

National Stores, Inc. Vendor/Supplier Frequently Asked Questions

[Updated August 11, 2018]

1. I received documents from the bankruptcy court, what are they?

Recently parties in interest, such as vendors, suppliers, received notices informing them of the Company's chapter 11 filing. It is required that the Company provide these to all parties who may hold a claim (a debt; is owed money for services and/or goods provided prior to the August 6, filing date). However, receipt of this notice does not mean a party does in fact have a claim. It is the right of each party to determine whether it holds a claim against the Company. We are not able to provide legal advice and cannot assist in this determination or recommend whether you should obtain legal counsel.

2. Why am I receiving these documents?

Distribution of these notices is a routine part of the bankruptcy process. A wide range of parties receive these notices such as current and former employees, suppliers, vendors, and other parties of interest.

3. Do I have to do anything with these documents?

It is the right of each party in interest to determine whether it holds a claim against the Company. We are not able to provide legal advice or assist you in this process.

4. Do I need to hire an attorney?

We are not able to offer legal advice.

5. If have to retain legal counsel, will the Company pay?

No.

6. What is the Notice of Chapter 11 Bankruptcy Case?

The Notice is a required and is a customary legal document indicating that National Stores and its affiliated companies each filed petitions in the United States Bankruptcy Court for the District of Delaware seeking relief under chapter 11 of the United States Bankruptcy Code and related information about the commencement of the companies' chapter 11 cases.

7. What is the Meeting of Creditors?

Held by the US Trustee, during the meeting of creditors an unsecured creditors committee may be formed to oversee the interests of all unsecured creditors in the case. At this meeting both the Trustee and creditors can ask questions of the debtor (Company).

8. Can I attend the Meeting of Creditors?

Yes.

9. Will the Company pay for my attendance as a Creditor?

No.

10. Is attendance a requirement to getting paid?

No.

11. What did the Company announce?

National Stores, Inc. and its affiliates filed voluntary petitions for Chapter 11 relief in the United States Bankruptcy Court for the District of Delaware on August 6, 2018. The Company took this action to secure the Company's future, and allow it the opportunity to restructure its debt and return to financial health and profitability.

12. What is Chapter 11?

For a business, chapter 11 of the US Bankruptcy Code provides the opportunity for a Company's restructuring or to sell its assets.

13. Doesn't chapter 11 mean a shutdown or liquidation?

No. We are open for business and operating as normal.

14. How does the process work?

In a chapter 11 case, a company typically maintains its business operations and continues to provide employees with salaries and benefits. Companies are also able to continue doing business with suppliers and customers in a routine manner. On August 7, 2018, the Court conducted a hearing on the Company's various "first day motions" seeking relief to pay certain claims and continue its programs in the ordinary course of business going forward.

15. How long does the process take?

The Company anticipates moving through this process quickly and currently expects the process to take approximately 4-6 months.

16. Does the Company have enough money to stay in business and operate normally?

Yes. The Company has received a commitment for up to \$108 million from its existing lenders to support operations such as paying vendors and employees.

17. Will the filing affect your day-to-day operations?

No. We will be operating as usual with respect to its approximately 269 on-going stores. The company decided prior to filing for chapter 11 that it needed to close 74 underperforming stores and at the hearing on August 7, 2018, the Court authorized the Debtors' to conduct these store closings.

18. What is the difference between a pre-petition and post-petition claim?

If the claim for goods provided or services rendered arose prior to August 6, 2018 (i.e. the petition date), then these claims are prepetition claims. If the claim for the goods

provided or services rendered arose on or after the petition date, they are considered postpetition claims. Post-petition claims are given administrative claim priority status in chapter 11 proceedings and will be paid in the ordinary course of business.

19. When will I receive payment for goods and services delivered before the chapter 11 filing?

Unfortunately under the U.S. bankruptcy code, we are prohibited from paying for goods and services provided prior to the chapter 11 filing absent court order and any unpaid obligations incurred prior to August 6, 2018, are now froze for non-critical vendor claims. We regret any hardship this may present you and we hope we can work through issues together.

20. I understand there is a “critical vendor agreement” that the court authorized the Company to enter into at the First Day Hearing. Can I become part of it?

Please reach out to your usual contact to express your interest. The Company is evaluating these requests and will get back to you shortly.

21. What will my recovery be for the pre-petition amounts I am owed?

At this time, we cannot predict the amount of payment holders of unsecured claims will receive. Payments for all pre-petition goods or services will be determined at the conclusion of the chapter 11 case.

22. Will I receive payment for future orders?

Yes. Going forward, you will be paid in full and in the ordinary course of business for any future goods or services you provide the Company.

23. Why should I sell you goods and services now?

We understand your concern; however, we are required under the bankruptcy code to pay you per the terms of our agreement for any goods and services received from August 6, 2018 forward. This means that you can be assured of payment going forward for goods you provide postpetition.

24. Will you attempt to negotiate new terms given the filing?

No. However, the Company will continue to review the benefits and opportunities it has to improve its overall supplier relationships in the normal course of business.

25. What is a Proof of Claim form? How do I file one?

The Proof of Claim form is an official document filed with the Bankruptcy Court that provides details about the amount a creditor was owed by the Company prior to their chapter 11 filing. Once the Bankruptcy Court has confirmed the procedure and deadline for filing claims, every creditor will be mailed a Proof of Claim form with instructions along with a Bar Date of Notice or deadline for submission. Any questions regarding filing a claim should be directed to your legal counsel. For further information on claims, please

visit <https://cases.primeclerk.com/nationalstores> or call (844) 384-4470 (toll free from the US or Canada) or +1 (347) 859-8088 (international).

26. Can I take back my goods?

With limited exceptions, the bankruptcy code prohibits a seller from repossessing goods after a buyer has filed for chapter 11. The bankruptcy court entered an order at the first day hearing approving prepetition reclamation claims. This order can be downloaded at <https://cases.primeclerk.com/nationalstores>. We suggest you consult your legal counsel before attempting to take any such action. In addition, if you have a contract with the Company, the Bankruptcy Code generally requires that you continue to perform services or provide products unless otherwise ordered by the Bankruptcy Court.

27. Someone called me and offered to pay me for part of my invoice. Who are they? What happens if I agree?

There are companies who specialize in buying pre-petition invoices (for goods and services received prior to the filing date), or claims. These companies are not affiliated with us in any way. Because our liabilities are public record, they are able to gather to whom we owe money to and the amounts. If you sell your claim to them, any Court approved monetary recovery for your claim would go to them and not you. We cannot advise in this regard.

28. Give me the details. Where did you file, who is the judge and what is the case number?

Court filings as well as other information related to the restructuring are available at <https://cases.primeclerk.com/nationalstores> or by calling (844) 384-4470 (toll free from the US or Canada) or +1 (347) 859-8088 (international).

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