

## **TRANSMAR COMMODITY GROUP LTD. (“TCG” or “THE COMPANY”)**

### **Frequently Asked Questions**

#### **General Questions**

##### **1. What is Chapter 11?**

Chapter 11 of the U.S. Bankruptcy Code is a legal mechanism for court supervised reorganization for restructuring of the Company's obligations. Chapter 11 provides a way for companies to address their financial issues in order to become a viable entity, while continuing day-to-day operations.

##### **2. Why did TCG file for protection under Chapter 11 of the U.S. Bankruptcy Code?**

TCG took this step only after very careful consideration and consultation with experienced financial and legal experts. The Company decided that this would be the most effective path for TCG — the path that would best protect the value of TCG's assets for the benefit of its creditors and other stakeholders.

##### **3. Does this mean that TCG is going out of business?**

No. TCG filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in order to address its immediate liquidity needs. The Company intends to continue operations during the Chapter 11 process. Going forward, suppliers will be paid under normal terms for all goods and services provided after the filing and the Company will continue to fulfill customer needs.

##### **4. Does TCG have enough cash to stay in business?**

Yes. In fact, the Company has lined up and sought approval for a consensual arrangement with its senior secured lenders where it will be able to use sufficient amounts of its cash constituting its lenders' cash collateral to maintain business operations. Once the Court approves this cash collateral use arrangement, these additional funds will be available to provide necessary liquidity to continue business during this process.

##### **5. How long will the Chapter 11 process take?**

There is no way to predict today with certainty how long the process will ultimately take.

##### **6. Which entities are included in the filing?**

Only Transmar Commodity Group Ltd filed for chapter 11. Please refer to the Company's restructuring website at: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar) for more information.

**7. Where can I find Chapter 11 case information?**

Please refer to the Company's restructuring website at: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar).

**Supplier Specific Questions**

**8. Will suppliers continue to be paid for goods and services they provide to TCG?**

The Company intends to pay suppliers under normal terms for goods received and services rendered after the filing on December 31, 2016. Invoices for goods and services provided after the Chapter 11 filing date should be submitted through the typical accounts payable channels and payments will be processed in accordance with contract terms, if applicable. Any claims for goods received or services rendered after the filing date are considered "administrative claims", which receive a priority status. At the First Day hearing, the Court will consider the Company's request for interim approval to use funds from the cash collateral of the senior secured lenders.

Suppliers who provided goods or rendered services to TCG prior to the filing (December 31, 2016) may have what are referred to as "pre-petition claims." Under U.S. bankruptcy law, unpaid debts for goods and services provided to TCG prior to the filing date (known as pre-petition claims), generally cannot be paid without specific bankruptcy court approval. These claims will be addressed as part of the court-process moving forward. If you have such pre-petition claims, you will receive additional information from the Company's claims agent at a later date. TCG sincerely regrets the difficulties that this may cause your company.

**9. I have unpaid invoices dated before the bankruptcy date (i.e., pre-petition invoices). What should I do?**

If you believe you have a prepetition claim for goods and services provided to TCG, you may need to file a proof of claim to be eligible for payment on your claim. Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof of claim form and instructions on how to file the form.

**10. Will I need a claim form, or will I automatically be paid for the outstanding, pre-petition amount owed to me?**

Yes, you will need a claim form. At some point in the case, every creditor will receive a copy of a Bar Date Notice which will be accompanied by a proof of claim form with instructions as to deadlines, etc. If you have any questions regarding filing a claim, please seek the advice of legal counsel.

### **11. How can I file a proof of claim?**

TCG's claims agent – Donlin, Recano & Company, Inc. – will provide you with the relevant information and appropriate forms once a deadline for filing claims has been set. Proof of claim forms and other information about the claims process will be available at the following website: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar)

### **12. Why can't the Company pay me what I am owed?**

United States bankruptcy laws generally prohibit the payment of all unpaid invoices incurred before the Company filed for bankruptcy. TCG sincerely regrets the difficulties that this may cause your company.

### **13. Why should I continue to provide TCG with goods and services if I have pre-petition claims?**

There are really 2 reasons to maintain your business relationship with the Company:

- Priority status of post-petition claims - Amounts owed for goods or services delivered after the bankruptcy filing are deemed “administrative liabilities.” The Bankruptcy Code requires the Company to pay all administrative liabilities under the terms and conditions governing the transaction. Simply stated, the Company must pay for goods and services that it receives in the ordinary course of business after the filing. Also, it is important to understand that pursuant to the United States Bankruptcy Code, suppliers are required to fulfill all contractual obligations to TCG.
- Maximizing the value of your pre-petition claim - The value of all pre-petition claims is highly dependent on the success of the Company during the Chapter 11 process. The success of the Company during this period is in large part due to the support of the supplier community. Therefore, each supplier has the opportunity to affect the value related to its outstanding balances at the time of filing.

### **14. What is my current balance? What is my pre-petition balance?**

The Company cannot provide current balances outstanding at this point because the Company is in the process of reviewing all of its records and separating pre- and post-petition invoices. However, TCG will be filing a “Schedule of Assets and Liabilities.” In this document, the Company will list balances it believes are owed to its creditors. If you have further questions about this, please contact your company's legal advisor.

### **15. Can't you just give me some idea of how much I will get paid on the past bills?**

Not at this time. TCG's relationship with its suppliers is key to the future success of the Company, and the Company greatly appreciates your business. While TCG cannot promise what the amount of payout will be on your claims, you can be sure that the

Company will do everything it can to achieve the maximum recovery for all creditors. TCG sincerely regrets the difficulties that this may cause your company.

**16. Is it true that suppliers with outstanding pre-petition claims only get a few cents on the dollar for unpaid invoices?**

At this time, TCG is not able to estimate what value a general unsecured claim will have in its Chapter 11 case. TCG sincerely regrets the hardship or inconvenience that this may cause your company.

**17. If TCG can't pay me for pre-petition invoices, what assurances can be provided that I will be paid for post-petition goods and services?**

In the U.S., all claims for goods and services delivered on or after the filing date (December 31, 2016) are considered administrative claims against the Company's bankruptcy estate. This means that the Company is allowed—and indeed obligated—to pay you in full and according to normal terms. The Company will be generating cash flow through its operations and has also lined up and sought approval for use of the cash collateral and debtor in possession financing in sufficient amounts to pay for goods going forward.

**18. Will TCG attempt to negotiate new terms now that it has filed?**

TCG will continue to review the benefits and opportunities it has to improve its overall supplier relationships in the normal course of business. This will depend on the goods or services individual suppliers provide and the terms in place at the time of filing.

**19. Given the uncertainties of the situation, can I renegotiate my terms with TCG?**

The Company cannot pay more for goods and/or services at this time. Its ability to purchase from you on favorable terms and at competitive prices is critical.

**20. I understand companies that file for Chapter 11 are able to put some suppliers on a "Critical Vendors List" that allows them to continue to be paid under normal terms, even for invoices that are unpaid at the time of the filing. How can I get on that list?**

Other than a motion the Company has filed with the Bankruptcy Court seeking to pay some pre-petition claims of Warehousemen, Logistic Providers and Melting Service Providers, [See Question # 27 below] the Company has not and does not intend to file a "Critical Vendors" motion. Although the Company feels as if all of its suppliers are "critical," the courts have placed very strict parameters on those vendors that can be paid at this time. If you feel as if you should be considered a "Critical Vendor" you should contact your legal counsel.

**21. When will I receive payment for goods and services delivered after the bankruptcy date?**

Goods and services delivered after the bankruptcy filing date (December 31, 2016) will be paid according to established terms.

**22. What if I only want to be paid cash on delivery?**

TCG will continue to pay supplier invoices under normal terms. The Company believes it is in the best interests of its suppliers to maintain business as usual.

**23. Can I take back my goods?**

No. TCG understands your frustration, but bankruptcy law prohibits a seller from repossessing goods after a purchaser has filed. The Company recommends that you consult with your legal counsel before taking any such action.

**24. Can I raise my product prices?**

The automatic stay provision associated with Chapter 11 filings prevents you from raising your prices in an effort to recoup pre-petition claims. Should you have a business reason to raise prices other than the Company's filing itself, you can communicate with your usual contact at TCG who will collect the requisite information from you and determine if a price change can be approved.

**Utility Specific Questions**

**25. Do you intend to pay my pre-petition balance?**

Unfortunately, federal bankruptcy laws generally prohibit TCG from paying outstanding invoices for goods and services received before the filing date (December 31, 2016). The Company sincerely regrets the hardship this may present you, and asks you to look to the future as this relationship continues.

**26. If you don't pay my balance, the Utility Company will discontinue services.**

The Bankruptcy Code prohibits utilities from discontinuing service within the first 20 days of a bankruptcy. The Company intends to file a motion in the Bankruptcy Court addressing how to provide utilities with adequate assurance to ensure continued service. When filed, a copy of the motion will be made available via the Company's restructuring website at: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar).

## **Warehousemen/Logistic and Melting Services Providers**

### **27. I am a warehouseman, or logistic or melting services provider, am I eligible for different treatment?**

The Company is seeking authority to pay some pre-petition claims of warehousemen, logistic and melting services providers. If approved, it will attempt to pay monies to these providers as authorized in the court's order. A copy of the motion is available at the Company's restructuring website at: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar)

## **Employee Questions**

### **What it means for Employees**

#### **28. Will there be layoffs as a result of the filing?**

The Company will continue to take the necessary steps to reduce costs and streamline operations, and this may impact headcount. Future employment decisions will continue to be based on market conditions and overall company performance.

#### **29. Should I keep coming to work as usual? Does this mean that my work schedule will change?**

You should keep working according to your usual schedule, unless you are told otherwise by your direct supervisor.

#### **30. What can employees do to help during the Chapter 11 process?**

Collectively, all TCG employees – regardless of job function, or title – must stay focused on their responsibilities. Now, more than ever, it is important for everyone to do the best job possible.

#### **31. Where should employees go for information about the reorganization?**

Information about the reorganization will be posted on the Company's restructuring website at [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar). This will be updated regularly. The Company will also communicate with you directly when there are significant developments to report.

## **Wages and Benefits**

#### **32. Does the Company have enough cash to meet its payroll and benefit obligations?**

Yes, the Company plans to continue paying wages for its employees as usual.

**33. Will there be any changes in employee pay going forward?**

The Company expects that the Chapter 11 process will not affect its current compensation policies. However, the Company will continue to monitor the economic environment and may adjust pay on a case-by-case basis as a cost-savings measure.

**34. Will overtime still be offered?**

The Company will continue to follow its overtime policies and all applicable overtime laws.

**35. Will the filing affect employee health care benefits (such as medical, vision or dental plans) and employee life insurance or disability benefits for employees?**

The Company has asked the Bankruptcy Court for approval to continue its current policies with respect to these matters. As is customary in similar cases, the Company fully expects the Court to approve its request. If TCG makes changes to such policies in connection with cost-reduction efforts, any changes will be announced through the normal communication channels.

**36. Can I still file my medical and dental insurance claims?**

Yes. You can and should file your claims as you normally would.

**37. Will COBRA benefits still be provided to employees if they are separated from the company after the filing?**

The Company expects that COBRA continuation coverage will continue to the extent required under law.

**38. How will the filing affect compensation such as bonuses, quarterly sales incentives and commissions?**

As indicated above, the Company plans to continue paying base wages for its employees, as usual, post-petition. Employees should expect that incentive compensation/bonus payments will be impacted, however, and have a low probability of payout this year.

**Paychecks and Expense Claims**

**39. Am I going to be paid as usual now that the Company has made this filing?**

The Company plans to continue providing all wages and benefits for employees as usual.

**40. When will I next be paid?**

There will be no delay in your next paycheck, and expense reimbursement will be made as usual.

**41. Will there be anything different about TCG's paychecks as a result of the filing?**

Employees who receive paychecks may in the future notice a "DIP" designation printed on the paycheck, which simply identifies Transmar Commodity Group Ltd. as a "Debtor-in-Possession" consistent with the Chapter 11 filing.

**42. Will my bank/credit union still accept my paycheck or direct deposit?**

Every paycheck issued or direct deposit made by TCG should be honored. However, if you experience any problems cashing your paycheck or having an institution honor your direct deposit, please contact the TCG HR department at Vincent.Labbate@TransmarGroup.com).

**43. Can I continue to charge my business expenses?**

You may do so as you have in the past, following the same procedures for submitting any qualified business expenses in accordance with company policy, unless your supervisor directs you otherwise. The Company has asked for court approval to reimburse all business expenses as was done routinely prior to the filing. As is customary in similar cases, the Company expects the court to approve its request.

**Retirement Benefits**

**44. Are the assets in TCG's 401(k) plans for employees protected from creditors' claims in the bankruptcy proceedings?**

Yes. Federal law protects the funds in 401(k) savings plans from the claims of a company's creditors. All individual 401(k) accounts are set up in the individual employee's name. This means that TCG cannot use these assets to meet its other obligations or to pay its debts.

**45. What happens to the accounts of employees who are participants in the 401(k) Plan?**

The assets in its 401(k) plans are held in a trust, which is separate from the Company. These assets are protected under federal law against the claims of TCG's creditors, which means that the Company can't use any of these assets to meet other obligations or to pay its debts. Irrespective of the filing, all investments contained in an individual's 401(k) account are subject to some level of market risk.

**46. Now that TCG has made this filing, can employees access their 401(k) account funds before retirement without incurring penalties?**

The Plan's current provisions regarding withdrawals and distributions from the plan continue to apply. The IRS rules for 401(k) withdrawals remain in place and will not change as a result of the Company's filing.

**47. Is it true that if the Pension Benefits Guaranty Corporation takes over my qualified defined benefit pension plan, I may receive a smaller pension than I am entitled to?**

At this point, we are unable to say whether the PBGC will take over the pension plan. The Pension Benefits Guaranty Corporation has a web site that explains what happens when they assume responsibility for a qualified defined benefit pension plan.

**Miscellaneous Policies and Practices**

**48. Will employees continue to receive disability, holidays and vacation pay?**

The Company has asked for court approval to continue its current policies with respect to these matters. As is customary in similar cases, the Company expects the Court to approve its request. If TCG makes changes to such policies in connection with cost-reduction efforts, any changes would be announced through its normal communication channels.

**Inactive/former Employees**

**49. I am on a leave of absence. How does the bankruptcy filing affect my employment status?**

TCG will continue to follow its policies and all applicable laws regarding leaves.

**50. Will former employees be eligible for continued health insurance through COBRA?**

Yes. The Company will fulfill all of its obligations under COBRA.

**Customer Questions**

**51. Will the filing impact the way you provide your customers with products and services?**

No. The Company is continuing to fulfill customer needs.

**52. Will our relationship manager/point of contact change as a result of the filing?**

Your contact person will remain the same for the time being.

**53. Will this process have any impact on your ability to obtain the materials you need?**

Yes. Although the Company has good relationships with its suppliers and the Company is an important customer for them, the Company will be operating under an agreed-upon budget with the Company's lenders, which in certain instances may impact the Company's ability to obtain the materials needed.

**54. Will you make any changes to your product offering as a result of the filing?**

The Company is conducting ongoing business but, in accordance with the agreed-upon budget with the Company's lenders, the Company will continue to take the necessary steps to reduce costs and streamline operations, which may impact product offerings.

**55. Will the filing have any impact on your distribution systems?**

The Company has sought authority from the Bankruptcy Court to pay some pre-petition claims of its warehousemen and logistic providers. If approved, the Company does not anticipate any disruptions as a result of the filing.

**56. How can I get additional information?**

Further information will be posted as available on the Company's Chapter 11 website at: [www.donlinrecano.com/transmar](http://www.donlinrecano.com/transmar).