

## Suppliers Q&A

Below are answers to some of the most frequently asked questions about our supplier partnerships during our reorganization.

### **Will suppliers be paid for goods and services provided to SGI during the bankruptcy proceedings?**

Yes. Under U.S. bankruptcy law, SGI is permitted to pay suppliers in full under normal credit terms for all goods and services provided to SGI during the bankruptcy proceedings.

### **What is the status of my existing agreement with SGI and its subsidiaries?**

SGI expects its suppliers to continue to honor existing agreements. If you have a contract with SGI or its subsidiaries, the chapter 11 laws require that you continue to perform services or provide products unless otherwise ordered by the Court.

### **Why should I continue to provide goods and services to SGI?**

Suppliers are entitled to be paid under normal terms for all goods and services shipped to SGI during the reorganization proceedings; and it is in our mutual best interest to preserve our business relationship.

You will receive payments for “post-petition” goods and services. Post petition payments will be given priority status in the reorganization proceedings, providing additional protection to you. In addition, if you have a contract with SGI or its subsidiaries, the chapter 11 laws require that you continue to perform services or provide products unless otherwise ordered by the Court.

### **How will SGI be paying for current orders yet to be shipped and new orders SGI will be making? Will we receive payment for new orders?**

The Company has obtained a debtor-in-possession financing facility of \$ 70 million which will give SGI the financing it needs to operate during the reorganization. While the Company is operating under the guidelines of chapter 11, the Company’s vendors are afforded priority status for all shipments made subsequent to the chapter 11 filing. As a result, new shipments will be paid for in the normal course of business.

### **How can SGI continue doing business in the normal course as you say, if you are in chapter 11?**

Under chapter 11 the Company remains in possession of its property and is authorized to continue to operate and manage its business while management endeavors to develop and confirm a plan of reorganization.

### **When will I be paid for the balance outstanding for goods or services we provided to SGI before its chapter 11 filing?**

Under bankruptcy law, SGI may only pay claims of general unsecured creditors pursuant to the terms of a confirmed Plan of Reorganization. Although SGI does not know when such a plan will be confirmed, it is the Company’s hope to move swiftly in this case and the Company will work diligently toward that end. A committee of unsecured creditors will be appointed to represent the interests of unsecured creditors as a plan of reorganization is being developed.

### **How do I know if I have a pre-petition or post-petition claim?**

Goods received or services provided before the chapter 11 filing are considered pre-petition. Goods received or services provided on or after the chapter 11 filing are considered post-petition. If you are unsure about the status of your claim, you should consult with your legal adviser.

### **Will there be a process for submitting claims for an unpaid pre-petition invoice?**

Yes. The Court will confirm the procedures and deadlines for filing claims and make that information available.

**What is “DIP” financing?**

Debtor-in-possession, or DIP, financing is a new credit line provided to a company after it files for chapter 11.

**Did SGI receive DIP financing?**

SGI has obtained a debtor-in-possession financing facility of \$ 70 million which will give the Company the financing it needs to operate in chapter 11. This financing will support SGI's business during the chapter 11 process and has been made available to SGI because the lenders believe SGI's reorganization plan is viable and that the Company can execute it.

**What if I have additional questions?**

Additional information about SGI's reorganization process is available at SGI's web site at [www.sgi.com/reorg](http://www.sgi.com/reorg). If you have remaining questions after reviewing this site, please call the SGI Supplier Support Center at 1-800-915-2426 or 1-651-234-0357.