtors' business, their merchandise, and their store operations. Additionally, the Debtors and the Consultant are already party to the Consulting Agreement, which sets forth the terms pursuant to which the Consultant has operated store closings for the Debtors for over five years. In light of this and the Consultant's historic success in closing other stores for the Debtors, the Debtors concluded in their business judgment that (a) the services of the Consultant are necessary (i) for a seamless and efficient large-scale store closing process, and (ii) to maximize the value of the saleable inventory located in the Closing Stores (as defined in the Consulting Agreement, the "Merchandise"), and the associated furniture, fixtures, and equipment (as defined in the Consulting Agreement, the "FF&E" and, together with the Merchandise, the "Store Closure

Assets"), and (b) the Consultant is qualified and capable of performing the required tasks in a value-maximizing manner. I believe that the Store Closings are critical for the Debtors to efficiently administer their estates during the pendency of these Chapter 11 Cases, and assumption of the Consulting Agreement will allow the Debtors to conduct the Sales and Store Closings in an efficient, controlled manner that will maximize value for the Debtors' estates.

119. ***The Sale Guidelines.*** I believe that the Sale Guidelines represent the most efficient and appropriate means of maximizing the value of the Store Closure Assets, while balancing the potentially competing concerns of landlords and other parties in interest. Delay in approving the continuance of the Store Closings would diminish the recovery tied to monetization of the Store Closure Assets for a number of reasons, chief among them is that the Closing Stores are a drain on liquidity. Thus, the Debtors will realize an immediate benefit in terms of financial liquidity upon the sale of the Store Closure Assets and the termination of operations at the Closing Stores. Further, the swift and orderly commencement of the Store Closings will allow the Debtors to timely reject the applicable store leases, and therefore avoid the accrual of unnecessary administrative expenses for rent payment.

120. ***Liquidation Sale Laws and Dispute Resolution Procedures***. Certain states in which the Debtors operate stores have or may have licensing or other requirements governing the conduct of store closing, liquidation, or other inventory clearance sales, including, without limitation, state, provincial, and local laws, statutes, rules, regulations, and ordinances (collectively, the "Liquidation Sale Laws") which hamper the Debtors' ability to maximize value in selling their inventory. The Debtors submit that to the extent the Sale Guidelines conflict with the Liquidation Sale Laws, the Sale Guidelines should control. This will allow the Debtors to maximize the value of their inventory. I believe, and the Debtors have determined, in the exercise

of their reasonable business judgment and in consultation with their advisors, that the Sale Guidelines and the proposed Dispute Resolution Procedures to orderly resolve disputes between the Debtors and any Governmental Units due to the Sale Guidelines will provide the best, most efficient, and most organized means of selling the Store Closure Assets to maximize their value to the estates.

121. ***Fast Pay Laws.*** Many U.S. states in which the Debtors operate have laws and regulations that require the Debtors to pay an employee substantially contemporaneously with his or her termination (the "Fast Pay Laws"). These laws often require payment to occur immediately or within a period of only a few days from the date such employee is terminated. The nature of the Store Closings will result in a substantial number of employees being terminated during the Store Closings. To be clear, the Debtors intend to pay their terminated employees as expeditiously as possible under normal payment procedures. However, the Debtors' payroll systems will simply be unable to process the payroll information associated with these terminations in a manner that will be compliant with the Fast Pay Laws. Given the number of employees who will be terminated during the Store Closings, I believe that compliance with the Fast Pay Laws would require the Debtors to pay terminated employees within a time frame that would be detrimental to the conduct of these Chapter 11 Cases, if not impossible.

122. ***Lease Restrictions.*** The Debtors seek approval of a waiver of any contractual restrictions that could otherwise inhibit or prevent the Debtors from maximizing value for creditors through the Store Closings and Sales. In certain cases, the contemplated Store Closings and Sales may be inconsistent with certain provisions of leases, subleases, or other documents with respect to the premises in which the Debtors operate, including (without limitation) reciprocal easement

agreements, agreements containing covenants, conditions, and restrictions (including, without limitation, "go-dark" provisions and landlord recapture rights).

123. I believe that such restrictions would also hamper the Debtors' ability to maximize value in selling their inventory. Additionally, the Debtors will be harmed if any entity, including, without limitation, utilities, landlords, shopping center managers and personnel, creditors, and all persons acting for or on their behalf, interferes with or otherwise impedes the conduct of the Store Closings, the Sales, or institute any action against the Debtors in any court (other than in the Court) or before any administrative body that in any way directly or indirectly interferes with, obstructs, or otherwise impedes the conduct of the Store Closings, the Sales, or the advertising and promotion (including through the posting of signs) of the Sales.

124. ***Abandonment.*** The Debtors seek approval to abandon certain owned FF&E remaining in the Closing Stores. The Debtors intend to sell any marketable owed FF&E present in the Closing Stores. However, the Debtors may determine that the cost associated with holding or selling that property exceeds the proceeds that will be realized from its sale, or such property will not be saleable at all. In such cases, I believe that retaining the property would be burdensome to the Debtors' estates and the property would be of inconsequential value. The Debtors therefore believe that abandonment of such property is in the best interests of their estates.

125. ***Store Closing Bonus Plan.*** The Debtors are requesting the authority, but not the obligation, to pay Store Closing Bonuses (the "Store Closing Bonus Plan") to store-level non-insider employees who remain in the employ of the Debtors during the Sales. I believe that the Store Closing Bonus Plan will motivate employees during the Sales and will enable the Debtors to retain those employees necessary to successfully complete the Sales.

126. The Debtors' most recent Store Closing Bonus Plan has been active since January 2024. Payments under the Store Closing Bonus Plan are made exclusively to non-insider employees, on the condition of employment through the date on which the respective employee's store closes. Such employees are eligible to receive a one-time payment, payable in a lump sum on the employee's last paycheck following the completion of the Store Closing. The lump sum amounts correspond to the eligible employees' respective positions: (i) $300 for serving as a sales leader or lead guide, (ii) $500 for serving as an associate manager or assistant manager, and (iii) $1,000 for serving as a store manager or guideshop manager. At the Closing Stores, payments under the Store Closing Bonus Plan will not exceed $700,000, assuming one hundred percent of eligible employees remain employed through the duration of the Sales at the Closing Stores. Additionally, if the Debtors were to close all stores, the aggregate amount of payments made under the Store Closing Bonus Plan would not be more than approximately $5,000,000.

127. Providing such non-insider bonus benefits is critical to ensuring that key employees that will be affected by the reduction in the Debtors' work force due to the Store Closings will continue to provide critical services to the Debtors during the ongoing Store Closing process. This will increase the likelihood of a successful Store Closing and Sale process and incentivize store management to provide uninterrupted leadership during this challenging period.

128. I believe that the Store Closing Bonus Plan is a sound exercise of the Debtors' business judgment and is in the best interests of the Debtors and all their estates' stakeholders. The store employees—along with their skills, knowledge, and hard work—are more critical now than ever. Through their commitment and performance, they can ensure that the Debtors continue to maximize stakeholder value in a challenging economic environment and a time when those employees' positions will soon be terminated.

129. ***Gift Card Program.*** The Sales and Store Closings require that the Debtors make certain modifications to their gift card program (the "Gift Card Program") to reflect new realities. Accordingly, the Debtors intend to implement the following changes to the Gift Card Program in all Closing Stores only, which will be clearly posted for customer at cash registers and online for the duration of the Store Closings.

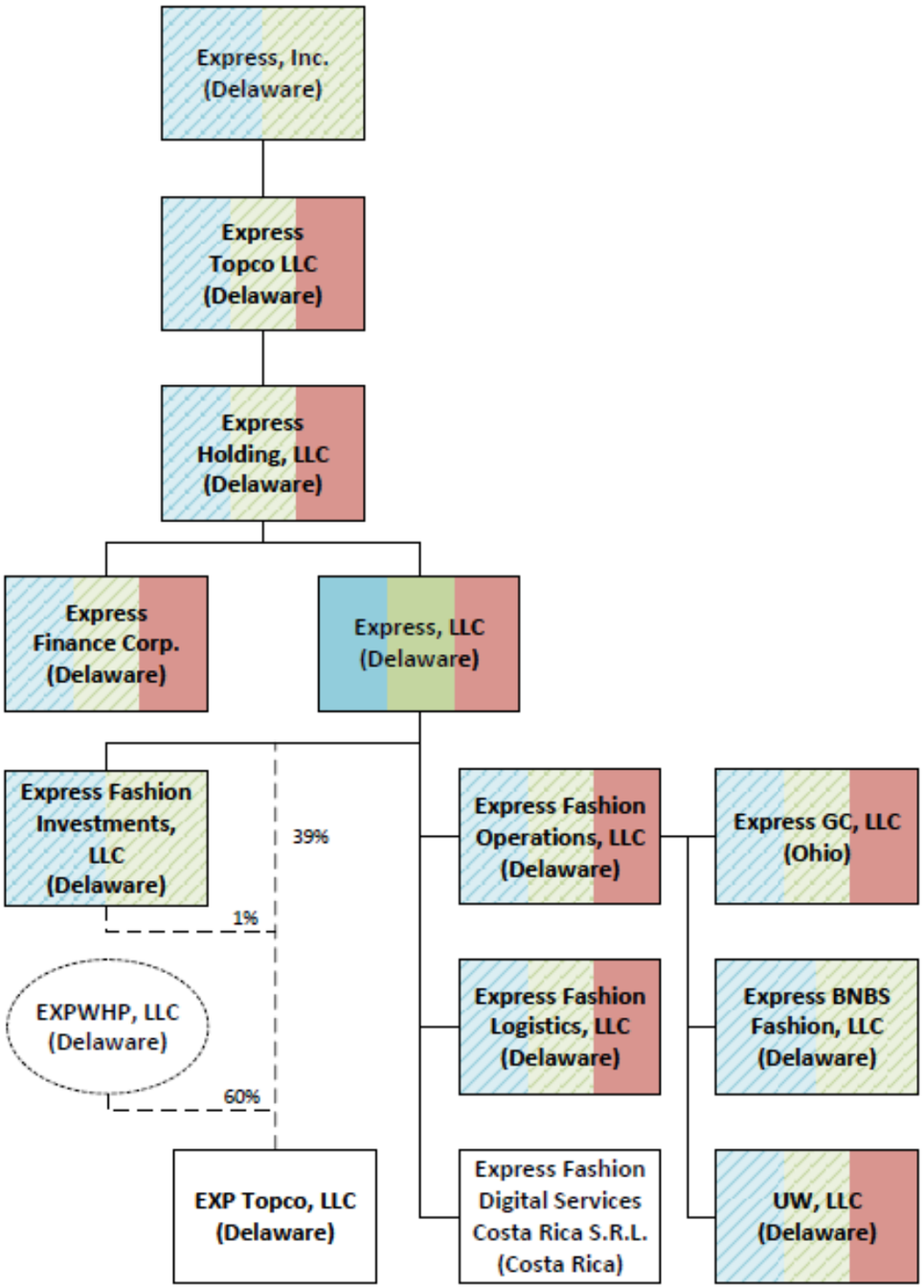
130. As of the Petition Date, the Debtors will no longer accept gift cards on the e-commerce platform. For the first thirty (30) days of the Sales, the Debtors will continue to accept the Debtors' validly-issued gift cards issued prior to the Sale Commencement Date in the Closing Stores in the ordinary course of business. After the expiration of the thirty days to utilize gift cards in the Closing Stores, all such validly issued gift cards will no longer be accepted by the Debtors and deemed to have no remaining value. Notwithstanding any policy or state law to the contrary, the gift cards are not redeemable for cash at any time.

131. I believe that the relief requested in the Store Closing Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to efficiently administer their estates during the pendency of these Chapter 11 Cases. Accordingly, on behalf of the Debtors, I respectfully submit that the Store Closing Motion should be approved.

Exhibit B

Corporate Organizational Structure

EXPRESS



ABL Facility
as of April 17, 2024

Outstanding	$90.1M
Maturity	November 26, 2027
Administrative & Collateral Agent	Wells Fargo Bank
Documentation Agent	Bank of America, N.A.
Interest Rate	SOFR + 1.75 – 2.25%; Due Quarterly (or monthly, if 1 month SOFR; daily for ABR)

FILO Term Loan Facility
as of April 17, 2027

Outstanding	$63.1M
Maturity	November 26, 2027
Administrative Agent	ReStore Capital, LLC
Interest Rate	SOFR + 10%

Supplier Guaranty and Security Agreement

Subordinated Creditor	MGF Sourcing US, LLC

LEGEND

- Borrower
- Revolving Credit Facility Guarantor
- Borrower
- Term Loan Facility Guarantor
- Security Grantor
- Third-Party Entity

Exhibit C

Phoenix Joint Venture Letter of Intent

April 21, 2024

STRICTLY CONFIDENTIAL

Express, Inc.
1 Express Drive,
Columbus OH 43230
Attn: Stewart Glendinning (sglendinning@express.com)

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Emily E. Geier, P.C. (emily.geier@kirkland.com)

Moelis & Company LLC
399 Park Avenue, 4th Floor
New York, New York 10022
Attn: Perry Hall (perry.hall@moelis.com) and Adam Keil (adam.keil@moelis.com)

M3 Partners
1700 Broadway, 19th Floor
New York, New York 10019
Attn: Mohsin Meghji (mmeghji@m3-partners.com) and Kunal Kamlani (kkamlani@m3-partners.com)

Re: Express, Inc.

To Whom it May Concern:

WHP Global ("WHP Global"), SPG Fashion Retail, LLC ("Simon"), a newly formed, wholly owned indirect subsidiary of Simon Property Group, L.P., and BPR Acquisitions LLC, or an affiliate thereof ("Brookfield") (collectively, the "Joint Venture Participants") are pleased to submit this non-binding proposal (the "Proposal") for a joint venture, expected to be named "PHOENIX", to be formed among them (the "Joint Venture") to acquire certain assets and assume certain liabilities of Express, Inc. and its subsidiaries (collectively, the "Company" or "Express")

through a "Section 363" transaction in a chapter 11 case of the Company (the "Case"), on and subject to the terms and conditions described herein.

This non-binding Proposal does not contain all of the material terms that must be negotiated and agreed upon before the parties can reach a binding agreement. It is understood that this letter is solely a non-binding Proposal and does not constitute an offer or commitment on the part of the Joint Venture Participants to make an offer or to enter into a transaction on these or any other terms at any future time. Any such offer or commitment may only be made by the execution in writing by the Joint Venture Participants of definitive agreements expressly so stating. This non-binding Proposal does not constitute a commitment, a contract to provide a commitment, or an offer to enter into a contract regarding the proposed investment. Such commitment, contract, or offer is subject to, among other things, completion of the Joint Venture Participants' due diligence to their subjective satisfaction, and final approval and delivery of final documentation satisfactory to the Joint Venture Participants in their sole discretion. Until such time as those conditions are satisfied, no communication, whether written or otherwise, other than a fully negotiated and executed definitive agreement can give rise to any binding obligation on behalf of the Joint Venture Participants to enter into any transaction, now or in the future. Only fully negotiated and executed documents after the completion of due diligence will constitute a binding and enforceable agreement notwithstanding any oral or other statements to the contrary. This non-binding Proposal is confidential and should be treated as such and should not be discussed with any other party, except the Company's advisors, except as agreed in writing (including by electronic mail) by WHP Global, Simon and Brookfield, or by designated advisors to each of WHP Global, Simon and Brookfield, including PJT Partners or Wachtell, Lipton, Rosen & Katz on behalf of WHP Global and the Joint Venture and Kelley Drye & Warren LLP on behalf of Brookfield.

1. WHP Global, Simon and Brookfield collectively represent the Company's most significant strategic stakeholder and its two largest landlords. The Joint Venture Participants and their principals all have decades of experience in the retail industry coupled with a world-class network of partners to ensure the long-term future of both the Express and Bonobos brands. Our intention is to acquire and continue to operate the Company's e-commerce business and as many of its existing stores located in the United States as possible, pending reaching acceptable agreement with the landlords of such locations. The Joint Venture is expected to be capitalized with at least $200 million, including an equity commitment from WHP Global of at least $100 million, providing ample capital to create a strong operation with a footprint of over 280 stores already identified to continue the Express and Bonobos brands and legacies. Importantly, the Joint Venture expects to offer employment to thousands of current Company employees, including substantially all store-level employees at the acquired stores, and a majority of the corporate level employees. Further, we look forward to sourcing future merchandise orders from the Company's existing vendor base. The Joint Venture Participants expect the Joint Venture will be in a position to execute a binding, definitive asset purchase agreement, on and subject to the terms and conditions described herein, within thirty (30) days, and to close promptly thereafter.

2. Subject to the execution of a definitive asset purchase agreement (the "Asset Purchase Agreement") and the entry of an order of the bankruptcy court (the "Court") in the Case authorizing the Company to enter into and perform the transactions contemplated by the Asset Purchase Agreement (the "Approval Order"), the Joint Venture would acquire and assume the Acquired Assets and Assumed Liabilities pursuant to Section 363 of the Bankruptcy Code in

exchange for aggregate consideration (the "Purchase Price") consisting of an amount payable in cash equal to (a) $10,000,000 plus (b) 100% of the net orderly liquidation value of the Acquired Merchandise (calculated in a manner reasonably acceptable to the Joint Venture). For the avoidance of doubt, both the Approval Order and the Asset Purchase Agreement shall be in form and substance and contain terms and conditions satisfactory to the Joint Venture Participants in their sole discretion.

The "Acquired Assets and Assumed Liabilities" shall be comprised of:

(1) the Company's leasehold interests (the "Leasehold Properties") and the associated leases (the "Leases") relating to the Company's stores previously identified by the Joint Venture Participants (provided, however, that the final scope of the Leasehold Properties and Leases shall be satisfactory to each of the Joint Venture Participants in their sole discretion) and other stores and distribution centers to be identified by the Joint Venture that are branded under the EXPRESS® or BONOBOS® trademark or any other EXPRESS- or BONOBOS-formative trademark;

(2) (i) all merchandise and all furnishings, fixtures, equipment, other tangible personalty and/or improvements to real property, in each case located at all Leasehold Properties and (ii) certain in-transit and on-order merchandise and other merchandise in distribution centers or relating to the E-Commerce business, in each case to be agreed (the "Acquired Merchandise", as applicable);

(3) (i) all domain names used by the Company for the operation of the e-commerce sites branded under the EXPRESS®, BONOBOS® or UPWEST® trademarks or any other EXPRESS-, BONOBOS- or UPWEST-formative trademarks (including www.express.com, www.bonobos.com and www.upwest.com) and (ii) all other domains names, websites, social media accounts, and other Internet properties and digital assets that use or incorporate the EXPRESS®, BONOBOS® or UPWEST® trademarks or any other EXPRESS-, BONOBOS or UPWEST-formative trademarks (collectively, the "E-Commerce");

(4) (i) all of the Company's interest in EXP Topco LLC, the License Agreement between the Company and EXP Topco LLC and the License Agreement between the Company and Bonobos, Inc., in each case, subject to certain modifications and (ii) (a) all intellectual property rights (including any trademarks, copyrights, patents, know-how and other intellectual property rights), together with all associated goodwill and rights of priority, (b) all customer lists, (c) all design and marketing assets, (d) all rights under inbound or outbound license agreements, (e) all proprietary technology, code and software, including rights under certain identified software licenses and (f) all rights to sue for, recover and retain damages for past, present and future infringement of any intellectual property rights, in each case related or incidental to the EXPRESS®, BONOBOS® or UPWEST® trademarks or brands or any other EXPRESS-, BONOBOS® or UPWEST-formative trademark (clause (4), collectively, the "Intellectual Property");

(5) (i) certain liabilities of the Company and Bonobos with respect to (a) gift cards or gift certificates outstanding as of the closing, and (b) customer loyalty programs outstanding as of the closing, (ii) certain assets and liabilities of the Company and Bonobos with respect to customer financing arrangements, and (iii) all claims of the Company and Bonobos associated with the payment card interchange fee settlement;

(6) certain employee-related obligations relating to Company employees to be identified by the Joint Venture Participants who are transitioned to the Joint Venture; and

(7) certain overhead, logistics, technology and other services and infrastructure-related assets and liabilities to be identified by the Joint Venture.

In addition, the Joint Venture shall acquire certain "designation rights" with respect to certain store leases and other contracts, on terms to be set forth in the Asset Purchase Agreement. The Joint Venture shall be entitled to modify the scope of the Acquired Assets and Assumed Liabilities in its sole discretion.

3. Under the terms of the Asset Purchase Agreement and without any compensation other than the Purchase Price, the Company shall assume the Leases and assign them to the Joint Venture subject to modifications and cure costs to be agreed with each applicable landlord. As a consequence of such assumption and assignment and without further consideration, the Joint Venture shall also acquire all of the Company's rights, title and interest in and to, to the extent related to the Leasehold Properties, (A) all related permits, (B) all building systems and all other structures and improvements and all rights, warranties and guarantees related thereto, (C) all security deposits and letters of credit posted by the Company, and any guarantees and other security posted or delivered in favor of the Company, together with all related documentation therefor, and (D) all insurance monies and all warranty and condemnation proceeds received or receivable after the closing under the Asset Purchase Agreement. With respect to each Leasehold Property, the Approval Order shall provide, *inter alia*, for the new tenant's right to exercise all renewal options and all other rights, benefits, privileges, and options granted or provided to Company under the applicable Lease.

4. Except as otherwise expressly agreed in the Asset Purchase Agreement, the Joint Venture will assume no other liabilities of the Company, whether arising prior or subsequent to the commencement of the Case and shall acquire the applicable assets free and clear of all liens and claims. Without limiting the generality of the foregoing, the Joint Venture shall have no other obligation or liability of any kind (including, without limitation, any obligations for any royalties, rent, taxes, common area maintenance charges, insurance charges or any other additional rent or occupancy costs or amounts, payments, charges or claims to or by any counterparty or landlord) under any Lease, any agreement related to the Intellectual Property or any other agreement which first arose prior to the closing date of transactions contemplated by the Asset Purchase Agreement, including without limitation any year-end adjustments. In addition, the Company shall fully indemnify and hold harmless the Joint Venture with respect to any such obligations or liabilities.

5. The parties' respective obligations under the Asset Purchase Agreement shall be subject to, and conditioned upon, customary conditions to closing, including among others (a) any required filings, clearances or expiration of any waiting periods under applicable law, (b) the

receipt of any third-party consents necessary (under contract or otherwise) to consummate the transactions contemplated by the Asset Purchase Agreement, (c) accuracy of representations and warranties subject to customary exceptions, and (d) compliance in all material respects with the covenants and agreements set forth in the Asset Purchase Agreement. The Company shall bear all costs required therewith.

6. The transactions contemplated by the Asset Purchase Agreement would be funded through a combination of the debt and equity capital described above. The Joint Venture Participants are in advanced discussions with potential ABL providers and are highly confident that such financing will be obtained prior to consummation of the transactions contemplated by the Asset Purchase Agreement.

7. The Joint Venture shall be entitled to a breakup fee of 5.0% of the Purchase Price and an expense reimbursement fee of up to $5,000,000 as reimbursement of its out-of-pocket costs and expenses (including without limitation accounting, financial advisory and attorneys' fees) in the event the Asset Purchase Agreement is executed. The Asset Purchase Agreement shall also specify a minimum overbid for any competing transaction.

8. Prior to consummation of the transactions contemplated by the Asset Purchase Agreement, the Joint Venture Participants anticipate engaging in discussions with other landlords regarding potential modifications to, and the assumption and assignment of, additional leases.

9. The Joint Venture will require certain transition services, on terms to be agreed, in connection with the transactions to be contemplated by the Asset Purchase Agreement.

10. If you or the Company have any questions regarding this Proposal, please contact our legal advisors Joshua A. Feltman (212-403-1109; jafeltman@wlrk.com) or Benjamin S. Arfa (212-403-1310; bsarfa@wlrk.com) of Wachtell, Lipton, Rosen & Katz.

11. This Proposal is not intended to be, and does not constitute, a binding or enforceable agreement with respect to the potential transaction described herein or any other transaction between the parties. No party is under any legal obligation or has any liability to any other party with respect to the potential transaction or any other transaction by virtue of this Proposal, unless and until definitive transaction documentation regarding the potential transaction has been executed by the parties.

We look forward to working with you on this important matter and are available to discuss at your convenience.

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Very truly yours,

WHP GLOBAL

By:_____
Name: Yehuda Shmidman
Title: Chief Executive Officer

SPG FASHION RETAIL, LLC

By: DocuSigned by: Stanley Shashoua F041AEC3935045E...
Name: Stanley Shashoua
Title: Authorized Signatory

BPR ACQUISITIONS LLC

By: Jonathan Kramer
Name: Jonathan Kramer
Title: Authorized Signatory